1-19-82

HB 623

HB 640

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
January 19, 1982
1:[illegible] p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Rogers
Rep. Gardiner
Rep. Randolph

Members Absent: No members absent.

COMMITTEE CALENDAR

TELECONFERENCE HEARING

HB 623 — An act relating to games of chance and contests of skill; and providing for an effective date.

HB 640 — An act relating to games of chance and contests of skill; and providing for an effective date.

WITNESS REGISTER

Representative Grussendorf
Alaska State Legislature
Pouch V
Juneau, Alaska 99811
465-3824
Position Statement: Sponsor of HB 623. Gave reasons he felt legislation is needed.

Representative Vaska
Alaska State Legislature
Pouch V
Juneau, Alaska 99811
465-4914
Position Statement: Co-sponsor of HB 623. Said constituents in his district support this legislation.

Joe Donohue, Deputy Commissioner of Taxation
Department of Revenue
Pouch S
Juneau, Alaska 99811
465-2302
Position Statement: Gave governor's position and background of use of pull tabs and punch boards.

Marie Reynolds

VFW Ladies Auxiliary
Bethel, Alaska
Position Statement: Supports legislation.

Kathy Ward
Bristol Bay Native Association
Dillingham, Alaska
Position Statement: Supports legislation.

K.C. Jackson
Volunteer, Senior Citizen Program
Bristol Bay Native Association
Dillingham, Alaska
Position Statement: Supports legislation.

Laura Schroeder, Manager
City of Dillingham
Dillingham, Alaska
Position Statement: Supports legislation.

LeRoy Whittich, President
Elks Club Alaska Association
Kodiak, Alaska
Position Statement: Supports legislation.

Merle Snider
American Legion, Jack Allman Post
Kodiak, Alaska
Position Statement: Supports legislation.

Edward Hoffman, Sr.
Kuskokwim Native Valley Association
Bethel, Alaska
Position Statement: Supports legislation.

Andy Edge
self
Bethel, Alaska
Position Statement: Supports legislation.

Arnold Brower, Jr.
Post Commander, VFW
Barrow, Alaska
Position Statement: Supports legislation.

Phil R. Holdsworth, Chairman
Government & Public Relations Committee
Alaska State Elks Association
Juneau, Alaska 99801
Position Statement: Suggestions.

Mark Beltz
self
Anchorage, Alaska

Position Statement: Wanted to speak about another subject; was asked to address committee at another time.

Gary Feldmann
Eagles
Fairbanks, Alaska
Position Statement: Supports legislation.

Martha Johnson, Chairman
TSO
Fairbanks, Alaska
Position Statement: Supports legislation.

Norman Bouffioux
Lions Club
Fairbanks, Alaska
Position Statement: Supports legislation.

Charles Busbee
Elks Club
Fairbanks, Alaska
Position Statement: Supports legislation. Problem with wording of bill.

Raymond Perkins
American Legion
Sitka, Alaska
Position Statement: Supports legislation.

Earl Arnold
Moose Lodge #1350
Sitka, Alaska
Position Statement: Supports legislation.

Bob Kedony
Manager and Secretary
Moose Lodge #1350
Sitka, Alaska
Position Statement: Supports legislation.

Del Childress
Secretary
Elks Lodge
Sitka, Alaska
Position Statement: Supports legislation.

Chester Ballot
Lions Club
Kotzebue, Alaska
Position Statement: Supports legislation.

Charlotte Brower, President
Mothers Club
Barrow, Alaska

Position Statement: Supports legislation.

Priscilla Sage, Vice President
Mothers Club
Barrow, Alaska
Position Statement: Supports legislation.

Jim Thompson
Midnight Sun Lions Club
Fairbanks, Alaska
Position Statement: Supports legislation.

Mary Caywood
Alano Club
Fairbanks, Alaska
Position Statement: Supports legislation.

Vern Kugzruk
Arctic Native Brotherhood
Nome, Alaska
Position Statement: Supports legislation.

Howard Farley
Vice President
Nome Kennel Club
Nome, Alaska
Position Statement: Supports legislation. Problem with wording in bill.

John Pullock
King Island Native Community
Nome, Alaska
Position Statement: Supports legislation.

Leo Land
Vice President
Alaska Native Brotherhood
Haines, Alaska
Position Statement: Supports legislation.

PREVIOUS ACTION

HB 623 — No previous action. Statutory Ref: AS 05.15. No action taken on this bill.

HB 640 — No previous action. Statutory Ref: AS 05.15.

Amendments Formally Considered: Rep. Rogers moved amendment to page 1, line 24. Motion passed unanimously.

Rep. Gardiner moved that bill, as amended,

be passed as Labor & Commerce committee substitute with do-pass by unanimous consent. There was objection. Rep. Gardiner reworded motion to pass out of committee with individual recommendations. Motion passed unanimously. CSHB 640 L&C was passed out of committee. Next committee of referral is House Judiciary.

ACTION NARRATIVE

Tape #003
Recording
Number 0000

The meeting was called to order by Chairman Martin at 1:05 p.m. All committee members were present. Other legislators attending the hearing were Reps. Grussendorf and Vaska. Rep. Adams sent written testimony. Committee hearing was teleconferenced statewide.

Number 0022

After an introduction to the teleconference by moderator Jack Sanderson, Chairman Martin gave a summary of the bills and noted the difference in the two bills.

Number 0046

REPRESENTATIVE GRUSSENDORF, sponsor of HB 623, gave background on why he felt legislation was needed. He described pull tabs, or Nevada cards, and the types of organizations who had contacted him concerned over the State banning these games. He said he became concerned that the interpretation of the game ' legality rested with the Department of Revenue. He said that countless organizations rely ' ull tabs and pun hboards for their fu Rep. Grussendorf said he had no objecti o Rep. Randolph's version of the bill (HB 640) which puts a limit on how much can be charged for the games ($1 limit). Rep. Bylsma pointed out that, as HB 640 was worded, the dollar limit would apply to raffles and other games, as well as the punchboards and pulltabs. Chairman Martin said that the Governor, in his state of the state address, felt legalizing these games is a moral issue, and asked whether Rep. Grussendorf would oppose amending the bill to go to a referendum vote. Rep. Grussendorf said there is a general tendency on the part of elected officials to cop out on issues facing them; that the ballot will

already be crowded; and that he did not think this issue should go on the ballot. Rep. Gardiner agreed that the problem should be rectified. He said the only person he knew of opposed to the legislation is the Governor. As no members of the public had requested the question to go to referendum vote, he felt the committee should hear testimony and take action. Rep. Randolph concurred. He said that, as chairman of the Regulation Review Committee, he held hearings in Fairbanks and Anchorage, where testimony was unanimously supportive of corrective legislation maintaining the games. He said he felt limiting the cost of pull tabs to $1 might alleviate the governor's concern about liberalizing gambling laws, and said he plans to amend his bill to be sure this dollar limitation does not apply to bingo, raffles, etc.

