

COMMITTEE REPORT

SENATE

Mr. President:

Date 1/19/90

The Committee on Finance has had CS 636

*relating to legalization of coin disburse*

under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR          AND THAT  
CS FOR          DO PASS
- "and" recommends it BE REFERRED TO THE           
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

\_\_\_\_\_ Chairman

Original sponsors: Gardiner and Freeman

Offered: 3/19/76  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 686

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to games of chance and skill."

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

8 \* Section 1. AS 05.15.100 is amended to read:

9 Sec. 05.15.100. COMMISSIONER OF REVENUE MAY ISSUE PERMITS. The  
10 commissioner of revenue may issue a permit to a qualified organization.  
11 The permit gives the organization the privilege of conducting bingo,  
12 raffles and lotteries, ice classics, rain classics, dog mushers' contests,  
13 fish derbies and contests of skill.

14 \* Sec. 2. AS 05.15.150(a) is amended to read:

15 (a) The authority to conduct the activity authorized by this  
16 chapter is contingent upon the dedication of the net proceeds of the  
17 raffles or contests to the awarding of prizes to contestants or partici-  
18 pants and to educational, civic, public, charitable, patriotic or  
19 religious uses in the state. "Educational, civic, public, charitable,  
20 patriotic, or religious uses" mean uses benefiting an indefinite number  
21 of persons either by bringing them under the influence of education or  
22 religion or relieving them from disease, suffering, or constraint, or  
23 by assisting them in establishing themselves in life or by providing for  
24 the promotion of the welfare and well-being of the membership of the  
25 organization or of the community, or by erecting or maintaining public  
26 buildings or works, or otherwise lessening the burden of government but  
27 do not include the rection, acquisition, improvement, maintenance, or  
28 repair of real, personal or mixed property unless it is used exclusively  
29 for one or more of the uses stated.

1 \* Sec. 3. AS 05.15.180(b) is amended to read:

2 (b) With the exception of raffles, lotteries and rain classics, no  
3 [NO] activity may be licensed under this chapter unless it existed in  
4 the state in substantially the same form and was conducted in substan-  
5 tially the same manner before January 1, 1959.

6 \* Sec. 4. AS 05.15.210(15) is amended to read:

7 (15) "qualified organization" means a bona fide civic or  
8 service organization or a bona fide religious, charitable, fraternal,  
9 labor or educational organization, police or fire department company,  
10 dog mushers' association, or fishing-derby association in the state,  
11 which operates without profits to its members and which has been in  
12 existence continually for a period of five years immediately before  
13 applying for a license, and the organization may be a firm, corporation,  
14 company, association or partnership;

15 \* Sec. 5. AS 05.15.210 is amended by adding new paragraph. o read:

16 (19) "labor organization" means an organization, not for  
17 pecuniary profit, constituted wholly or partly to bargain collectively  
18 or deal with employers, including the state and its political subdivi-  
19 sions, concerning grievances, terms, or conditions of employment or  
20 other mutual aid or protection in connection with employees;

21 (20) "rain classic" means a game of chance in which a prize  
22 is awarded for the closest guess of the amount of precipitation which  
23 is recorded at a certain location during a certain length of time.  
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Introduced: 2/5/76  
Referred: State Affairs

1 IN THE HOUSE

BY GARDINER AND FREEMAN

2 HOUSE BILL NO. 686

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the legalization of rain classics."

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

8 \* Section 1. AS 05.15.100 is amended to read:

9 Sec. 05.15.100. COMMISSIONER OF REVENUE MAY ISSUE PERMITS. The  
10 commissioner of revenue may issue a permit to a qualified organization.  
11 The permit gives the organization the privilege of conducting bingo,  
12 raffles and lotteries, ice classics, rain classics, dog mushers' con-  
13 tests, fish derbies and contests of skill.

14 \* Sec. 2. AS 05.15.180(b) is amended to read:

15 (b) With the exception of rain classics, no [NO] activity may be  
16 licensed under this chapter unless it existed in the state in substan-  
17 tially the same form and was conducted in substantially the same manner  
18 before January 1, 1959.

