

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

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 5/8/93**

**Referred: Today's Calendar**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act allowing the holders of a multiple-beneficiary charitable gaming permit  
2 that consists entirely of noncommercial broadcasting stations or networks of such  
3 stations to sell a pull-tab series at more than one location during the same day  
4 if the sales are made at the customary business location of one or more of the  
5 holders, at another location by an employee of one of the stations or networks,  
6 or by a registered vendor; allowing permittees that are noncommercial  
7 broadcasting stations or networks of such stations to contract with vendors to sell  
8 pull-tabs on behalf of the permittee at certain retail establishments and eating  
9 establishments; requiring at least 50 percent of the net proceeds of certain  
10 activities conducted by noncommercial broadcasting stations and networks of those  
11 stations be placed in an endowment fund, the earnings of which may be used  
12 for the purposes, and under the procedures, provided by law; prohibiting a pull-

1 tab game that provides a right to participate in a lottery if a prize or award  
2 in the lottery exceeds \$250,000; requiring a vendor contracting with a permittee  
3 that is a noncommercial broadcasting station or a network of such stations to  
4 pay the permittee at least 80 percent of the ideal net for each pull-tab series  
5 delivered to the vendor by the permittee; requiring regulations relating to pull-  
6 tabs to be consistent with North American Gaming Regulators Association  
7 standards on pull-tabs to the extent permitted by charitable gaming laws; allowing  
8 permittees to contract with vendors to sell pull-tabs on behalf of the permittee  
9 at an establishment holding a package store license and certain establishments  
10 holding a beverage dispensary license; allowing municipalities to prohibit vendors  
11 from conducting gaming activities within the municipality; restricting the purchase  
12 of pull-tabs by permittees, licensees, and vendors and their owners, managers, and  
13 employees; requiring receipts before prizes of \$50 or more may be awarded in  
14 pull-tab games; prohibiting distributors from supplying pull-tabs to vendors;  
15 requiring the registration of vendors and regulating activities involving them;  
16 requiring the licensing of out-of-state pull-tab manufacturers and increasing the  
17 annual licensing fee for pull-tab manufacturers; requiring the department  
18 regulating charitable gaming to approve contracts between permittees and operators  
19 before gaming may occur; preventing persons with felony convictions or  
20 convictions for crimes involving theft or dishonesty or a violation of gambling  
21 laws from being involved in charitable gaming activities as a permittee, licensee,  
22 vendor, person responsible for the operation of an activity, fund raiser or  
23 consultant of a licensee or vendor, or employee in a managerial or supervisory  
24 capacity, and providing exceptions for certain persons whose convictions are at

1 least 10 years old and are not for violation of an unclassified felony described  
2 in AS 11, a class A felony, or extortion; relating to multiple-beneficiary charitable  
3 gaming permits and door prizes for charitable gaming; requiring operators to pay  
4 permittees each quarter at least 30 percent of the adjusted gross income from  
5 a pull-tab activity and limiting operators to expenses of not more than 70 percent  
6 of the adjusted gross income from that activity; requiring operators to pay  
7 permittees each quarter at least 10 percent of the adjusted gross income from  
8 a charitable gaming activity other than pull-tabs and limiting operators to  
9 expenses of not more than 90 percent of the adjusted gross income from that  
10 activity; requiring a permittee who uses a pull-tab vendor to enter into a  
11 contract with that vendor; requiring a vendor contracting with a permittee to pay  
12 the permittee at least 70 percent of the ideal net for each pull-tab series  
13 delivered to the vendor by the permittee; requiring that operators report an  
14 adjusted gross income of at least 15 percent of gross income each quarter;  
15 allowing the commissioner regulating charitable gaming to issue orders prohibiting  
16 violations of state gaming laws; relating to the authority of the commissioner  
17 regulating charitable gaming to suspend or revoke a permit, license, or  
18 registration; prohibiting the payment of any portion of the net proceeds of a  
19 bingo or pull-tab game to a registered lobbyist; providing a penalty for false  
20 statements in gaming license applications; providing communities with the authority  
21 by local option election to prohibit charitable gaming within the community; and  
22 providing for an effective date."

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

24 \* Section 1. This Act may be known as the Gambling Limitation Act of 1993.