Number 0280

REPRESENTATIVE VASKA said constituents in his district supports continuing these activities. He said he co-sponsored HB 623 because of the benefits of this type of fundraising. He supports the bill and supports expediting it.

Number 0311

JOE DONOHUE, Deputy Commissioner of the State Department of Revenue, said the governor is prepared to veto legislation like HBs 623 and 640 unless the legislation contains a provision allowing a vote by the people. He said investigators discovered the use of the pulltabs, which had gone on unknown by the Department for several years, and that the Department had notified permittees that pulltabs were illegal. The Department then received petitions and requests for reconsideration asking the Department to expand regulations to include the use of pulltabs. The governor decided to utilize emergency regulations to allow organization to deplete stocks and to give notice that, as of 1/1/82, pulltabs and punchboards were illegal, and that othe fundraising activities should be found. Rep. Rogers asked, in reference to the governor's philosophical difficulties, if the governor's opinion extended to Permit #81-519, the Hammond for Governor raffle and lottery permit. Rep. Gardiner asked if the Department had assessed how many pulltabs were being used, and the volume of money.

Donohue said they had no data except letters and petitions saying that, in some cases, substantially more than 50% of some organizations' income was from punchboards and pulltabs. Donohue said he would give the committee copies of their annual reports.

Number 0425 — MARIE REYNOLDS, of the VFW Ladies Auxiliary, Bethel, spoke in favor of pulltabs. She said their income had dropped to less than 40% of what they were receiving before the pulltabs were deemed illegal. She said her group uses the money well to help others with scholarships, camp, and in disasters.

Number 0455 — KATHY WARD, director of the Senior Citizens Program in Dillingham, favored pulltabs because they are easy for seniors to play. She felt playing the cards was voluntary, no one was being forced. She opposed a statewide vote, and said much harm would be done by not reinstating the games.

Number 0485 — K.C. JACKSON, of the Bristol Bay Native Association's Sr. Citizens Program, Dillingham, said the games provide the seniors with recreation in a wholesome atmosphere where no alcohol is served; he said the only option is going to bars.

Number 0510 — LAURA SCHROEDER, Manager of the City of Dillingham, said the city council recommends pulltabs be permitted. She pointed out that applicants have to get council recommendation before getting a state permit for games, so the communities maintain authority. She said that, with cuts in federal revenue sharing, programs must find other means of support. She felt getting funds in this manner was healthier than asking the government for money.

Number 0538 — LE ROY WHITTICH, president of the Elk's Club Alaska Association, Kodiak, said the president of the United States had asked lodges to renew voluntary efforts to help those in need. He feels it's their duty to respond to this. He said without pulltabs for obtaining funds, local and state funds will suffer (more government funds will have to be allocated).

Number 0560 — MERLE SNIDER, American Legion Jack Allman

Post, Kodiak, favors the bills. He said his organization raised $29,324 last year for donations to charity through the use of pulltabs and punchboards. He is forwarding a list of donations to charity and community service organizations. He said the Post would be hurt if denied this source of funds. Rep. Martin asked if Snider objected to the money limit on pulltabs; Snider said no, but he felt $5 limit might be better. Rep. Bylsma asked if his organization had other sources of funding; Snider said they held twice-weekly bingo, Fourth of July boosts, and some other revenue. Games of chance comprised about 60% of their money raised.

Number 0605

EDWARD HOFFMAN, SR., Bethel, said it should be up to the people, who pay Internal Revenue. He said everybody wants donations to buy a coffin and send kids down to Juneau. He felt Internal Revenue should dig out of their pockets.

Number 0628

ANDY EDGE, Bethel, had no objection to HB 640 as written, but would object to raising the limit beyond $1. He doesn't want to sanction gambling. He felt, however, that the games in question do good in the community and will continue to do so. He does object to making it big business by raising the $1 limit.

Number 0649

ARNOLD BROWER, JR., Post Commander, VFW, Barrow, said his Post has members from Barter Island to Point Hope. His Post supports HB 640. He felt Governor Hammond should either look at their side of the issue (in using punchboards and pulltabs to raise funds) or subsidize their programs. He felt the regulations banning the games were detrimental to their existence as a community. He wants legislation as soon as possible, and urged legislators to override the governor's anticipated veto. He doesn't care about the dollar amount in the bill; felt it should be up to the community to limit or not limit games.

Number 0707

PHIL HOLDSWORTH, chairman of the Government and Public Relations Committee of the Alaska State Elks Association, Juneau, suggested, to clarify the interpretation of HB 640, that a comma be placed at the end of line

24. He noted that contributions of working hours should also be taken into consideration when speaking of funds raised.

Number 0731 — MARK BELTZ, Anchorage (testifying in Juneau) wanted to talk about minority discrimination. He was asked to address the committee at another time.

Number 0750 — GARY FELDMANN, Eagles, Fairbanks, said his group has a membership of 600. Last year they raised $36,000, including $10,000 in scholarships. He said they also support sports programs (baseball, basketball and hockey). He said his group lost 70% of their revenue without the pulltabs. With regard to the issue going to statewide vote, he said voter approval is given when a group applies for their license at city hall, and she felt making the games illegal was another infringement on a person's rights.

Number 0772 — MARTHA JOHNSON, USO chairman, Fairbanks, said without the sale of pulltabs, their organization will have to shut down. All their budgets were cut. USO provides overnight lodging and transportation to servicemen. She desperately urged passing the legislation.

Number 0787 — NORMAN BOUFFIOUX of the Lions Club, Fairbanks, said his group gave over $100,000 to a park and over $36,000 to the hospital for a laser eye machine. He said they need the legislation; there is nothing wrong with the games; and the revenue from the games is needed.