19 \* Sec. 3. AS 05.15.210 is amended by adding a new subsection to read:

20 (19) "rain classic" means a game of chance in which a prize  
21 is awarded for the closest guess of the amount of precipitation which  
22 is recorded at a certain location during a certain length of time.  
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commissioner of revenue shall submit a detailed report containing a summary of all reports required of permittees and recommending a permit fee scale that will cover costs of administration and enforcement. The attorney general and the commissioner of public safety shall, within 10 days after the convening of the legislature each year, submit a jointly prepared, detailed report outlining the effect, if any, of the operation of this chapter on the legal and law enforcement activities of the state. (§ 9 ch 27 SLA 1960)

**Article 2. Licenses and Permits.**

<p><b>Section</b>                  100. Commissioner of revenue may issue permits                  110. Authorized activities a privilege                  120. Eligibility for permit                  130. Commissioner may impose additional requirements for eligibility</p>	<p><b>Section</b>                  140. Proof necessary to qualify for permit                  150. Limitation on use of proceeds                  160. Authorized expenses                  170. Suspension of permit                  180. Limitations on authorized activity</p>
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**Sec. 05.15.100. Commissioner of revenue may issue permits.** The commissioner of revenue may issue a permit to a qualified organization. The permit gives the organization the privilege of conducting bingo, raffles and lotteries, ice classics, dog mushers' contests, fish derbies and contests of skill. (§ 1 a ch 27 SLA 1960)

**Sec. 05.15.110. Authorized activities a privilege.** The activities specified in § 100 of this chapter may be permitted as a privilege and do not confer a right upon any person to conduct the activities. (§ 1 b ch 27 SLA 1960)

**Sec. 05.15.120. Eligibility for permit.** An applicant shall be a qualified organization to be eligible for a permit. (§ 1 c ch 27 SLA 1960)

**Sec. 05.15.130. Commissioner may impose additional requirements for eligibility.** The commissioner of revenue may supplement the definitions of qualified organizations and activities by rules and regulations adopted under this chapter adding to the definitions additional requirements which the commissioner considers necessary for the best interests of the public or for the proper administration of this chapter. (§ 1 d ch 27 SLA 1960)

**Sec. 05.15.140. Proof necessary to qualify for permit.** The commissioner of revenue may not issue or renew a permit except upon proof, satisfactory to him, that the applicant is a qualified organization, the activity may be permitted under this chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon request of the commissioner of revenue, the applicant shall prove conclusively each of these requirements before a permit may be issued or renewed. (§ 1 d ch 27 SLA 1960)

**Sec. 05.15.150. Limitation on use of proceeds.** (a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the raffles or contests to the awarding of prizes to contestants or participants and to educational, civic, public, charitable, patriotic or religious uses in the state. "Educational, civic, public, charitable, patriotic, or religious uses" mean uses benefiting an indefinite number of persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life, or by erecting or maintaining public buildings or works, or otherwise lessening the burden of government but do not include the erection, acquisition, improvement, maintenance, or repair of real, personal or mixed property unless it is used exclusively for one or more of the uses stated.

(b) The net proceeds derived from the activity must be devoted within one year to one or more of the uses stated. An organization desiring to hold the net proceeds for a period longer than one year must apply to the commissioner of revenue for special permission and upon good cause shown the commissioner may grant the request. (§ 1 e ch 27 SLA 1960)

**Sec. 05.15.160. Authorized expenses.** No item of expense may be incurred or paid in connection with the holding, operating or conducting of an activity, held, operated or conducted under a license issued under this chapter, except bona fide expenses in reasonable amount for goods, wares, and merchandise furnished or services rendered, reasonably necessary for the holding, operating or conducting of the activity. (§ 1 e ch 27 SLA 1960)

**Sec. 05.15.170. Suspension of permit.** The commissioner of revenue may suspend a permit pending investigation or hearing. The suspension is effective upon the giving of notice to the permittee. The notice may be given by the delivery or handling of written notice to the permittee or a person conducting an activity under the permittee's permit or the mailing of notice to the permittee at the address shown on the permit. A permit may be suspended under this section for a period of 90 days or until the end of a hearing or other proceeding begun during suspension. The authority of the commissioner to suspend a permit is not subject to the Administrative Procedure Act (AS 44.62). (§ 5 ch 27 SLA 1960)

**Sec. 05.15.180. Limitations on authorized activity.** (a) This chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the commissioner.

(b) No activity may be licensed under this chapter unless it

existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. (§ 2 ch 27 SLA 1960)

Quoted in Pin-Ball Machine, Serial No. 2334 v. State, Sup. Ct. Op. No. 86 (File No. 162), 371 P. (2d) 805.

