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COMMITTEE REPORT

2/11/76

HOUSE

Mr. Speaker:

Date May 20, 1976

The Committee on JUDICIARY has had SB 597

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:

Terry Anderson - 4/10/76 \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Terry Anderson Chairman

I. REQUEST

Bill No \_\_\_\_\_  
 Title: Fee Structure Recommended by the Department.  
 Requested by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Audit Division

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	39.4	40.6	41.8	44.3	45.7
200 TRAVEL	-0-	5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL	-0-	6.0	6.0	6.0	6.0	6.0
400 COMMODITIES	-0-	.3	.3	.3	.3	.3
500 EQUIPMENT	-0-	1.2	---	---	---	---
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	<b>-0-</b>	<b>51.9</b>	<b>51.9</b>	<b>53.1</b>	<b>55.6</b>	<b>57.0</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	51.9	51.9	53.1	55.6	57.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	2 / 0	2 / 0	2 / 0	2 / 0	2 / 0
MAN MONTHS (P./T.)	0 / 0	24 / 0	24 / 0	24 / 0	24 / 0	24 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memo to R. D. Stevenson dated March 23, 1976.

IV. ATTACHMENTS See memo to R. D. Stevenson dated March :23, 1976

V. DATE: 3-23-76 PREPARED BY: [Signature]  
 Director, Audit Division

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Lewis Nelson

Introduced: 2/2/76  
Referred: Judiciary

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 SENATE BILL NO. 597

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 date of submission of reports  
7 concerning bingo, raffles, and ice pools."

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

9 \* Section 1. AS 05.15.080 is amended to read:

10 Sec. 05.15.080. REPORTS BY PERMITTEES. If the licensed activity  
11 grosses over \$500, the permittee shall, by January 31 of the year fol-  
12 lowing [WITHIN 15 DAYS AFTER] the holding of the specific activity, file  
13 for public inspection with the city or borough clerk nearest to the  
14 location of the activity licensed and with the commissioner of revenue,  
15 an itemized statement showing all income, <sup>all</sup> ~~and~~ <sup>disbursements and proceeds</sup> expense in connection with  
16 the activity. [If the activity grosses over \$20,000, the commissioner  
17 may extend the time for filing the report for a period not exceeding 60  
18 days.]

19 \* Sec. 2. AS 05.15.090 is amended to read:

20 Sec. 05.15.090. REPORTS TO THE LEGISLATURE BY COMMISSIONER OF  
21 REVENUE, ATTORNEY GENERAL AND COMMISSIONER OF PUBLIC SAFETY. Before  
22 March 2 of [WITHIN 10 DAYS AFTER THE CONVENING OF THE LEGISLATURE] each  
23 year the commissioner of revenue shall submit a detailed report contain-  
24 ing a summary of all reports required of permittees and recommending a  
25 permit fee scale that will cover costs of administration and enforcement.  
26 The attorney general and the commissioner of public safety shall,  
27 within 10 days after the convening of the legislature each year, submit  
28 a jointly prepared, detailed report outlining the effect, if any, of  
29 the operation of this chapter on the legal and law enforcement activi-

ties of the state.

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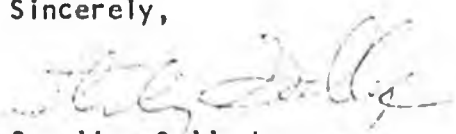
The Honorable Terry Gardiner  
Page 2  
May 17, 1976

from the games operated by the permittees. The increased processing fee plus the one percent annual fee would generate approximately \$89,000 per year, thus providing sufficient funds to employ two full-time staff members to work specifically on the enforcement of this law. These positions have never been specifically funded in the past. In light of today's high cost factors and the considerable enforcement problems that we encounter, I feel these rates would be equitable. To accomplish this, I suggest the following modification to Section 05.15.020:

Sec. 05.15.020. Annual permit and fees. No activity permitted under this chapter may be conducted unless an annual permit issued by the department is first obtained [AND A FEE OF \$10 IS PAID TO THE DEPARTMENT.] A separate processing fee of \$50 shall be paid for each authorized activity. The applicable fees shall accompany the application for a permit. [NO ACTIVITY IS PERMITTED FOR A PERIOD OF 15 DAYS AFTER APPLICATION.] An additional fee of 1% of the <sup>net proceeds</sup> ~~gross~~ receipts shall be paid by each permittee annually. This fee is due and payable at the same time as the annual financial statement. ~~Gross~~ <sup>net proceeds</sup> receipts for purposes of the annual fee shall be the total monies received by the permittee from all games of chance and skill prior to any deduction for prizes, operating expenses or disbursements of net proceeds.

If you have any questions concerning my suggestions, please contact me.

Sincerely,

  
Sterling Gallagher  
Commissioner

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

POUGH SA - JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

Members  
JBSA!