Number 0800 — CHARLES BUSBEE, Elks, Fairbanks, takes exception to the wording in the bills about raffles before 1959. He felt a $5 limit would not be objectionable. he said the loss of monies for charities would be substantial if legislation were not passed. Busbee and Rep. Randolph discussed wording of the bill.

Number 0849 — RAYMOND PERKINS, American Legion, Sitka, said their main source of revenue is from pulltabs. He favored Grussendorf's bill, but did not oppose Randolph's bill. He named several programs his group sponsors several community-oriented programs, but noted that they are costly. He felt

pulltabs are vital.

Number 0872 EARL ARNOLD, Moose Lodge, Sitka, said his group relies on pulltabs. His group puts out scholarships, sponsors little league, provides disaster funds, help needy families and the pioneers home, purchases TVs for hospitals, gives money to schools, drill teams, and special olympics. He favors both bills, and had no qualms about a money limit.

Number 0889 BOB KEDONY, manager and secretary of Moose Lodge, Sitka, favors HB 623 and a $5 limit. He said they need the revenue from pulltabs.

Number 0902 DEL CHILDRESS, secretary of the Elks Lodge, Sitka, said his group's charitable contributions run into thousands of dollars, much of which is from the sale of pulltabs. He noted that the cost of activities have gone up; with inflation, inorder to continue their activities, they need the gaming situation. He favors both bills, anything to keep going.

Number 0920 CHESTER BALLOT, of the Lions Club, Kotzebue, supports HB 640. He said his organization supports thirteen different groups, from the senior center to little league, with pulltabs. He said the Kotzebue Dog Mushers also support the legislation.

Number 0930 CHARLOTTE BROWER, president of the Mothers Club, Barrow, said their primary fundraising is with bingo and pulltabs. Their Club has raised funds for the needy, scholarships, and churches; they sponsor a women's shelter, alcohol programs, youth alternative program, basketball, Jesse Owens, and many other groups and functions. Eliminating pulltabs would take away their primary source of funds. She felt local cities have control and can monitor abuse of games.

Number 0970 PRISCILLA SAGE, vice president, Mothers Club, Barrow, supports HB 640. She noted that, if this main source of funding is eliminated, they would have to cut back on their charitable functions.

Number 0986 JIM THOMPSON, Midnight Sun Lions Club, Fairbanks, heartily supports HB 640. Without pulltabs, they cannot go ahead with

their plans. Eliminating the pulltabs caused them to lose 40% of their funding, without which they will have to drastically cut back programs. He recommended the $1 limit.

Number 1015 — MARY CAYWOOD, Alano Club, Fairbanks, said they desperately need pulltabs, and supported HB 640. She said the Moose also support HB 640. She said Alano is paying for a new building for Alcoholics Anonymous.

Number 1030 — VERN KUGZRUK, of the Arctic Native Brotherhood (a non-profit organization), Nome, favored HB 640; he objected to lines 16-20 and did not like 1959 date. He said, without the income from pulltabs, several of their functions (scholarship fund, firefighting equipment) are in jeopardy. He said pulltabs and bingo support these as well as get together and dog mushing (including in Nome, Teller, and other communities). He said the funds are needed to keep dog mushing alive. He said he enjoys bingo and doesn't mind paying for pulltabs because the funds go to a good cause. He said if the state authorizes ice classics, it should authorize pulltabs and punchboards. He felt the alternative was to go to bars or stay home drinking. The functions provide a chance for people to socialize and enjoy an evening of bingo and pulltabs. He favors HB 640 except for the 1959 date.

Number 1075 — HOWARD FARLEY, vice president of the Nome Kennel Club, Nome, which, he pointed out, is the oldest dog mushing club in the world, supported HB 640, except for the 1959 date. Rep. Randolph clarified what the 1959 date in the bill stood for.

Number 1094 — JOHN PULLOCK, King Island Native Community, Nome, supported HB 640. He said attendance has dropped almost 50% since eliminating pulltabs (at their fundraising events).

Number 1104 — LEO LAND, vice president of Alaska Native Brotherhood, Haines, said if pulltabs are taken away, they will have to close their doors and end their charitable work. He saw no problem with a $5 limit, regardless of the governor. He said 50-70% of their funds comes from pulltabs, and that people can

afford a $5 limit.

Number 1131

At this point, public testimony was ended and the bills went before the committee for consideration. Representative Rogers moved an amendment to HB 640 on page 1, line 24; Rep. Randolph seconded the motion and, there being no objection, the amendment passed. Rep. Gardiner moved that HB 640 as amended be moved out of committee as a Labor & Commerce committee substitute, with a do-pass recommendation by unanimous consent. There being objection, he changed his motion to move the bill out of committee with individual recommendations. Motion passed, and CSHB 640 I&C was directed to House Judiciary committee. Rep. Randolph directed further testimony on the bill be given to Rep. Barnes, Judiciary Committee chairman.

Number 1171

As there were no further items to come before the committee at this time, the Chairman adjourned the meeting at 2:49 PM.

COMMITTEE MINUTES
COMMITTEE: House Labor & Commerce
HEARING DATE: January 19, 1982
TAPE NO. 3, Side A

The meeting was called to order by Chairman Martin at 1:05 PM in the Labor & Commerce Committee Room, Behrends Building, Juneau, Alaska. Committee members present in addition to the Chairman were Representatives Bylsma, Randolph, Rogers, and Gardiner. Committee staff in attendance were Jeff Barry, Joan Mathews, and Mary Isaacs. Other legislators attending the hearing were Representatives Grussendorf and Vaska. Representative Adams sent written testimony.

The committee schedule called for the consideration of the following items: House Bills 623 and 640, relating to games of chance and contests of skill. The committee hearing was teleconferenced statewide.

After an introduction to the teleconference by moderator Jack Sanderson (meter no. 022), Chairman Martin (meter no. 028) gave a summary of the bills and noted the difference in the two bills.

