

SENATE BILL NO. 27

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS ZHAROFF, Pearce

Introduced: 1/11/93

Referred: L&C, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Gaming Commission; and providing for an
2 effective date."

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

4 * Section 1. AS 05.15 is amended by adding new sections to read:

5 ARTICLE 4. ALASKA GAMING COMMISSION.

6 Sec. 05.15.300. ALASKA GAMING COMMISSION. (a) The Alaska Gaming
7 Commission is established in the Department of Commerce and Economic
8 Development. The commission is composed of five members appointed by the
9 governor, subject to confirmation by the legislature.

10 (b) Each member of the commission shall at the time of the member's
11 appointment be a resident of the state. One member shall be appointed from each of
12 the four judicial districts of the state, and the fifth member may reside anywhere in the
13 state.

14 (c) A person may not serve as a member of the commission if that person

1 (1) has been convicted of
2 (A) a felony; or
3 (B) an offense under this chapter, AS 11.66.200 - 11.66.280, or
4 a comparable provision of municipal, state, or federal law;
5 (2) holds an operator's license under AS 05.15.122 or a distributor's
6 license under AS 05.15.183; or
7 (3) is an elected official of the state or of a political subdivision of the
8 state.
9 (d) A person may not serve as a member of the commission until the
10 investigation required under AS 18.65.080(b) is completed.
11 (e) The commission shall elect a chair from its membership.
12 (f) Three members of the commission constitute a quorum for the transaction
13 of business.
14 Sec. 05.15.310. TERM OF OFFICE. (a) Members of the commission serve
15 staggered terms of four years. A vacancy is filled by appointment for the unexpired
16 term.
17 (b) A member may not serve for more than eight years.
18 Sec. 05.15.320. REMOVAL AND SUSPENSION OF MEMBERS. (a) The
19 governor may remove a member for cause, including incompetence, neglect of duty,
20 or misconduct in office. A member being removed for cause shall be given a copy of
21 the charges and afforded an opportunity to publicly present a defense in person or by
22 counsel upon not less than 10 days' notice. If a member is removed for cause, the
23 governor shall file with the lieutenant governor a complete statement of all charges
24 made against the member and the governor's findings based on the charges, together
25 with a complete record of the proceedings.
26 (b) The governor may immediately suspend a member for a violation of law
27 or for misconduct in office pending removal from office under (a) of this section.
28 Sec. 05.15.330. COMPENSATION AND PER DIEM. Members of the
29 commission do not receive a salary for their service on the commission but are entitled
30 to per diem and travel expenses authorized for state boards and commissions under
31 AS 39.20.180.

1 **Sec. 05.15.340. DUTIES AND POWERS OF THE COMMISSION.** (a) The
2 commission shall

3 (1) license, regulate, and supervise games of chance and contests of
4 skill under this chapter;

5 (2) hire an executive director and other staff as needed to enforce and
6 administer this chapter;

7 (3) meet at least once every three months; and

8 (4) adopt regulations necessary to carry out the provisions of this
9 chapter.

10 (b) The commission may appoint a hearing officer to conduct a hearing
11 required by this chapter or by a regulation adopted under it.

12 **Sec. 05.15.350. EMPLOYEES OF THE COMMISSION.** The executive
13 director of the commission is in the partially exempt service under AS 39.25.120.
14 Other employees of the commission are in the classified service under AS 39.25.100.

15 **Sec. 05.15.360. REGULATIONS OF THE COMMISSION.** The attorney
16 general shall enforce the regulations of the commission.

17 **Sec. 05.15.370. RECORDS OF THE COMMISSION.** (a) Except as provided
18 in (b) of this section, all records of the commission are public records and subject to
19 public inspection.

20 (b) Records relating to audits and investigations by the commission, both
21 ongoing and completed, are confidential, except for the audit report issued by the
22 commission and records submitted as evidence in an administrative or judicial
23 proceeding that results from an investigation.

24 **Sec. 05.15.380. PROCEEDS.** Fees and other money received by the
25 commission shall be paid into the general fund.

26 **Sec. 05.15.390. ADMINISTRATIVE PROCEDURE ACT.** The operations of
27 the commission are subject to AS 44.62 (Administrative Procedure Act).

28 **Sec. 05.15.400. CONFLICT OF INTEREST ACT.** The commission is subject
29 to AS 39.50 (conflict of interest).