May 17, 1976

The Honorable Terry Gardiner  
Chairman, House Judiciary Committee  
Alaska State Legislature

Dear Chairman Gardiner:

re Senate Bill 597

This bill attempts to solve some of the major reporting problems that are currently in the statutes regarding Games of Chance and Skill. I would suggest that the re-draft of Section 05.15.080 be further modified to read as follows:

Sec. 05.15.080. REPORTS BY PERMITTEES. [IF THE LICENSED ACTIVITY GROSSES OVER \$500,] the permitte shall, by January 31 of the following year [WITHIN 15 DAYS AFTER THE HOLDING OF THE SPECIFIC ACTIVITY,] file for public inspection with the city or borough clerk nearest to the location of the activity licensed and with the commissioner of revenue, an itemized statement showing all income, [AND] authorized expenses and disbursements of net proceeds in connection with the activity. [IF THE ACTIVITY GROSSES OVER \$20,000, THE COMMISSIONER MAY EXTEND THE TIME FOR FILING THE REPORT FOR A PERIOD NOT EXCEEDING 60 DAYS.]

I feel that this wording would solve the current problems encountered by both the permittees and the Department of Revenue. With the extension of the filing date to January 31 there would be no need for the provision authorizing the Commissioner to allow extensions up to 60 days. Further, it is very important that all reports be filed by the due date so that a proper report can be filed with the Legislature as required.

I would further suggest that the legislature seriously look at raising the permit fees for the operation of Games of Chance and Skill. The current fee of \$10.00 was established in 1960 when the original statute was enacted and no longer approaches covering the cost of administration of this program. I suggest that each activity be subject to a separate application processing fee and that the rates be increased to \$50.00 each. In addition I recommend an annual fee of one percent of the gross receipts

STATE OF ALASKA  
DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

POUCH 5 - JUNEAU 99811

February 13, 1976

The Honorable Terry Gardiner  
Chairman  
House Judiciary Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, AK 99811

Re: Senate Bill No. 597

Dear Mr. Gardiner:

Senate Bill No. 597, an Act relating to date of submission of reports concerning bingo, raffles and ice pools was introduced in the House on February 11, 1976 and was referred to the House Judiciary Committee.

For the consideration of the House Judiciary Committee, I am enclosing a copy of a Fiscal Note and accompanying memorandum prepared by Gary L. Jenkins, Director, Audit Division, Department of Revenue as concerns Senate Bill No. 597. It is the opinion of the writer that the material contained in the Fiscal Note and memorandum was not reviewed by the Senate Judiciary Committee due to passage out of the Senate Judiciary Committee to the Rules Committee before the Department of Revenue information was transmitted.

If you or any members of the House Judiciary Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further information or testimony at a hearing.

Very truly yours,



R. D. Stevenson  
Special Assistant

cc: The Honorable Robert Ziegler  
Chairman  
Senate Judiciary Committee

Gary L. Jenkins  
Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 597

Title: Act relating to date of submission of reports concerning bingo, raffles & 1881s

Requested by: \_\_\_\_\_ Date: February 4, 1976

Return Date Requested: \_\_\_\_\_

Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Audit Division

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	38.6	39.8	41.0	42.2	43.5
200 TRAVEL	-0-	5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL	-0-	6.0	6.0	6.0	5.0	6.0
400 COMMODITIES	-0-	.3	.3	.3	.3	.3
500 EQUIPMENT	-0-	1.2	-----	-----	-----	-----
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	51.1	51.1	52.3	53.5	54.8

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	51.1	51.1	52.3	53.5	54.8
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	2 / 0	2 / 0	2 / 0	2 / 0	2 / 0
MAN MONTHS (P./T.)	0 / 0	24 / 0	24 / 0	24 / 0	24 / 0	24 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memo to R. D. Stevenson dated February 4, 1976.

IV. ATTACHMENTS - See memo to R. D. Stevenson dated February 4, 1976.

V. DATE: 2-4-76 PREPARED BY: [Signature]

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

## MEMORANDUM

State of Alaska

TO: R. D. Stevenson  
 Special Assistant to Commissioner  
 Administrative Services

DATE: February 4, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
 Director  
 Audit Division

SUBJECT: Senate Bill 597

This bill attempts to solve some of the major reporting problems that are currently in the statutes regarding Games of Chance and Skill. I would suggest that the re-draft of Section 05.15.080 be further modified to read as follows:

Sec. 05.15.080. REPORTS BY PERMITTEES. [IF THE LICENSED ACTIVITY GROSSES OVER \$500,] The permittee shall, by January 31 of the following year [WITHIN 15 DAYS AFTER THE HOLDING OF THE SPECIFIC ACTIVITY,] file for public inspection with the city or borough clerk nearest to the location of the activity licensed and with the commissioner of revenue, an itemized statement showing all income, [AND] authorized expenses and disbursements of net proceeds in connection with the activity. [IF THE ACTIVITY GROSSES OVER \$20,000, THE COMMISSIONER MAY EXTEND THE TIME FOR FILING THE REPORT FOR A PERIOD NOT EXCEEDING 60 DAYS.]