REPRESENTATIVE GRUSSENDORF (meter no. 046), sponsor of HB 623, gave background on [illegible] legislation was needed. He described pull tabs, or Nevada cards (meter no. 100), and the types of organizations who had contacted him concerned over the State banning these games. He said he became concerned that the interpretation of the games' legality rested with the Department of Revenue. He said that countless organizations rely of pull tabs and punchboards for their funds. Rep. Grussendorf said he had no objection to Rep. Randolph's version of the bill, which puts a limit on how much can be charged for the games ($1 limit). Rep. Bylsma pointed out that, as HB 640 was worded, the dollar limit would apply to raffles and other games, as well as the punchboard and pull tabs. Chairman Martin said that the Governor, in his state of the state address, felt legalizing these games is a moral issue, and asked whether Rep. Grussendorf would oppose amending the bill to go to a referendum vote. Rep. Grussendorf said there is a general tendency on the part of elected officials to cop out on issues facing them; that the ballot will already be crowded; and that he did not think this issue should go on the ballot. Rep. Gardiner agreed that the problem should be rectified. He said the only person he knew of opposed to the legislation is the Governor. As no members of the public had requested the question to go to referendum vote, he felt the committee should hear testimony and take action (meter no. 191). Rep. Randolph concurred. He said (meter no. 220) that as chairman of the Regulation Review Committee, he held hearings in Fairbanks and Anchorage, where testimony was unanimously supportive of corrective legislation maintaining the games. He said he felt limiting the cost of pull tabs to $1 might alleviate the governor's concern about liberalizing gambling laws, and said he plans to amend his bill to be sure this dollar limitation does not apply to bingo, raffles, etc.

REPRESENTATIVE VASKA (meter no. 280) said constituents in his district supported continuing these activities. He said he co-sponsored HB 623 because of the benefits of this type of fundraising. He supports the bill and supports expediting it.

JOE DONAHUE, Deputy Commission of the state Department of Revenue (meter no. 311) said the governor is prepared to veto legislation like HB 623 and HB 640 unless the legislation contains a provision allowing a vote by the people. He said investigators discovered the use of the pull tabs, which had gone on unknown by the Department for several years, and that the Department had notified permittees that pulltabs were illegal. The Department then received petitions and requests for reconsideration asking the Department to expand regulations to include the use of pulltabs. The Governor decided to utilize emergency regulations to allow organizations to deplete stocks and to give notice that, as of 1/1/82, pull tabs and punchboards were illegal and that other fund raising activities should be found. Rep. Rogers asked, in reference to the governor's philosophical difficulties, if the governor's opinion extended to Permit #81-519, the Hammond for Governor raffle and lottery permit. Rep. Gardiner asked if the Department had assessed how many pull tabs were being used, and the volume of money (meter no. 372). Donahue said they had no data except letters and petitions saying that, in some cases, substantially more than 50% of some organizations income was from punchboards and pulltabs. Donahue said he would give the committee copies of their annual reports.

MARIE REYNOLDS, of the VFW Ladies Auxiliary, Bethel (meter no. 425), spoke in favor of pulltabs. She said their income had dropped to less than 40% of what they were receiving before the pulltabs were deemed illegal. She said her group uses the money well to help others with scholarships, camp, and in disasters.

KATHY WARD, director of the Senior Citizens Program in ~~Bethel~~ Dillingham (meter no. 455), favored pull tabs because they are easy for seniors to play. She felt playing the cards was voluntary, no one was being forced. She opposed a statewide vote, and said much harm would be done by not reinstating the games.

K.C. JACKSON of the Bristol Bay Native Association's Sr. Citizens Program (meter no. 0485), ~~Bethel~~ Dillingham, said the games provide the seniors with recreation in a wholesome atmosphere where no alcohol is served; he said the only other option is going to bars.

LAURA SCHROEDER, Manager for the City of Dillingham (meter no. 510), said the city council recommends pull tabs be permitted. She pointed out that applicants have to get council recommendation before getting a state permit for games, so the communities maintain authority. She said that, with cuts in federal revenue sharing, programs must find other means of support. She felt getting funds in this manner was healthier than asking the government for money.

LE ROY WHITTICH, president of the Elks Club Alaska Association, Kodiak, (meter no. 538) said the president of the United States had asked lodges to renew voluntary efforts to help those in need. He feels it's their duty to respond to this. He said without pull tabs for obtaining funds, local and state funds will suffer (more government funds will have to be allocated).

MERLE SNEIDER, American Legion Jack Allman Post, Kodiak (meter no. 560), favors the bills. He said his organization raised $29,324 last year for donations to charity through the use of pull tabs and punchboards. He is forwarding a list of donations to charity and community service organizations. He said the Post would be hurt if denied this source of funds. Rep. Martin asked if Sneider objected to the money limit on pulltabs; Sneider said no, but he felt $5 limit might be better. Rep. Bylsma asked if his organization had other sources of funding (meter no. 589); Sneider said they held twice-weekly bingo, Fourth of July boosts, and some other revenue. Games of chance comprised about 60% of their money raised.

EDWARD HOFFMAN, SR., Bethel (meter no. 605) said it should be up to the people, who pay Internal Revenue. He said everybody wants donations to buy a coffin and send kids down to Juneau. He felt Internal Revenue should dig out of their pockets.

ANDY HEDGE, Bethel (meter no. 628), had no objection to HB 640 as written, but would object to raising the limit beyond $1. He doesn't want to sanction gambling. He felt, however, that the games in question do good in the community and will continue to do so. He does object to making it big business by raising the $1 limit.

ARNOLD BREWER, JR., Post Commander, VFW, Barrow (meter no. 649), said his Post has members from Barter Island to Point Hope. His Post supports HB 640. He felt Governor Hammond should either look at their side of the issue (in using punchboards and pulltabs to raise funds) or subsidize their programs. He felt the regulations banning the games was detrimental to their existence as a community. He wants legislation as soon as possible, and urged legislators to override the governor's anticipated veto. He doesn't care about the dollar amount in the bill; felt it should be up to the community to limit or not limit games.

PHIL HOLSWORTH, chairman of the Government and Public Relations Committee of the Alaska State Elks Association (meter no. 707), Juneau, suggested, to clarify the interpretation of HB 640, a comma be placed at the end of line 24. He noted that contributions of working hours should also be taken into consideration when speaking of funds raised.

MARK BELTZ, Anchorage (testifying in Juneau)(meter no. 731) wanted to talk about minority discrimination. He was asked to address the committee at another time.

GARY FELDMAN, Eagles, Fairbanks (meter no. 750), said his group has a membership of 600. Last year they raised $36,000, including $10,000 in scholarships. He said they also support sports programs (baseball, basketball and hockey). He said his group lost 70% of their revenue without the pull tabs. With regard to the issue going to statewide vote, he said voter approval is given when a group applies for their license at city hall, and he felt making the games illegal was another infringement on a person's rights.