1 \* Sec. 2. AS 05.15.060 is amended to read:

2 Sec. 05.15.060. REGULATIONS. The department shall adopt regulations  
3 under the Administrative Procedure Act (AS 44.62) necessary to carry out this chapter  
4 covering, but not limited to,

5 (1) the issuance, renewal, and revocation of permits, [AND] licenses,  
6 and vendor registrations;

7 (2) a method of ascertaining net proceeds, the determination of items  
8 of expense that may be incurred or paid, and the limitation of the amount of the items  
9 of expense to prevent the proceeds from the activity permitted from being diverted to  
10 noncharitable, noneducational, nonreligious, or profit-making organizations, individuals,  
11 or groups;

12 (3) the immediate revocation of permits, [AND] licenses, and vendor  
13 registrations authorized under this chapter if this chapter or regulations adopted under  
14 it are violated;

15 (4) the requiring of detailed, sworn, financial reports of operations from  
16 permittees and licensees including detailed statements of receipts and payments;

17 (5) the investigation of permittees, licensees, registered vendors, and  
18 their employees, including the fingerprinting of those permittees, licensees, registered  
19 vendors, and employees whom the commissioner considers it advisable to fingerprint;

20 (6) [EXCLUSION FROM PARTICIPATION AS A PERMITTEE,  
21 LICENSEE, OR EMPLOYEE OF A PERMITTEE OR LICENSEE, OF A PERSON  
22 CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN  
23 THE PRECEDING FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING  
24 THEFT OR DISHONESTY OR OF A VIOLATION OF A MUNICIPAL, STATE, OR  
25 FEDERAL GAMBLING LAW;

26 (7)] the method and manner of conducting authorized activities and  
27 awarding of prizes or awards, and the equipment that may be used;

28 (7) [(8)] the number of activities that may be held, operated, or  
29 conducted under a permit during a specified period; however, the department may not  
30 allow more than 14 bingo sessions a month and 35 bingo games a session to be  
31 conducted under a permit; the holders of a multiple-beneficiary permit under

1 AS 05.15.100(d) may hold, operate, or conduct the number of sessions and games  
2 a month equal to the number allowed an individual permittee per month  
3 multiplied by the number of holders of the multiple-beneficiary permit:

4 (8) [(9)] a method of accounting for receipts and disbursements by  
5 operators, including the keeping of records and requirements for the deposit of all  
6 receipts in a bank;

7 (9) [(10)] the disposition of funds in possession of a permittee, [OR]  
8 a person, municipality, or qualified organization that possesses an operator's license,  
9 or a registered vendor at the time a permit, [OR] a license, or a vendor registration  
10 is surrendered, revoked, or invalidated;

11 (10) [(11)] restrictions on the participation by employees of the  
12 Department of Fish and Game in salmon classics; and in king salmon classics, and by  
13 employees of Douglas Island Pink and Chum in king salmon classics;

14 (11) [(12)] other matters the commissioner considers necessary to carry  
15 out this chapter or protect the best interest of the public.

16 \* Sec. 3. AS 05.15.060 is amended by adding a new subsection to read:

17 (b) Regulations adopted by the department under this section relating to  
18 charitable gaming activity involving pull-tabs shall, to the extent permitted by this  
19 chapter, be consistent with the standards on pull-tabs of the North American Gaming  
20 Regulators Association, as amended from time to time.

21 \* Sec. 4. AS 05.15.070 is amended to read:

22 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The  
23 commissioner may examine or have examined the books and records of a permittee,  
24 an operator, a registered vendor, or a person licensed to manufacture or to distribute  
25 pull-tab games in the state. The commissioner may issue subpoenas for the attendance  
26 of witnesses and the production of books, records, and other documents.

27 \* Sec. 5. AS 05.15.100 is amended by adding a new subsection to read:

28 (d) The commissioner may issue a multiple-beneficiary permit to two to six  
29 municipalities or qualified organizations or to a combination of two to six  
30 municipalities and qualified organizations that apply jointly for the permit. The permit  
31 gives the permit holders the privilege of jointly conducting the activities specified in

1 (a) and (b) of this section, subject to the restrictions set out in (b) of this section.