30 * **Sec. 2.** AS 05.15.010 is repealed and reenacted to read:

31 **Sec. 05.15.010. ALASKA GAMING COMMISSION TO ADMINISTER**

1 **CHAPTER. The Alaska Gaming Commission shall administer this chapter.**

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

3 **(d) The commissioner may not issue a permit or license under this chapter to**
4 **a person who has, within one year preceding the person's application for a permit or**
5 **license, been a member of the Alaska Gaming Commission established under**
6 **AS 05.15.300.**

7 * **Sec. 4. AS 05.15.112 is amended by adding a new subsection to read:**

8 **(e) A person may not serve as a member in charge if the person has, within**
9 **the preceding one year, been a member of the Alaska Gaming Commission established**
10 **under AS 05.15.300.**

11 * **Sec. 5. AS 05.15.210(6) is repealed and reenacted to read:**

12 **(6) "commission" means the Alaska Gaming Commission;**

13 * **Sec. 6. AS 11.66.280(2) is amended to read:**

14 **(2) "gambling" means that a person stakes or risks something of value**
15 **upon the outcome of a contest of chance or a future contingent event not under the**
16 **person's control or influence, upon an agreement or understanding that person or**
17 **someone else will receive something of value in the event of a certain outcome;**
18 **"gambling" does not include**

19 **(A) bona fide business transactions valid under the law of**
20 **contracts for the purchase or sale at a future date of securities or commodities**
21 **and agreements to compensate for loss caused by the happening of chance,**
22 **including contracts of indemnity or guaranty and life, health, or accident**
23 **insurance; [OR]**

24 **(B) playing an amusement device that**

25 **(i) confers only an immediate right of replay not**
26 **exchangeable for something of value other than the privilege of**
27 **immediate replay; and**

28 **(ii) does not contain a method or device by**
29 **which the privilege of immediate replay may be cancelled or revoked;**
30 **or**

31 **(C) an activity authorized [BY THE COMMISSIONER OF**

- 1 **COMMERCE AND ECONOMIC DEVELOPMENT]** under AS 05.15;
- 2 * **Sec. 7.** AS 18.65.080 is amended by adding a new subsection to read:
- 3 (b) The Department of Public Safety shall investigate and ascertain whether
- 4 a person appointed by the governor to serve as a member of the Alaska Gaming
- 5 Commission has been convicted of a crime set out in AS 05.15.300(c).
- 6 * **Sec. 8.** AS 39.25.120(c) is amended by adding a new paragraph to read:
- 7 (23) the executive director of the Alaska Gaming Commission.
- 8 * **Sec. 9.** AS 39.50.200(b) is amended by adding a new paragraph to read:
- 9 (55) Alaska Gaming Commission (AS 05.15.300).
- 10 * **Sec. 10.** AS 44.62.330(a) is amended by adding a new paragraph to read:
- 11 (59) Alaska Gaming Commission (AS 05.15.300).
- 12 * **Sec. 11.** AS 44.66.010(a) is amended by adding a new paragraph to read:
- 13 (20) Alaska Gaming Commission (AS 05.15.300) -- June 30, 1997.
- 14 * **Sec. 12.** AS 05.15.210(8) and AS 44.33.020(31) are repealed.
- 15 * **Sec. 13.** INITIAL COMMISSION APPOINTMENTS. The governor shall make the
- 16 initial appointment of members of the Alaska Gaming Commission within 120 days after the
- 17 effective date of this Act. Notwithstanding AS 39.05.055(3), the governor shall set the terms
- 18 of initial members so that two members serve terms of four years, one member serves a term
- 19 of three years, one member serves a term of two years, and one member serves a term of one
- 20 year.
- 21 * **Sec. 14.** TRANSITION. (a) Regulations relating to games of chance and contests of
- 22 skill, adopted by the Department of Revenue or the Department of Commerce and Economic
- 23 Development under authority of AS 05.15 before July 1, 1993, and in effect on the effective
- 24 date of this Act remain in effect until regulations relating to that function that are adopted by
- 25 the Alaska Gaming Commission under AS 05.15 as amended by this Act, take effect. The
- 26 Alaska Gaming Commission shall administer the Department of Revenue and the Department
- 27 of Commerce and Economic Development regulations until its own take effect.
- 28 (b) Until the Alaska Gaming Commission is appointed, the Department of Commerce
- 29 and Economic Development shall administer games of chance and contests of skill under
- 30 AS 05.15 and under the regulations referred to in (a) of this section.
- 31 * **Sec. 15.** IMPLEMENTATION OF LEGISLATION. To be consistent with the changes

1 made by this legislation, wherever in AS 05.15 and in regulations adopted under those statutes
2 "Department of Commerce and Economic Development," "department," or "commissioner"
3 is used, they shall be read as referring to the Alaska Gaming Commission or commission
4 when to do so would implement the purposes of this Act. Under AS 01.05.031, the revisor
5 of statutes shall implement this section in the statutes, and, under AS 44.62.125(b)(6), the
6 regulations attorney shall implement this section in the administrative regulations.

7 * Sec. 16. This Act takes effect July 1, 1993.