MARTHA JOHNSON, USO chairman, Fairbanks (meter no 772), said without the sale of pulltabs, their organization will have to shut down. All their budgets were cut. USO provides overnight lodging and transportation to servicemen. She desperately urged passing the legislation.

NORMAN BOUFFIOUX of the Lions Club, Fairbanks (meter no. 0787), said his group gave over $100,000 to a park and over $36,000 to the hospital for a laser eye machine. He said they need the legislation; there is nothing wrong with the games; and the revenue from the games is needed.

CHARLES BUSBEE, Elks, Fairbanks (meter no. 800), takes exception to the wording in the bills about raffles before 1959. He felt a $5 limit would not be objectionable. He said the loss of monies for charities would be substantial if legislation were not passed. Busbee and Rep. Randolph discussed wording of the bill.

RAYMOND PERKINS, American Legion, Sitka (meter no. 849) said their main source of revenue is from pulltabs. He favored Grussendorf's bill, but did not oppose Randolph's bill. He named several programs his group sponsors several community-oriented programs, but noted that they are costly. He felt pulltabs are vital.

EARL ARNOLD, Moose Lodge, Sitka (872), said his group relies on pull tabs. His group puts out scholarships, sponsors little league, provides disaster funds, help needs families and the pioneers home, purchases TVs for hospitals, gives money to schools, drill teams, and special olympics. He favors both bills, and had no qualms about a money limit.

BOB ~~KEDING~~ Kedony manager and secretary of Moose Lodge, Sitka (meter no. 889), favors HB 623 and a $5 limit. He said they need the revenue from pulltabs.

DEL CHILDRESS, secretary of the Elks Lodge, Sitka (meter no. 902) said his group's charitable contributions run into thousands of dollars, much of which is from the sale of pulltabs. He noted that the cost of activities have gone up; with inflation, in order to continue their activities, they need the gaming situation. He favors both bills, anything to keep going.

CHESTER BALLOT, of the Lions Club, Kotzebue (meter no. 920), supports HB 640. He said his organization supports thirteen different groups, from the senior center to little league, with pulltabs. He said the Kotzebue Dog Mushers also support the legislation.

CHARLOTTE BROWER, president of the Mothers Club, Barrow (meter no. 930), said their primary fundraising is with bingo and pulltabs. Their Club has raised funds for the needy, scholarships, and churches; they sponsor a women's shelter, alcohol programs, youth alternative program, basketball, Jesse Owens, and many other groups and functions. Eliminating pulltabs would take away their primary source of funds. She felt local cities have control and can monitor abuse of games.

PRISCILLA SAGE, vice president, Mothers Club, Barrow (meter no. 970), supports HB 640. She noted that if this main source of funding is eliminated, they would have to cut back on their charitable functions.

JIM THOMPSON, Midnight Sun Lions Club, Fairbanks (meter no. 986), heartily supports HB 640. Without pull tabs, they cannot go ahead with their plans. Eliminating the pulltabs caused them to lose 40% of their funding, without which they will have to drastically cut back programs. He recommended the $1 limit.

MARY CAYWOOD, Alano Club, Fairbanks (meter no. 1015) said they desperately need pulltabs, and supported HB 640. She said the Moose also support HB 640. She said Alano is paying for a new building for Alcoholics Anonymous.

VERN KUGZRUK, of the Arctic Native Brotherhood (non-profit organization), Nome (meter no. 1030), favored HB 640; objected to lines 16-20 and did not like 1959 date. He said without the income from pulltabs, several of their functions (scholarship fund, firefighting equipment) are in jeopardy. He said pulltabs and bingo support these as well as get togethers and dog mushing (including in Nome, Teller, and other communities). He said the funds are needed to keep dog mushing alive. He said he enjoys bingo and doesn't mind paying for pulltabs because the funds go to a good cause. He said if the state authorizes ice classics, it should authorize pulltabs and punchcards. He felt the alternative was to go to bars or stay home drinking. The functions provide a chance for people to socialize and enjoy an evening of bingo and pulltabs. He favors HB 640 except for the 1959 date.

HOWARD FARLEY, vice president of the Nome Kennel Club (meter no. 1075), which, he pointed out, is the oldest dog mushing club in the world, supported HB 640, except for the 1959 date. Rep. Randolph clarified what the 1959 date in the bill stood for.

JOHN PULLOCK, King Island Native Community, Nome (meter no. 1094), supported HB 640. He said attendance has dropped almost 50% since eliminating pulltabs (at their fundraising events).

LEO LAND, vice president of Alaska Native Brotherhood, Hained (meter no. 1104), said if pulltabs are taken away, they will have to close their doors and end their charitable work. He saw no problem with a $5 limit, regardless of the governor. He said 50-70% of their funds comes from pulltabs, and that people can afford a $5 limit.

At this point, public testimony was ended and the bills went before the committee for consideration (meter no. 1131). Representative Rogers moved an amendment to HB 640 on page 1, line 24; Rep. Randolph seconded the motion and, there being no objection, the amendment passed. Rep. Gardiner moved that HB 640 as amended be moved out of committee as a Labor & Commerce committee substitute with a do-pass recommendation by unanimous consent. There being objection, he changed his motion to move the bill out of committee with individual recommendations. Motion passed, and CSHB 640 L&C was directed to House Judiciary committee. Rep. Randolph directed further testimony on the bill be given to Rep. Barnes, Judiciary Committee chairman.

As there were no further items to come before the committee at this time, the Chairman adjourned the meeting at 2:49 PM (meter no. 1171).

Introduced: 1/11/82
Referred: Labor and Commerce and Judiciary

IN THE HOUSE BY RANDOLPH, MOSS AND O'CONNELL

HOUSE BILL NO. 640

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to games of chance and contests of skill; and providing for an effective date."

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

* Section 1. AS 05.15.100 is amended to read:

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 games of chance and contests of skill including bingo, raffles and lotteries, ice classics, rain classics, dog mushers' contests, and fish derbies [AND CONTESTS OF SKILL].

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

(b) With the exception of games of chance [RAFFLES, LOTTERIES AND RAIN CLASSICS], 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.