I feel that this wording would solve the current problems encountered by both the permittees and the Department of Revenue. With the extension of the filing date to January 31 there would be no need for the provision authorizing the Commissioner to allow extensions up to 60 days. Further, it is very important that all reports be filed by the due date so that a proper report can be filed with the Legislature as required.

I would further suggest that this committee seriously look at raising the permit fees for the operation of Games of Chance and Skill. The current fee of \$10.00 was established in 1960 when the original statute was enacted and no longer approaches covering the cost of administration of this program. I suggest that each activity be subject to a separate fee and that the rates be increased to \$50.00 each for raffles and lotteries, ice classics, dog musher's contests, fish derbies and contests of skill, while the fee for bingo be increased to \$100. In light of today's high cost factors and the considerable enforcement problems that we encounter with bingo, as compared to other games of chance and skill, I feel these rates would be equitable. To accomplish this, I suggest the following modification to Section 05.15.020:

Sec. 05.15.020. Annual permit and fee. No activity permitted under this chapter may be conducted unless an annual permit issued by the department is first obtained [AND A FEE OF \$10 IS PAID TO THE DEPARTMENT.] A separate fee shall be paid for each authorized activity. A fee of \$50 shall be paid for raffles and lotteries, ice classics, dog musher's contests, fish derbies and contests of skill. The fee for bingo is \$100. The applicable fees shall accompany the application for a permit. [NO ACTIVITY IS PERMITTED FOR A PERIOD OF 15 DAYS AFTER APPLICATION.]

R. D. Stevenson  
February 5, 1976  
Page Two

It is anticipated that the above fee schedule would generate a total of \$53,750 in FY 77. This would provide sufficient funds to allow the Department to hire the necessary staff members to properly process applications and reports, as well as performing audits of the records of permittees to insure that they are complying with the statutes.

GLJ/bjm

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

POUCH SA - JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

members  
JBSA1

May 17, 1976

The Honorable Terry Gardiner  
Chairman, House Judiciary Committee  
Alaska State Legislature

Dear Chairman Gardiner:

re Senate Bill 597

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*adopted*

Sec. 05.15.080. REPORTS BY PERMITTEES. [IF THE LICENSED ACTIVITY GROSSES OVER \$500,] the permitte shall, by January 31 of the following year [WITHIN 15 DAYS AFTER THE HOLDING OF THE SPECIFIC ACTIVITY,] file for public inspection with the city or borough clerk nearest to the location of the activity licensed and with the commissioner of revenue, an itemized statement showing all income, [AND] authorized expenses and disbursements of net proceeds in connection with the activity. [IF THE ACTIVITY GROSSES OVER \$20,000, THE COMMISSIONER MAY EXTEND THE TIME FOR FILING THE REPORT FOR A PERIOD NOT EXCEEDING 60 DAYS.]

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The Honorable Terry Gardiner

Page 2

May 17, 1976

from the games operated by the permittees. The increased processing fee plus the one percent annual fee would generate approximately \$89,000 per year, thus providing sufficient funds to employ two full-time staff members to work specifically on the enforcement of this law. These positions have never been specifically funded in the past. In light of today's high cost factors and the considerable enforcement problems that we encounter, I feel these rates would be equitable. To accomplish this, I suggest the following modification to Section 05.15.020:

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gross proceeds

If you have any questions concerning my suggestions, please contact me.

Sincerely,



Sterling Gallagher  
Commissioner

I. REQUEST

Bill No: \_\_\_\_\_  
 Title: Fee Structure Recommended by the Department.  
 Requested by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Audit Division

A. EXPENDITURES: (Thousands of dollars)

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B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	51.9	51.9	53.1	55.6	57.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	2 / 0	2 / 0	2 / 0	2 / 0	2 / 0
MAN MONTHS (P./T.)	0 / 0	24 / 0	24 / 0	24 / 0	24 / 0	24 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memo to R. D. Stevenson dated March 23, 1976.

IV. ATTACHMENTS See memo to R. D. Stevenson dated March 23, 1976

V. DATE: 3-23-76 PREPARED BY: [Signature]  
 Director, Audit Division

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 13, 1976

The Honorable Terry Gardiner  
Chairman  
House Judiciary Committee  
Alaska State Legislature  
State Capitol Building  
Juneau, AK 99811

Re: Senate Bill No. 597

Dear Mr. Gardiner:

Senate Bill No. 597, an Act relating to date of submission of reports concerning bingo, raffles and ice pools was introduced in the House on February 11, 1976 and was referred to the House Judiciary Committee.