2 \* Sec. 6. AS 05.15 is amended by adding a new section to read:

3 Sec. 05.15.105. PERSONS PROHIBITED FROM INVOLVEMENT;  
4 EXCEPTIONS. (a) If a person has been convicted of a violation of a law of this state  
5 that is, or a law or ordinance of another jurisdiction that would be if it had been  
6 committed in this state, a felony, or a violation of a law or ordinance of this state or  
7 another jurisdiction that is a crime involving theft or dishonesty or a violation of  
8 gambling laws

9 (1) the department may not issue a license to the person;

10 (2) the department may not issue a license to, or register as a vendor,  
11 an applicant who employs the person in a managerial or supervisory capacity or uses  
12 the person as a fund raiser or consultant;

13 (3) the department may not issue a permit for an activity if the person  
14 is responsible for the operation of the activity;

15 (4) the person may not be employed in a managerial or supervisory  
16 capacity by a licensee or vendor or used as a fund raiser or consultant by a licensee  
17 or vendor;

18 (5) the person may not participate in charitable gaming as a permittee,  
19 licensee, or vendor.

20 (b) The department shall adopt regulations that provide that a disqualification  
21 of a person under (a) of this section based upon a conviction of that person for a  
22 violation

23 (1) of a law of this state that is, or a law or ordinance of another  
24 jurisdiction that would be if it was committed in this state, a class B felony other than  
25 extortion, a class C felony, or an unclassified felony described outside of AS 11, and  
26 that is not a crime of dishonesty or theft or a violation of gambling laws, terminates  
27 10 years after the person's conviction;

28 (2) of a law or ordinance of this state or another jurisdiction that is a  
29 crime involving theft or dishonesty or a violation of gambling laws, and that is not,  
30 or would not be if it was committed in this state, an unclassified felony described in  
31 AS 11, a class A felony, or extortion, terminates 10 years after the person's conviction,

1 if the department determines that the  
2 (A) person is of good character, honesty, and integrity; and  
3 (B) person's involvement in charitable gaming is not against the  
4 public interest.

5 \* Sec. 7. AS 05.15.112(a) is amended to read:

6 (a) Each municipality or qualified organization that receives a permit under  
7 this chapter shall designate a member in charge. Municipalities and qualified  
8 organizations that hold a multiple-beneficiary permit shall jointly designate one  
9 member in charge.

10 \* Sec. 8. AS 05.15.112(b) is amended to read:

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

18 \* Sec. 9. AS 05.15.112(d) is amended to read:

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

22 \* Sec. 10. AS 05.15.115(d) is amended to read:

23 (d) A permittee shall submit by certified mail to the department for approval  
24 a copy of each contract with an operator with whom the permittee contracts to conduct  
25 activities subject to this chapter. The contract must meet the requirements of this  
26 section. The department shall approve or disapprove the contract. If the  
27 contract is disapproved, reasons for the disapproval shall be provided in writing  
28 to the permittee. Activities may not be conducted under the contract before the  
29 contract is approved. Subsequent amendments to an approved contract do not  
30 take effect until the amendments are approved by the department [THE  
31 PERMITTEE SHALL SUBMIT TO THE DEPARTMENT A COPY OF THE

1 CONTRACT OR SUBSEQUENT AMENDMENT OF THE CONTRACT BY  
2 CERTIFIED MAIL AT LEAST 15 DAYS BEFORE ACTIVITIES ARE  
3 CONDUCTED UNDER THE CONTRACT OR AMENDED CONTRACT].

4 \* Sec. 11. AS 05.15.124 is amended to read:

5 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A  
6 municipality may by ordinance prohibit an operator or a vendor from conducting  
7 activities under this chapter within the municipality.

8 \* Sec. 12. 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 each quarter [TWO CONSECUTIVE QUARTERS] based on the total  
12 operation of the operator; or

13 (2) pay to each authorizing permittee for each quarter [TWO  
14 CONSECUTIVE QUARTERS] at least 30 percent of the adjusted gross income, as  
15 determined under (1) of this subsection, from a pull-tab activity or at least 10 [15]  
16 percent of the adjusted gross income, as determined under (1) of this subsection, from  
17 a gaming activity other than pull-tabs, received from activities conducted on behalf  
18 of the authorizing permittee.

