

CS FOR HOUSE BILL NO. 168(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 3/26/93
Referred: Finance

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to multiple-beneficiary charitable gaming permits and door prizes
2 for charitable gaming; requiring Department of Commerce and Economic
3 Development approval of contracts between charitable gaming permittees and
4 operators before gaming may occur; limiting the amount of authorized expenses
5 to a percentage of adjusted gross income for a charitable gaming activity; and
6 providing for an effective date."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 05.15.060(8) is amended to read:

9 (8) the number of activities that may be held, operated, or conducted
10 under a permit during a specified period; however, the department may not allow more
11 than 14 bingo sessions a month and 35 bingo games a session to be conducted under
12 a permit; the holders of a multiple-beneficiary permit under AS 05.15.100(d) may
13 hold, operate, or conduct the number of sessions and games a month equal to the

1 **number allowed an individual permittee multiplied by the number of holders of**
2 **the multiple-beneficiary permit:**

3 * Sec. 2. AS 05.15.100 is amended by adding a new subsection to read:

4 (d) The commissioner may issue a multiple-beneficiary permit to two to six
5 municipalities or qualified organizations or to a combination of two to six
6 municipalities and qualified organizations that apply jointly for the permit. The permit
7 gives the permit holders the privilege of jointly conducting the activities specified in
8 (a) and (b) of this section, subject to the restrictions set out in (b) of this section.

9 * Sec. 3. AS 05.15.112(a) is amended to read:

10 (a) Each municipality or qualified organization that receives a permit under
11 this chapter shall designate a member in charge. **Municipalities and qualified**
12 **organizations that hold a multiple-beneficiary permit shall jointly designate one**
13 **member in charge.**

14 * Sec. 4. AS 05.15.112(b) is amended to read:

15 (b) The member in charge is responsible for preparation, maintenance, and
16 transmittal of all records and reports required of the permittee. The member in charge
17 shall be a member of the qualified organization or the board of directors of the
18 qualified organization or an employee of the municipality. **In the case of a multiple-**
19 **beneficiary permit, the member in charge shall be a member of one of the**
20 **qualified organizations or the board of directors of one of the qualified**
21 **organizations or an employee of one of the municipalities.**

22 * Sec. 5. AS 05.15.112(d) is amended to read:

23 (d) The municipality or qualified organization, **or the holders of a multiple-**
24 **beneficiary permit,** shall designate alternate members in charge who are responsible
25 for the duties of the member in charge in the absence of the member in charge.

26 * Sec. 6. AS 05.15.115(d) is amended to read:

27 (d) A permittee shall submit **by certified mail** to the department **for approval**
28 a copy of each contract with an operator with whom the permittee contracts to conduct
29 activities subject to this chapter. **The contract must meet the requirements of this**
30 **section. The department shall approve or disapprove the contract. If the**
31 **contract is disapproved, reasons for the disapproval shall be provided in writing**

1 to the permittee. Activities may not be conducted under the contract before the
2 contract is approved. Subsequent amendments to an approved contract do not
3 take effect until the amendments are approved by the department [THE
4 PERMITTEE SHALL SUBMIT TO THE DEPARTMENT A COPY OF THE
5 CONTRACT OR SUBSEQUENT AMENDMENT OF THE CONTRACT BY
6 CERTIFIED MAIL AT LEAST 15 DAYS BEFORE ACTIVITIES ARE
7 CONDUCTED UNDER THE CONTRACT OR AMENDED CONTRACT].

8 * Sec. 7. AS 05.15.128(a) is amended to read:

9 (a) The department shall revoke the license of an operator who does not
10 (1) report an adjusted gross income of at least 15 percent of gross
11 income for two consecutive quarters based on the total operation of the operator; or
12 (2) pay to each authorizing permittee for two consecutive quarters at
13 least 40 percent of the adjusted gross income, as determined under (1) of this
14 subsection, from a pull-tab activity or at least 15 percent of the adjusted gross
15 income, as determined under (1) of this subsection, from a gaming activity other
16 than pull-tabs, received from activities conducted on behalf of the authorizing
17 permittee.