For the consideration of the House Judiciary Committee, I am enclosing a copy of a Fiscal Note and accompanying memorandum prepared by Gary L. Jenkins, Director, Audit Division, Department of Revenue as concerns Senate Bill No. 597. It is the opinion of the writer that the material contained in the Fiscal Note and memorandum was not reviewed by the Senate Judiciary Committee due to passage out of the Senate Judiciary Committee to the Rules Committee before the Department of Revenue information was transmitted.

If you or any members of the House Judiciary Committee have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Jenkins for further information or testimony at a hearing.

Very truly yours,



R. D. Stevenson  
Special Assistant

cc: The Honorable Robert Ziegler  
Chairman  
Senate Judiciary Committee

Gary L. Jenkins  
Director  
Audit Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 597  
 Title: Act relating to date of submission of reports concerning bingo, raffles & 881s  
 Requested by: \_\_\_\_\_ Date: February 4, 1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Audit Division

A. EXPENDITURES: (Thousands of dollars)

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<b>TOTAL</b>	<b>-0-</b>	<b>51.1</b>	<b>51.1</b>	<b>52.3</b>	<b>53.5</b>	<b>54.8</b>

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FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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## MEMORANDUM

State of Alaska

TO: R. D. Stevenson  
 Special Assistant to Commissioner  
 Administrative Services

DATE: February 4, 1976

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
 Director  
 Audit Division

SUBJECT: Senate Bill 597

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R. D. Stevenson  
February 5, 1976  
Page Two

It is anticipated that the above fee schedule would generate a total of \$53,750 in FY 77. This would provide sufficient funds to allow the Department to hire the necessary staff members to properly process applications and reports, as well as performing audits of the records of permittees to insure that they are complying with the statutes.

GLJ/bjm

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

STATE OFFICE BUILDING

POUCH SA - JUNEAU 99811

JAY S. HAMMOND, GOVERNOR

numbers  
21597

May 17, 1976

The Honorable Terry Gardiner  
Chairman, House Judiciary Committee  
Alaska State Legislature

Dear Chairman Gardiner:

re Senate Bill 597

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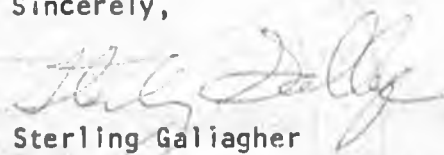
The Honorable Terry Gardiner  
Page 2  
May 17, 1976

from the games operated by the permittees. The increased processing fee plus the one percent annual fee would generate approximately \$89,000 per year, thus providing sufficient funds to employ two full-time staff members to work specifically on the enforcement of this law. These positions have never been specifically funded in the past. In light of today's high cost factors and the considerable enforcement problems that we encounter, I feel these rates would be equitable. To accomplish this, I suggest the following modification to Section 05.15.020:

Sec. 05.15.020. Annual permit and fees. No activity permitted under this chapter may be conducted unless an annual permit issued by the department is first obtained [AND A FEE OF \$10 IS PAID TO THE DEPARTMENT.] A separate processing fee of \$50 shall be paid for each authorized activity. The applicable fees shall accompany the application for a permit. [NO ACTIVITY IS PERMITTED FOR A PERIOD OF 15 DAYS AFTER APPLICATION.] An additional fee of 1% of the gross receipts shall be paid by each permittee annually. This fee is due and payable at the same time as the annual financial statement. Gross receipts for purposes of the annual fee shall be the total monies received by the permittee from all games of chance and skill prior to any deduction for prizes, operating expenses or disbursements of net proceeds.

If you have any questions concerning my suggestions, please contact me.

Sincerely,



Sterling Galiagher  
Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. \_\_\_\_\_  
 Title: Fee Structure Recommended by the Department.  
 Requested by: \_\_\_\_\_ Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: Revenue Program: Audit

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Audit Division

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	39.4	40.6	41.8	44.3	45.7
200 TRAVEL	-0-	5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL	-0-	6.0	6.0	6.0	6.0	6.0
400 COMMODITIES	-0-	.3	.3	.3	.3	.3
500 EQUIPMENT	-0-	1.2	---	---	---	---
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	51.9	51.9	53.1	55.6	57.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	51.9	51.9	53.1	55.6	57.0
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	2 / 0	2 / 0	2 / 0	2 / 0	2 / 0
MAN MONTHS (P./T.)	0 / 0	24 / 0	24 / 0	24 / 0	24 / 0	24 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See memo to R. D. Stevenson dated March 23, 1976.

IV. ATTACHMENTS See memo to R. D. Stevenson dated March 23, 1976

V. DATE: 3-23-76 PREPARED BY: [Signature]  
 Director, Audit Division

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)