19 \* Sec. 13. AS 05.15.140(b) is amended to read:

20 (b) In an application for a permit, a municipality or qualified organization shall  
21 disclose the name and address of each person responsible for the operation of the  
22 activity and whether any person named

23 (1) has been convicted of [, IN PRISON FOR, OR ON PAROLE FOR]  
24 a violation of a law of this state that is, or a law or ordinance of another state that  
25 would be if committed in this state, an unclassified felony described in AS 11, a  
26 Class A felony, extortion, or a violation of a law or ordinance of this state or  
27 another jurisdiction that is [WITHIN THE PRECEDING FIVE YEARS, OR  
28 CONVICTED OF] a crime involving theft or dishonesty or [OF] a violation of [A  
29 MUNICIPAL, STATE, OR FEDERAL] gambling laws [LAW]; or

30 (2) has a prohibited financial interest, as defined in regulations adopted  
31 by the commissioner, in the operation of the activity.

1     \* Sec. 14. AS 05.15 is amended by adding a new section to read:

2             Sec. 05.15.145. **MULTIPLE-BENEFICIARY PERMITS.** (a) Two to six  
3 municipalities or qualified organizations, or a combination of two to six municipalities  
4 and qualified organizations, may jointly apply for a multiple-beneficiary permit under  
5 AS 05.15.100(d). The commissioner may not issue or renew a permit except upon  
6 satisfactory proof that each joint applicant is a municipality or qualified organization,  
7 the activity may be permitted under this chapter, and the issuance of a permit is not  
8 detrimental to the best interests of the public. Upon request of the commissioner, the  
9 joint applicants shall prove conclusively each of these requirements before a permit  
10 may be issued or renewed.

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

13             (c) A municipality or qualified organization that is among the holders of a  
14 multiple-beneficiary permit may withdraw from the permit by giving written notice of  
15 intent to withdraw to the department and to the other holders of the permit. The  
16 effective date of the withdrawal is 30 days after the department receives written notice  
17 of intent. A municipality or qualified organization that withdraws from a multiple-  
18 beneficiary permit may apply for a permit under AS 05.15.100(a), but its share of the  
19 prizes awarded under the multiple-beneficiary permit and the prizes it awards under  
20 its own permit are subject to the maximums established in AS 05.15.180(g).

21             (d) The holders of a multiple-beneficiary permit shall jointly file reports with  
22 the department that comply with the reporting requirements imposed on operators  
23 under AS 05.15.083.

24     \* Sec. 15. AS 05.15.150(a) is amended to read:

25             (a) The authority to conduct the activity authorized by this chapter is  
26 contingent upon the dedication of the net proceeds of the charitable gaming activity  
27 [RAFFLES OR CONTESTS] to the awarding of prizes to contestants or participants  
28 and to political, educational, civic, public, charitable, patriotic or religious uses in the  
29 state. "Political, educational, civic, public, charitable, patriotic, or religious uses" means  
30 uses benefiting persons either by bringing them under the influence of education or  
31 religion or relieving them from disease, suffering, or constraint, or by assisting them

1 in establishing themselves in life, or by providing for the promotion of the welfare and  
2 well-being of the membership of the organization within their own community, or  
3 through aiding candidates for public office or groups that support candidates for public  
4 office, or by erecting or maintaining public buildings or works, or lessening the burden  
5 on government, but does not include

6 (1) the direct or indirect payment of any portion of the net  
7 proceeds of a bingo or pull-tab game to a lobbyist registered under AS 24.45; or

8 (2) the erection, acquisition, improvement, maintenance, or repair of  
9 real, personal, or mixed property unless it is used exclusively for one or more of the  
10 permitted uses [STATED].

11 \* Sec. 16. AS 05.15.160 is amended by adding new subsections to read:

12 (c) The total amount of authorized expenses that may be incurred under (a) of  
13 this section in connection with a pull-tab activity may not exceed 70 percent of the  
14 adjusted gross income from that pull-tab activity.

15 (d) The total amount of authorized expenses that may be incurred under (a) of  
16 this section in connection with any gaming activity other than pull-tabs may not exceed  
17 90 percent of the adjusted gross income from that gaming activity.