* Sec. 3. AS 05.15.210 is amended by adding a new paragraph to read:

(22) "game of chance" means a game in which the skill and experience of the player is secondary to purely fortuitous or accidental circumstances incidental to the game and includes ~~raffles and lotteries and~~ pull-tab and punchboard games in which the price of each chance is $1 or less, and raffles and lotteries.

* Sec. 4. Sections 1 - 3 of this Act are retroactive to January 1, 1982.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

SIGN-IN SHEET HB640 HB623

Name (please print)	Address	Representing	Testify? (YES or NO)	Phone Number
Joseph K Donohue		Dept of Revenue	✓ Yes	2302
Rep. Grussendorf		District III	✓ Yes	
MR. MARK ALBERT BELTZ	343 WEST 12TH AVENUE ANCHORAGE ALASKA 99501	PRIVATE CITIZEN	Yes	907-222-5363
Phil R. Holdsworth	326 - 4th St - Juneau.	State Elks. Assoc.	Yes	586-1383

HOUSE LABOR & COMMERCE COMMITTEE

HEARING DATE: 1-19-82

Game of Chance & Skills

SIGN-IN SHEET

Name (please print)	Address	Representing	Testify? (YES or NO)	Phone Number
N. Cord		Rep. Rogers	no	
Karen Pedue		GGN	no	
Sigrid Fry		Aid of Reg. Review C.	no	
Jerry Harris	Juneau	ELKS LODGE	NO ???	
Robert Shelley		Randolph Arch	NO!	
Rep NASKA			Yes (Sponsor)	
Clifford [illegible]		Rep - Gardiner	No	

HOUSE LABOR & COMMERCE COMMITTEE

HEARING DATE: 1-19-82

Alaska State Legislature

House of Representatives

Albert P. Adams
Chairman
Committee on Finance

WHILE IN SESSION
Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3706

ANCHORAGE OFFICE
1024 W. 6th Avenue
Anchorage, Alaska 99501
(907) 274-0615

HOME - DISTRICT 21
P.O. Box 271
Kotzebue, Alaska 99752
(907) 442-3320

Official Business

January 19, 1982

The Honorable Terry Martin
Chairman, House Labor and
Commerce Committee
and
All Committee Members

Dear Colleagues:

I am unable to attend today's teleconference on games of chance and skill. However, I would like to express my concern over a recent Attorney General's opinion which found that pull tabs are illegal under current state law. Pull tabs are commonly used in rural areas at bingo games to raise money for various civic and charitable organizations and functions. These range from the Lions' Club, Veterans of Foriegn War, and the Senior Citizens' Program in Dillingham which provides a ride service and hot meal service to the elderly. In addition, money from pull tabs is used to by food and coffins for poor people in the Bethel area.

I am unfamiliar with the use of pull tabs in urban areas of Alaska but, I can vouch for their importance in rural areas, where there are often few alternatives for raising money for charitable purposes.

Because of the importance of pull tabs in rural communities I urge the committee to legalize their use. Governor Hammond warned us in his state of the state address not to liberalize gambling laws, as this would result in an immigration of riff raff and low life to Alaska. I am sure he did not have pull tabs in mind when he made this statement, as pull tabs are not associated with low life, but with the highest motives of human nature, those of giving and sharing.

I therefore support House Bills 623 and 640, and I am not particularly concerned with the minor difference between them.

Sincerely,

Representative
Albert P. Adams

APA/wlr

Alaska State Legislature

REPRESENTATIVE
TERRY MARTIN
DISTRICT 8
CHAIRMAN—LABOR AND COMMERCE COMMITTEE
PHONE 465-3873

3960 REKA DRIVE—B6
ANCHORAGE, AK 99504
PHONE 333-6990

DURING LEGISLATURE
POUCH V
STATE CAPITOL
JUNEAU, AK 99811
PHONE 465-3784

LABOR AND COMMERCE COMMITTEE

February 4, 1982

Leo Nunley, Quartermaster
Wasilla VFW
Box 2000
Wasilla, Alaska 99687

Dear Mr. Nunley:

I received word from the Legislative Information Office in Wasilla that you would like information about the "games of chance" teleconference which was heard before this committee on January 19. I have enclosed minutes of that meeting, as well as a copy of the bill as it was passed out of committee.

There were two near-identical bills before the committee dealing with games of chance: HB 623, sponsored by Rep. Grussendorf of Sitka; and HB 640, sponsored by Rep. Randolph of Fairbanks. Both bills were designed to statutorily legalize games such as pull-tabs (Nevada cards) and punchboards. The only difference between the two bills was that HB 640 put a limit of $1 on the amount which could be charged for these games.

House Bill 640 was amended to clarify that this dollar limit would not apply to raffles, lotteries, and the like. The bill was approved by the Labor & Commerce Committee, and passed to House Judiciary Committee. Rep. Ramona Barnes is chairman of Judiciary, if you are interested in contacting her to give testimony or with any questions.

As you can see from the minutes, public testimony taken from around the state was overwhelmingly in support of this legislation. You should be aware, however, that Governor Hammond has already informed the legislature that he plans to veto any legislation which, in his definition, would broaden Alaska's gambling laws.

If you have any questions or would like more information, don't hesitate to contact me, by phone at 465-3657, by mail at the above address, or through the Legislative Information Office.

Sincerely,

Joan Mathews

Joan Mathews
Committee Secretary

enclosures

cc: Mary Kvalheim
Legislative Information Officer

LABOR & COMMERCE COMMITTEE

DAILY COMMITTEE HEARING

Date: 1/19/82 Place: _____

Members	Present	Absent	Time Arrived	Time Left
Rep. B. Bylsma, V. Chair	✓		12:58	2:49
Rep. D. Randolph	✓		1:04	2:49
Rep. B. Rogers	✓		1:22	2:49
Rep. T. Gardiner	✓		1:11	2:49
Rep. T. Martin, Chair	✓		12:58	2:49

Subject Matter:

House Bill No. 623 640 _____ _____ _____

Senate Bill No. _____ _____ _____ _____ _____

Special Orders:

Representatives Grussendorf, Vaska present to testify.
Rep. Adams sent written testimony.

HB 640 amended & passed.