### Article 3. General Provisions.

Section	Section
190. Interpretation and construction	210. Definitions
200. Penalty	

**Sec. 05.15.190. Interpretation and construction.** If any provision of this chapter, or regulation made under this chapter, is determined to be unlawful, then all permits issued in connection with the licensed activity to which the unlawful provision or regulation related shall be cancelled. (§ 8 ch 27 SLA 1960)

**Sec. 05.15.200. Penalty.** Every permittee and every officer, agent, or employee of the permittee and every other person or corporation who wilfully violates or who procures, aids, or abets in the wilful violation of this chapter is guilty of a misdemeanor. (§ 7 ch 27 SLA 1960)

**Sec. 05.15.210. Definitions.** In this chapter

(1) "bingo" means a game of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, five or more in one line, the holder covering numbers when objects similarly numbered are drawn from a receptacle, and the game being won by the person who first covers a previously designated arrangement of numbers on the card;

(2) "charitable organization" means an organization, not for pecuniary profit, which is operated for the relief of poverty, distress, or other condition of public concern in the state, and which has been so engaged for five years before applying for a permit under this chapter;

(3) "civic or service organization" means any branch or lodge or chapter of a national or state organization which is a civic or service organization, not for pecuniary profit, and authorized by its written constitution, charter, or articles of incorporation, or by-laws to engage in a fraternal, civic or service purpose in the state and which has been so engaged for five years before applying for a license under this chapter;

(4) "contest of skill" means a contest or game in which prizes are awarded for the demonstration of human skills in marksmanship, races, and other athletic events;

(5) "dog mushers' association" means a civic, service or chari-

table organization in the state, not for pecuniary profit, formed exclusively to promote interest in the breeding and training of dog teams for work or recreational and racing purposes and which has been in existence for five years before applying for a permit under this chapter, but does not include an organization formed or operated for gaming or gambling purposes;

(6) "dog mushers' contest" means a contest in which prizes are awarded for the correct guess of the racing time of a dog team or of team position in the race, including prizes to the race contestants;

(7) "educational organization" means a civic, service or charitable organization in the state, not for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction and which has been in existence for five years before applying for a license under this chapter;

(8) "fishing-derby association" means a civic, service or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes and which has been in existence for five years before applying for a permit under this chapter, but does not include an organization formed or operated for gaming or gambling purposes;

(9) "fish derby" means a contest in which prizes are awarded for catching fish;

(10) "fraternal organization" means a civic, service or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, which is a branch or lodge or chapter, of a national or state organization and exists for the common business, brotherhood, or other interest of its members and which has so existed for five years before applying for a license;

(11) "gross receipts" means receipts from the sale of shares, tickets or rights connected with participation in any activity permitted under this chapter or the right to participate, including admission, fee or charge, sale of equipment or supplies, and all other miscellaneous receipts;

(12) "ice classic" means a game of chance in which a prize of money is awarded for the closest guess of the time the ice moves in a body of water or watercourse in the state and is limited to the Nenana and Chena Ice Pools in the same manner as they were conducted in 1959 and previous years;

(13) "net proceeds" means the gross receipts less expenses, prizes, duties, or charges, fees, and deductions which are specifically authorized under this chapter;

(14) "police or fire department and company" means a civic, service or charitable organization in the state, not for pecuniary

profit, established by the state or a political subdivision of the state which has been in existence for five years before applying for a license under this chapter;

(15) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, or educational organization, police or fire department company, dog mushers' association, or fishing-derby association in the state, which operates without profits to its members and which has been in existence continually for a period of five years immediately before applying for a license, and the organization may be a firm, corporation, company, association or partnership;

(16) "raffle and lottery" means the selling of rights to participate, and the awarding of prizes, in the specified kind of game of chance sometimes known as a raffle or lottery, conducted by the drawing for prizes by chance;

(17) "religious organization" means an organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship and religious observances, or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place and which has been so gathered or united for five years before applying for a license and is recognized as a religious organization under the federal income tax laws and the selective service law;

(18) "veterans organization" means a civic, service or charitable organization in the state, or a branch or lodge or chapter of a national or state organization in the state, not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States, and which has been in existence for five years before applying for a license under this chapter. (§ 1 ch 27 SLA 1960)

Permit for more than one activity.—See same catchline in note to AS 05.15.040.

Limitation on raffle or lottery.—Item (16) of this section authorizes certain raffles and lotteries, but limits the raffle or lottery to that type conducted by a drawing for prizes. 1960 Op. Atty. Gen., No. 8.

"Lottery" does not include an ice pool.—That the term "lottery" as used in item (16) of this section does not include an ice pool is indicated by the express provisions of item (12). 1960 Op. Atty. Gen., No. 8.

While the conduct of an ice pool might come within the definition of a lottery, by the language in item (16)

of this section, the legislature has limited a lottery to a game conducted by a drawing for prizes. 1960 Op. Atty. Gen., No. 8.

If the term lottery in item (16) of this section was meant to include an ice classic, then item (12) would be meaningless. 1960 Op. Atty. Gen., No. 8.

Only two ice pools authorized.—While there may have been other ice pools conducted prior to the date of this section, the language of item (12) shows that the legislature intended to authorize only two pools, the Nenana and Chena, and none other. 1960 Op. Atty. Gen., No. 8.