18 \* Sec. 17. AS 05.15.170 is repealed and reenacted to read:

19 Sec. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT, LICENSE,  
20 OR VENDOR REGISTRATION. (a) The department may suspend, for a period of  
21 up to one year, or revoke a permit, license, or vendor registration, after giving notice  
22 to and an opportunity to be heard by the permittee or licensee, if the permittee,  
23 licensee, or vendor

24 (1) violates or fails to comply with a requirement of this chapter or of  
25 a regulation adopted under this chapter;

26 (2) breaches a contractual agreement with a permittee, licensee, or  
27 registered vendor;

28 (3) becomes disqualified to participate in charitable gaming as provided  
29 in AS 05.15.105; for the purposes of this paragraph, a permittee, licensee, or vendor  
30 that is not a natural person is considered convicted if an owner or manager of the  
31 permittee, licensee, or vendor is convicted; or

1 (4) knowingly submits false information to the department or, in the  
2 case of a registered vendor, to a permittee when the vendor knows that the false  
3 information will be submitted to the department as part of an application for  
4 registration;

5 (5) gives or acts upon any inside information on the status of the prizes  
6 awarded or to be awarded in a pull-tab game.

7 (b) If the department revokes a license or vendor registration under this  
8 section, it may prohibit the licensee or vendor from reapplying for a license or vendor  
9 registration for a period of not more than five years. If the department revokes a  
10 permit under this section, it may prohibit the permittee from reapplying for a permit  
11 for a period of not more than one year.

12 \* Sec. 18. AS 05.15.180(d) is amended to read:

13 (d) The total value of door prizes offered or awarded under authority of a  
14 permit issued to a municipality or qualified organization under this chapter or under  
15 authority of a multiple-beneficiary permit may not exceed \$20,000 a month or  
16 \$240,000 a year.

17 \* Sec. 19. AS 05.15.180(e) is amended to read:

18 (e) The total value of all door prizes offered or awarded at a single facility or  
19 bingo hall or parlor by an operator on behalf of authorizing permittees [OR BY A  
20 PERMITTEE IN CONJUNCTION WITH OTHER PERMITTEES] may not exceed  
21 \$20,000 a month or \$240,000 a year.

22 \* Sec. 20. AS 05.15.180(g) is amended to read:

23 (g) A municipality or a qualified organization may award a maximum of  
24 \$1,000,000 in prizes each year in activities authorized under this chapter; however, if  
25 a municipality or a qualified organization contracts with an operator to conduct on its  
26 behalf activities authorized under this chapter, the municipality or qualified  
27 organization may award a maximum of \$500,000 in prizes each year. The holders of  
28 a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in  
29 prizes each year of \$1,000,000 times the number of holders of the permit for  
30 activities authorized under this chapter. In this subsection "activities authorized  
31 under this chapter" means all activities subject to this chapter other than bingo.

1 \* Sec. 21. AS 05.15.181(a) is amended to read:

2 (a) A person may not manufacture pull-tabs in the state, and may not sell or  
3 distribute a pull-tab that the person has manufactured outside of the state to  
4 persons in the state, unless the person has received a pull-tab manufacturer's license  
5 issued by the department.

6 \* Sec. 22. AS 05.15.181(b) is amended to read:

7 (b) The department may issue a pull-tab manufacturer's license to a person  
8 who pays an annual fee of \$2,500 [\$500].

9 \* Sec. 23. AS 05.15.183 is amended by adding a new subsection to read:

10 (e) A distributor may not  
11 (1) take an order for the purchase of a pull-tab series from a vendor;  
12 (2) sell a pull-tab series to a vendor; or  
13 (3) deliver a pull-tab series to a vendor.

14 \* Sec. 24. AS 05.15.187(e) is amended to read:

15 (e) Pull-tabs may not be sold to a person under the age of 21 [19] years. A  
16 person under the age of 21 [19] years may not purchase a pull-tab.

17 \* Sec. 25. AS 05.15.187(f) is amended to read:

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

26 \* Sec. 26. AS 05.15.187(g) is amended to read:

27 (g) Notwithstanding other provisions of this chapter, a pull-tab game that  
28 confers an additional right upon all or some of the purchasers of a pull-tab series to  
29 participate in a lottery for additional prizes may not be conducted in the state unless

30 (1) a surety bond in the amount of \$250,000 conditioned upon payment  
31 of all prizes and awards when due is submitted to the department by the operator or

1 authorizing permittee and approved by the attorney general; and  
2 (2) each prize or award under the lottery does not exceed \$250,000.