COMMITTEE REPORT

HOUSE

(5) FURTHER: JUDICIARY

1/11/82

Date: _____

Mr. Speaker:

The Committee on LABOR & COMMERCE has had HB 640

"An Act relating to games of chance and contests of skill; and providing for an effective date."

under consideration and ~~(a majority of the committee) (the committee)~~ reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB640 [X] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Bruce Rog

Terry Gardiner

[illegible]

Terry Martin

MEMBERS HAVING OTHER RECOMMENDATIONS:

[illegible] (No Rec)

Rep Terry Martin
CHAIRMAN

H 60 (Rev. 12/78)

STATE OF ALASKA
DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH S
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

January 19, 1982

The Honorable Terry Martin
Chairman
House Labor & Commerce Committee
Room 211 - Behrends Building
Juneau, AK 99811

Dear Mr. Martin:

Re: House Bill No. 640

House Bill No. 640, an Act relating to games of chance and contests of skill, was introduced in the House on January 11, 1982, and was referred to the House Labor & Commerce and Judiciary Committees.

For consideration of the House Labor & Commerce Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Ervin B. Jones, Supervisor, Audit Division, Department of Revenue, concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

RDS:jas

Enclosure

cc: The Honorable Ramona L. Barnes
Chairwoman
House Judiciary Committee

Joseph K. Donohue
Deputy Commissioner, Taxation
Department of Revenue

Ervin B. Jones, Supervisor
Audit Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 640
Title "An Act relating to games of chance and contests of skill; and providing for an effective date" Date January 18, 1982
Requested by: House Labor and Commerce

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, Or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars) None

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS,CLAIMS,ETC.						
TOTAL						

FUNDING (Thousands of Dollars) None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

(Instruction Section III)

R.D. Stevenson
Legislative Assistant

January 18, 1982

Ervin Jones
Office Audit Manager
Audit Division

HB 640
(Labor and Commerce)

This bill proposes to amend three sections of AS 05.15.

The effect of these proposed changes is to considerably broaden the privileges granted with the issuance of a games of chance and skill permit. The original language of AS 05.15.100 limited the games of chance to only those activities listed (i.e., bingo, raffles, lotteries, ice classics, rain classics, dog mushers' contests and fish derbies). New games of chance would have to then be allowed under one of those listed. The proposed language removes that limitation and taken in context with sections 2 and 3 of the bill, would allow any game of chance which could be contrived where the element of chance and luck is foremost, regardless of whether those games of chance existed in Alaska prior to statehood. Since the original intent of the legislation was to permit continuance of those gaming activities after statehood which existed in territorial days, this change is a considerable divergence.

The only remaining limitation would be the limitation on use of gambling implements found in AS 05.15.180(a). This would presumably prevent the introduction of casino type hardware and coin operated video games as games of chance, but would not prevent the legal introduction of games of chance such as can be contrived by profit-seeking individuals and nonprofit organizations striving to maximize their take in an <u>extremely</u> competitive industry.

If the author's intent is simply to legalize pull-tabs, I would recommend this bill to legal counsel to arrive at a simpler way of accomplishing that goal without opening Pandora's box.

EJ:jg

Alaska State Legislature

House of Representatives

LABOR & COMMERCE COMMITTEE

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

FOR IMMEDIATE RELEASE

Contact Joan Mathews
465-3657/3873

January 13, 1982

"GAMES OF CHANCE" LAWS UNDER FIRE

"Games of chance and contests of skill" will be the topic of discussion at a January 19 hearing of the State House Labor & Commerce Committee. Recent state policy decisions have caused some confusion as to what qualifies as a game of chance.

Last year, the State Department of Revenue suspended regulations allowing the use of pull-tabs and punchboard games. Public outcry caused the reinstatement of those regulations last summer, but on January 1 of this year, the regulations were once again suspended. House bills 623 and 640, which would clarify statutes dealing with such games, have been scheduled for a statewide-teleconferenced hearing because so many service organizations have expressed concern that cutting off this means of funds would reduce or eliminate many of their charitable programs.

Committee chairman Representative Terry Martin said that many private charitable groups have expressed to him that games such as raffles, bingo and pull-tabs provide a good, low-overhead method of fundraising. The East Anchorage Republican said, "These games are used to raise a good deal of the money that enables such organiza-

--more--

tions as the Elks Club, American Legion, Kiwanis Clubs, and National Brotherhood & Sisterhood Associations to fund sports programs, special events, and other community-service functions."

A statewide teleconference hearing is scheduled for Tuesday, January 19, at 1:00 pm Juneau time. Those interested in participating should contact the Legislative Information Office or House Labor & Commerce Committee chairman Terry Martin at 465-3873.

--30--

MSG 82-00001450 PRTY 1 01/15/82 16:08:11 ORIG: LJE5 IN= 0002 OUT= 0003
FROM: JOAN MATHEWS, HOUSE LABOR & COM TO: MAXINE, FAIRBANKS
TARGET: LJHY SUBJ: PRESS RELEASE PAGE 0001

MAXINE:
FIRST, I'D LIKE TO THANK YOU FOR THE QUICK TRANSMITTAL OF THE COMMITTEE PRESS RELEASE TO THE NEWS MINER. I WAS CONTACTED TODAY BY DERMOT COLE, WHO REQUESTED FURTHER INFORMATION. UNFORTUNATELY, I HAVE NOT BEEN ABLE TO GET HOLD OF HIM SINCE HE CALLED. WILL YOU PLEASE LEAVE A MESSAGE FOR HIM THAT YOU HAVE THE INFORMATION HE REQUESTED, AND RELAY TO HIM THE FOLLOWING:

TO: DERMOT COLE, FAIRBANKS DAILY NEWS MINER
FM: JOAN MATHEWS, HOUSE LABOR & COMMERCE COMMITTEE

I HAVE NOT BEEN ABLE TO GET BACK IN TOUCH WITH YOU SINCE THIS MORNING, AND WANTED TO BE SURE YOU GOT THE FOLLOWING INFORMATION.