18 * Sec. 8. AS 05.15 is amended by adding a new section to read:

19 Sec. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (a) Two to six
20 municipalities or qualified organizations, or a combination of two to six municipalities
21 and qualified organizations, may jointly apply for a multiple-beneficiary permit under
22 AS 05.15.100(d). The commissioner may not issue or renew a permit except upon
23 satisfactory proof that each joint applicant is a municipality or qualified organization,
24 the activity may be permitted under this chapter, and the issuance of a permit is not
25 detrimental to the best interests of the public. Upon request of the commissioner, the
26 joint applicants shall prove conclusively each of these requirements before a permit
27 may be issued or renewed.

28 (b) The provisions of AS 05.15.140(b) - (d) apply to multiple-beneficiary
29 permits and applications for them.

30 (c) A municipality or qualified organization that is among the holders of a
31 multiple-beneficiary permit may not hold another permit under this chapter.

1 (d) A municipality or qualified organization that is among the holders of a
2 multiple-beneficiary permit may withdraw from the permit by giving written notice of
3 intent to withdraw to the department and to the other holders of the permit. The
4 effective date of the withdrawal is 30 days after the department receives written notice
5 of intent. A municipality or qualified organization that withdraws from a multiple-
6 beneficiary permit may apply for a permit under AS 05.15.100(a), but its share of the
7 prizes awarded under the multiple-beneficiary permit and the prizes it awards under
8 its own permit are subject to the maximums established in AS 05.15.180(g).

9 (e) The holders of a multiple-beneficiary permit shall jointly file reports with
10 the department that comply with the reporting requirements imposed on operators
11 under AS 05.15.083.

12 * Sec. 9. AS 05.15.160 is amended by adding new subsections to read:

13 (c) The total amount of authorized expenses that may be incurred under (a) of
14 this section in connection with a pull-tab activity may not exceed 60 percent of the
15 adjusted gross income from that pull-tab activity.

16 (d) The total amount of authorized expenses that may be incurred under (a) of
17 this section in connection with any gaming activity other than pull-tabs may not exceed
18 85 percent of the adjusted gross income from that gaming activity.

19 * Sec. 10. AS 05.15.180(d) is amended to read:

20 (d) The total value of door prizes offered or awarded under authority of a
21 permit issued to a municipality or qualified organization under this chapter or under
22 authority of a multiple-beneficiary permit may not exceed \$20,000 a month or
23 \$240,000 a year.

24 * Sec. 11. AS 05.15.180(e) is amended to read:

25 (e) The total value of all door prizes offered or awarded at a single facility or
26 bingo hall or parlor by an operator on behalf of authorizing permittees [OR BY A
27 PERMITTEE IN CONJUNCTION WITH OTHER PERMITTEES] may not exceed
28 \$20,000 a month or \$240,000 a year.

29 * Sec. 12. AS 05.15.180(g) is amended to read:

30 (g) A municipality or a qualified organization may award a maximum of
31 \$1,000,000 in prizes each year in activities authorized under this chapter; however, if

1 a municipality or a qualified organization contracts with an operator to conduct on its
2 behalf activities authorized under this chapter, the municipality or qualified
3 organization may award a maximum of \$500,000 in prizes each year. The holders of
4 a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in
5 prizes each year of \$1,000,000 times the number of holders of the permit for
6 activities authorized under this chapter. In this subsection "activities authorized
7 under this chapter" means all activities subject to this chapter other than bingo.

8 * Sec. 13. AS 05.15.187(f) is amended to read:

9 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION]
10 that had gross receipts exceeding \$100,000 during the preceding year from activities
11 conducted under this chapter or that is required to report under AS 05.15.080(a), that
12 conducts a pull-tab game shall maintain records for two years of each prize of \$50 or
13 more, the first day and last day that each series was distributed, the serial number of
14 each series, and the distributor from whom each series was purchased. In this section
15 "permittee" includes municipalities and qualified organizations that jointly hold
16 a multiple-beneficiary permit.

17 * Sec. 14. Except for secs. 7 and 9 of this Act, this Act takes effect immediately under
18 AS 01.10.070(c).

19 * Sec. 15. Sections 7 and 9 of this Act take effect January 1, 1994.