3 \* Sec. 27. AS 05.15.187 is amended by adding new subsections to read:

4 (h) An owner, manager, or employee of a person holding a permit or license  
5 under this chapter, or registered under this chapter as a vendor, may not purchase a  
6 pull-tab from a pull-tab series manufactured, distributed, or sold by the permittee,  
7 licensee, or registered vendor.

8 (i) A permittee, operator, or registered vendor may not turn over a prize of \$50  
9 or more to a person with a pull-tab card entitling the person to that prize unless the  
10 person signs a receipt for the prize and returns the receipt to the permittee, operator,  
11 or vendor. The receipt must be in a form approved by the department.

12 (j) Notwithstanding (b) of this section, the department shall allow the  
13 permittees of a multiple-beneficiary charitable gaming permit that is held solely by  
14 noncommercial broadcasting stations or networks of those stations to sell a pull-tab  
15 series at more than one location during the same day if the sales are made (1) at the  
16 customary place of business of one or more of the participating stations or networks;  
17 (2) at another location if the sales are made by an employee of one of the stations or  
18 networks; or (3) by a registered vendor. Notwithstanding AS 05.15.188(i), if the sales  
19 under this subsection are made by a registered vendor, the contract between the  
20 permittees and the vendor must provide that the permittees shall receive no less than  
21 80 percent of the ideal net. Not less than 50 percent of the net proceeds from an  
22 activity conducted under this subsection must be placed by the noncommercial  
23 broadcasting stations or networks of those stations in an endowment fund, the earnings  
24 of which may be used, for the purposes and uses, and under the procedures, provided  
25 in AS 05.15.150.

26 \* Sec. 28. AS 05.15 is amended by adding a new section to article 2 to read:

27 Sec. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF  
28 PERMITTEES; VENDOR REGISTRATION. (a) A permittee may contract with a  
29 vendor to sell pull-tabs on behalf of the permittee, if the permittee first registers the  
30 vendor with the department by applying for registration on a form prescribed by the  
31 department and by submitting the registration fee of \$50 for each location at which the

1 vendor will sell pull-tabs.

2 (b) A permittee that is a noncommercial broadcasting station or a network of  
3 such stations may not contract with a vendor as defined under AS 05.15.210(43)(C)(ii)  
4 to sell pull-tabs on behalf of the permittee.

5 (c) Upon approval of the vendor registration, the department shall issue an  
6 endorsement to the permittee's permit that authorizes the conduct of pull-tab sales at  
7 that vendor location.

8 (d) The endorsement issued under (c) of this section is an extension of the  
9 permittee's privilege under AS 05.15.100 to conduct pull-tab sales in this state. A  
10 vendor may not sell a pull-tab series until a copy of the permit containing the  
11 endorsement for the new vendor location has been posted by the permittee in the  
12 registered vendor establishment. The endorsed permit must be clearly visible to the  
13 gaming public.

14 (e) A separate endorsement shall be issued for each vendor location. The  
15 permittee shall inform the department when a vendor with whom the permittee is  
16 contracting changes the physical location at which pull-tabs are sold, and shall return  
17 to the department all copies of a permit endorsed to a vendor that is no longer selling  
18 pull-tabs on behalf of the permittee. Failure to inform the department of a change in  
19 vendor location, or to return the endorsed copies of a permit to the department after  
20 a vendor change, may constitute grounds for the suspension or revocation of a  
21 permittee's permit.

22 (f) At the time that a permittee annually renews its permit, it shall also renew  
23 the registration of all locations where a vendor is selling pull-tabs on the permittee's  
24 behalf and shall pay a registration fee of \$50 for each vendor location.

25 (g) A permittee that uses a vendor to sell pull-tabs on its behalf shall enter into  
26 a written contract with that vendor. The department may inspect this contract. If the  
27 contract contains provisions that violate this chapter or the regulations adopted under  
28 it, the department may declare the contract void, and may suspend or revoke the  
29 registration of the vendor and the permit of the permittee.

30 (h) A person, other than a permittee's member-in-charge, may not directly  
31 supply a pull-tab series to a registered vendor for sale by that vendor on behalf of the

1           permittee.