I CONTACTED REP. RANDOLPH'S OFFICE TO GET LIST OF SOME OF THE ORGANIZATIONS IN FAIRBANKS AREA WHO CONTACTED HIM RE PULL TABS QUESTION. THEY INCLUDE:

FAIRBANKS CURLING CLUB

MSG 82-00001450 PRTY 1 01/15/82 16:08:11 ORIG: LJE5 IN= 0002 OUT= 0003
FROM: JOAN MATHEWS, HOUSE LABOR & COM TO: MAXINE, FAIRBANKS
TARGET: LJHY SUBJ: PRESS RELEASE PAGE 0002

TANANA VALLEY AMERICAN RED CROSS
GOLDEN NORTH REBEKKAH LODGE
ST. NICHOLAS CHURCH, NORTH POLE
SOROPTOMISTS CLUB OF FAIRBANKS
NORTH POLE ELEMENTARY SCHOOL PTA
MIDNIGHT SUN LIONS CLUB
FAIRBANKS LIONS CLUB
BEAVER KWITCHIN CORPORATION
VFW
SACRED HEART CATHEDRAL
CHURCH OF GOD AND CHRIST
FAIRBANKS HUMANE SOCIETY
USO
ELKS CLUB

I ASKED ABOUT EXACTLY WHAT PULL TAB GAMES ARE. APPARENTLY THEY ARE SIMILAR IN PLAY TO A SLOT MACHINE--ONE PULLS A TAB OFF A CARD TO SEE WHAT COMBINATIONS OF

MSG 82-00001450 PRTY 1 01/15/82 16:08:11 ORIG: LJE5 IN= 0002 OUT= 0003
FROM: JOAN MATHEWS, HOUSE LABOR & COM TO: MAXINE, FAIRBANKS
TARGET: LJHY SUBJ: PRESS RELEASE PAGE 0003

FRUITS OR OTHER SYMBOLS ARE THERE, AND PRIZES OR MONEY ARE WON IF THE COMBINATION IS FAVORABLE (EG, 3 ORANGES, ETC). PUNCH CARDS OPERATE ON A SIMILAR THEORY. ONE PURCHASES A CARD AND PUNCHES OUT A SLOT OR HOLE TO SEE WHAT NUMBER LIES BENEATH; IF THE NUMBER IS THE SAME AS THE WINNING NUMBER, AGAIN, PRIZES OR MONEY ARE WON. I'M SURE THE LOCAL VFW OR ANY OF THE OTHER GROUPS LISTED ABOVE COULD EITHER SHOW YOU THESE GAMES OR EXPLAIN FURTHER.

THE ADMINISTRATION'S STAND ON THESE GAMES. SHE SAID THAT IN EARLY FALL, L98L, THE DEPARTMENT OF REVENUE BROUGHT TO THE GOVERNOR'S ATTENTION THAT PULL TABS AND PUNCHBOARDS ARE NOT TECHNICALLY COVERED BY STATUTE. THEY DETERMINED IT MIGHT BE POSSIBLE TO LEGALIZE, BY THE DEPARTMENT'S REGULATORY AUTHORITY; HOWEVER, THE GOVERNOR THOUGHT LEGALIZING THESE GAMES MIGHT APPROXIMATE LIBERALIZING GAMBLING LAWS, AS THE PRINCIPLE OF PULL TABS IS SIMILAR TO THAT OF "ONE ARMED BANDITS". THE GOVERNOR THOUGHT THIS INAPPROPRIATE. SINCE CHARITY-TYPE ORGANIZATIONS HAD BEEN USING THE GAMES, HE PERMITTED A L20 DAY EMERGENCY REGULATION EXTENSION TO ALLOW THESE ORGANIZATIONS TIME TO FIND OTHER

SOURCES OF FUNDING. THE EMERGENCY REGULATIONS EXPIRED DEC 30 OR 31. THE GOVERNOR INDICATED TO THE LEGISLATURE THAT HE HAS NO INTENTION OF REINSTATING THE REGULATIONS, FOR REASONS CITED ABOVE, AND INFORMED LEGISLATURE THAT, IF THEY PASSED LEGISLATION ALLOWING PULL TABS/PUNCHBOARDS, THEY SHOULD BE SURE THEY HAD THE REQUIRED 2/3 MAJORITY TO OVERRIDE HIS VETO, BECAUSE HE WOULD VETO ANY BILL LEGALIZING THESE GAMES.

SUSAN GREEN CAN BE CONTACTED AT 465-3500; SHE ALSO REFERRED ME TO DEPARTMENT OF REVENUE DEPUTY COMMISSIONER JOE DONAHUE, AT 465-2301, WHO HAS BEEN WORKING CLOSELY WITH HER ON THIS SUBJECT.

HC THIS CLARIFIES; SORRY TO BE SO UNINFORMATIVE THIS MORNING. PROMISE TO HAVE MORE BACKGROUND BEFORE RELEASING ARTICLES IN THE FUTURE.

JOAN MATHEWS

MAXINE: THANKS FOR YOUR ASSISTANCE, AND FOR THE GOOD WORK ON YESTERDAY'S TELECONFERENCE. HOPE TO MEET YOU ONE DAY..... JOAN MATHEWS.

PS--PLEASE CONFIRM RECEIPT BY OMNI TO LJHY. THANKS.

1/15/82

465-3500

Susan Green, Special asst to the Gov.

early fall, 1981 Dept of Rev brought ~~came~~ to Gov ofc attn that pull tabs + punchboards not technically covered by statute. Determined might be possible to legalize by dept regulatory auth, thought that might approximate ~~approving~~ liberalizing gambling (one armed bandit).* Gov felt this unapprop. Since charity type orgns had been using, he permitted extension (180 days) of emergency use regns.** Indicated to legis that if they wished to liberalize laws, shd go to vote. ~~Promised to veto, unless 2/3 majority, any legis'n legislature passed allowing~~ →

* difficult to distinguish bet pull tabs & one armed bandits

** by statute, possible to adopt em regs allowing games to continue 180 days to allow them to find other sources of fndg; ran out Dec 30 or 31

Dep. Comm. Joe Donahue
X 2301

Told legis. that if they passed legislation allowing these, they had be sure they had 2/3 majority required to override his veto, because he would veto legislation.

Susan Green

secy -- Betty Dalman, Gov's ofc

465-3500

[redacted]

Yens
Bernie's ofc
or
try Terry

Dermot Cole
456-6661

Dept of Revenue - ask for regs
on games of chance
- 10th or 11th fl, SOB
& get background on recent
policy changes

Randolph for virginia

ask deadlines
give answers - let them
do work

pull tabs like slot machines - get
cherries or fruit & win
prize ~~[illegible]~~ for good combinations

punchboards - punch a hole
in cardboard game; if numbers
matches, win prize

Terry if available for stunt