2           (i) If a permittee contracts with a vendor under (a) of this section, the contract  
3 must provide that the permittee shall receive no less than 70 percent of the ideal net.

4           (j) An amount equal to the ideal net less the compensation owed to the vendor  
5 shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series  
6 to the vendor for sale. The amount required to be paid by the vendor shall be paid by  
7 check and the check may not be drawn in a manner that the payee is not identified.

8           (k) An operator may not contract with or use a vendor to sell pull-tabs.

9           (l) A permittee may not contract with more than five vendors under this  
10 section.

11 \* **Sec. 29.** AS 05.15 is amended by adding new sections to read:

12           Sec. 05.15.195. ORDER PROHIBITING ACTION IN VIOLATION OF  
13 CHAPTER. (a) If the commissioner determines that a person has engaged in an act  
14 or practice in violation of this chapter or a regulation adopted under this chapter, the  
15 commissioner may, after giving reasonable notice to the person and an opportunity for  
16 the person to be heard, issue an order prohibiting the violation by the person. The  
17 order remains in effect until the person has submitted evidence acceptable to the  
18 commissioner showing that the violation has been corrected.

19           (b) If the public interest requires, the commissioner may issue an emergency  
20 order prohibiting an act or practice in violation of this chapter or a regulation adopted  
21 under this chapter without notice to or an opportunity to be heard by the person  
22 affected by the order. The commissioner shall immediately serve the person with a  
23 copy of the emergency order. An emergency order expires 60 days after the date it  
24 is issued, if the person affected by the order requests a hearing within 15 days of  
25 receipt of the order. If the person does not request a hearing within 15 days of receipt  
26 of the emergency order, the order becomes permanent. Following a hearing, the  
27 commissioner may rescind, modify, or make permanent the emergency order.

28           (c) A party aggrieved by an order under this section may appeal to the superior  
29 court.

30           Sec. 05.15.197. PROHIBITION OF CHARITABLE GAMING. (a) The  
31 following question, appearing alone, may be placed before the voters of a municipality

1 or an established village in accordance with AS 05.15.198: "Shall charitable gaming  
2 in . . . . . (name of municipality or village) be prohibited? (yes or no)".

3 (b) If a majority of the voters vote "yes" on the question set out in (a) of this  
4 section, the department shall be notified immediately after certification of the results  
5 of the election and thereafter the department may not issue a license, permit, or vendor  
6 registration authorizing charitable gaming within the boundaries of a municipality and  
7 in unincorporated areas within five miles of the boundaries of the municipality or  
8 within the perimeter of an established village. Existing licenses, permits, and vendor  
9 registrations for charitable gaming within the boundaries of a municipality and in  
10 unincorporated areas within five miles of the boundaries of the municipality or within  
11 the perimeter of an established village that has prohibited charitable gaming by local  
12 option election held under this section are void 90 days after the results of the election  
13 are certified. A license or vendor registration that will expire during the 90 days after  
14 the results of a local option election under this section are certified is void as of the  
15 expiration date.

16 Sec. 05.15.198. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a) The  
17 local governing body of a municipality, whenever a number of registered voters equal  
18 to at least 10 percent of the number of votes cast at the last regular municipal election  
19 petition the local governing body to do so, shall place upon a separate ballot at the  
20 next regular election or at a special election the question set out in AS 05.15.197 that  
21 is the subject of the petition. The local governing body shall conduct the election in  
22 accordance with the election ordinance of the municipality.

23 (b) The lieutenant governor, whenever 10 percent of the registered voters  
24 residing within an established village petition the lieutenant governor to do so, shall  
25 place upon a separate ballot at a special election the question set out in AS 05.15.197  
26 that is the subject of the petition. The lieutenant governor shall conduct the election  
27 in the manner prescribed by AS 15 (Alaska Election Code).

28 (c) Notwithstanding any other provisions of law, an election under (a) or (b)  
29 of this section to remove a restriction on charitable gaming imposed under  
30 AS 05.15.197 may not be conducted more than once every 12 months.

31 (d) AS 29.26.110 - 29.26.160 apply to a petition under (a) of this section in

1 a general law municipality except the  
2 (1) number of required signatures is determined under (a) of this  
3 section rather than under AS 29.26.130;  
4 (2) application filed under AS 29.26.110 must contain the question set  
5 out under AS 05.15.197 rather than containing an ordinance or resolution;  
6 (3) petition must contain the question set out under AS 05.15.197 rather  
7 than material required under AS 29.26.120(a)(1) and (2).  
8 \* Sec. 30. AS 05.15.200(b) is amended to read:  
9 (b) A person who, with the intent to mislead a public servant in the  
10 performance of the public servant's duty, submits a false statement in an application  
11 for a permit, license, or vendor registration under this chapter [,] is guilty of unsworn  
12 falsification.  
13 \* Sec. 31. AS 05.15.210 is amended by adding new paragraphs to read:  
14 (36) "established village" means an unincorporated community that is  
15 in  
16 (A) the unorganized borough and that has 25 or more permanent  
17 residents; or  
18 (B) an organized borough, has 25 or more permanent residents;  
19 and  
20 (i) is on a road system and is located more than 50  
21 miles outside the boundary limits of a unified municipality; or  
22 (ii) is not on a road system and is located more than 15  
23 miles outside the boundary limits of a unified municipality;  
24 (37) "fund raiser or consultant" means a person who provides advice  
25 or technical assistance in support of or concerning the conduct of gaming activities  
26 under this chapter, whether the person is or is not an employee of a licensee;  
27 (38) "governing body" has the meaning given in AS 29.71.800.  
28 (39) "ideal net" means an amount equal to the total amount of receipts  
29 that would be received if every individual pull-tab ticket in a series were sold at face  
30 value, less the prizes to be awarded for that series;  
31 (40) "managerial or supervisory capacity" means that the employee

- 1 (A) is responsible for gaming receipts;
- 2 (B) has the authority to hire employees or to dismiss or  
3 otherwise discipline them;
- 4 (C) prepares financial reports required under this chapter;
- 5 (D) is responsible for keeping the accounts for activities under  
6 this chapter;
- 7 (E) is responsible for conducting activities under this chapter,  
8 including the arranging for locations at which those activities will occur; or
- 9 (F) is a fund raiser or a consultant;
- 10 (41) "noncommercial broadcasting station" means a radio or television  
11 station that is licensed by the Federal Communications Commission to a governmental  
12 entity or to an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3)  
13 (Internal Revenue Code);
- 14 (42) "permittee" means a municipality or a qualified organization that  
15 holds a valid permit under AS 05.15.100;
- 16 (43) "vendor" means a business whose primary activity is not regulated  
17 by this chapter but that
- 18 (A) is engaged in the sale of pull-tabs on behalf of a permittee;
- 19 (B) holds a business license under AS 43.70; and
- 20 (C) if
- 21 (i) a permittee is a noncommercial broadcasting station  
22 or a network of those stations, the business is a retail establishment or  
23 an eating establishment, and the establishment is not licensed under  
24 AS 04.11.090 or 04.11.150; or
- 25 (ii) a permittee is other than a permittee described in (i)  
26 of this subparagraph, the business is an establishment holding a  
27 beverage dispensary license under AS 04.11.090 that has not been  
28 designated by the Alcoholic Beverage Control Board under  
29 AS 04.16.049(a)(2) - (3), has not been exempted by the Department of  
30 Labor under AS 04.16.049(c) and AS 23.10.355, and if the  
31 establishment is a hotel, motel, resort, or similar business that caters to

- 1 the traveling public as a substantial part of its business, does not allow  
2 the sale of pull-tabs in a dining room, banquet room, guest room, or  
3 other public areas other than a room in which there is regularly  
4 maintained a fixed counter or service bar at which alcoholic beverages  
5 are sold or served to members of the public for consumption; or an  
6 establishment holding a package store license under AS 04.11.150.
- 7 \* Sec. 32. AS 05.15.122(c), 05.15.122(d), and 05.15.140(c) are repealed.
- 8 \* Sec. 33. AS 05.15.187(g)(2), 05.15.187(j), 05.15.188(b), 05.15.210(39), and  
9 05.15.210(43)(C)(i), are repealed January 1, 1996.
- 10 \* Sec. 34. Except for secs. 12 and 16 of this Act, this Act takes effect immediately under  
11 AS 01.10.070(c).
- 12 \* Sec. 35. Sections 12 and 16 of this Act take effect January 1, 1994.