



# COMMITTEE REPORT

## SENATE

FURTHER: *Puller*  
None

2/4/81

Date: 2-24-81

Mr. President:

, The Committee on JUDICIARY has had SB 149  
regulation of bingo, raffles, and ice pools

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)
- replace with CS for SB 149 (gnd)  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

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*1* Charles H. ...  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*2* ...  
CHAIRMAN  
*no rec.*

Original Sponsor: Bennett

Offered: 4/28/81  
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 149 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to the regulation of bingo, raffles  
7 and lotteries, ice classics, rain classics, dog mushers  
8 contests', boating associations, fish derbies, and  
9 contests of skill; and providing for an effective  
10 date."

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

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

13 Sec. 05.15.185. AUTHORIZED PRIZES. (a) A single prize awarded in  
14 a bingo game conducted under a permit issued under this chapter may not  
15 exceed \$1,500, and the total prizes awarded during one bingo session  
16 may not exceed \$7,500.

17 (b) A person holding a permit to conduct raffles or lotteries  
18 under this chapter may not in one calendar year award

19 (1) cash prizes or prizes of personal property of an aggregate  
20 total in excess of \$75,000; or

21 (2) prizes of real property in excess of \$100,000.

22 \* Sec. 2. AS 05.15.210(2) is amended to read:

23 (2) "charitable organization" means an organization, not for  
24 pecuniary profit, which is formed [OPERATED] for the relief of poverty,  
25 distress, or other condition of public concern in the state, and which  
26 has been so engaged for one year [FIVE YEARS] before applying for a  
27 permit under this chapter;

28 \* Sec. 3. AS 05.15.210(3) is amended to read:

29 (3) "civic or service organization" means any branch or

1 lodge or chapter of a national or state organization which is a civic  
2 or service organization, not for pecuniary profit, formed and authorized  
3 by its written constitution, charter, or articles of incorporation, or  
4 bylaws to engage in a fraternal, civic or service purpose in the state  
5 and which has been so engaged for one year [FIVE YEARS] before applying  
6 for a license under this chapter;

7 \* Sec. 4. AS 05.15.210(5) is amended to read:

8 (5) "dog mushers' association" means a civic, service or  
9 charitable organization in the state, not for pecuniary profit, formed  
10 exclusively to promote interest in the breeding and training of dog  
11 teams for work or recreational and racing purposes and which has been  
12 in existence for one year [FIVE YEARS] before applying for a permit  
13 under this chapter, but does not include an organization formed or  
14 operated for gaming or gambling purposes;

15 \* Sec. 5. AS 05.15.210(7) is amended to read:

16 (7) "educational organization" means a civic, service or  
17 charitable organization in the state, not for pecuniary profit,  
18 formed for an [WHOSE PRIMARY PURPOSE IS] educational purpose [IN NATURE]  
19 and designed to develop the capabilities of individuals by instruction  
20 and which has been in existence for one year [FIVE YEARS] before apply-  
21 ing for a license under this chapter;

22 \* Sec. 6. AS 05.15.210(8) is amended to read:

23 (8) "fishing-derby association" means a civic, service or  
24 charitable organization in the state, not for pecuniary profit, formed  
25 [WHOSE PRIMARY PURPOSE IS] to promote interest in fishing for recrea-  
26 tional purposes and which has been in existence for one year [FIVE  
27 YEARS] before applying for a permit under this chapter, but does not  
28 include an organization formed or operated for gaming or gambling  
29 purposes;

1 \* Sec. 7. AS 05.15.210(10) is amended to read:

2 (10) "fraternal organization" means a civic, service or  
3 charitable organization in the state, except a college and high school  
4 fraternity, not for pecuniary profit, which is a branch or lodge or  
5 chapter, of a national or state organization and is formed [EXISTS] for  
6 the common business, brotherhood, or other interest of its members and  
7 which has so existed for one year [FIVE YEARS] before applying for a  
8 license;

9 \* Sec. 8. AS 05.15.210(14) is amended to read:

10 (14) "police or fire department and company" means a civic,  
11 service or charitable organization in the state, not for pecuniary  
12 profit, formed [ESTABLISHED] by the state or a political subdivision of  
13 the state which has been in existence for one year [FIVE YEARS] before  
14 applying for a license under this chapter;

15 \* Sec. 9. AS 05.15.210(15) is amended to read:

16 (15) "qualified organization" means a bona fide civic or  
17 service organization or a bona fide religious, charitable, fraternal,  
18 labor, political, or educational organization, police or fire department  
19 company, dog mushers' association, boating association, or fishing-derby  
20 association in the state, which operates without profits to its members  
21 and which has been in existence continually for a period of one year  
22 [FIVE YEARS] immediately before applying for a license, and the organi-  
23 zation may be a firm, corporation, company, association or partnership;

24 \* Sec. 10. AS 05.15.210(17) is amended to read:

25 (17) "religious organization" means an organization, church,  
26 body of communicants, or group, not for pecuniary profit, formed  
27 [GATHERED IN COMMON MEMBERSHIP] for mutual support and edification in  
28 piety, worship and religious observances, or a society, not for  
29 pecuniary profit, of individuals united for religious purposes at a

1 definite place and which has been so gathered or united for one year  
2 [FIVE YEARS] before applying for a license and is recognized as a  
3 religious organization under the federal income tax laws and the selec-  
4 tive service law;

5 \* Sec. 11. AS 05.15.210(18) is amended to read:

6 (18) "veterans organization" means a civic, service or  
7 charitable organization in the state, or a branch or lodge or chapter  
8 of a national or state organization in the state, not for pecuniary  
9 profit, formed by [THE MEMBERSHIP OF WHICH CONSISTS OF] individuals who  
10 were members of the armed services or forces of the United States, and  
11 which has been in existence for one year [FIVE YEARS] before applying  
12 for a license under this chapter.

13 \* Sec. 12. AS 05.15.210 is amended by adding a new paragraph to read:

14 (22) "boating association" means a civic, service, or charit-  
15 able organization in the state, not for pecuniary profit, formed to  
16 promote interest in boating for recreational or racing purposes and  
17 which has been in existence for one year before applying for a permit  
18 under this chapter, but does not include an organization formed or  
19 operated for gaming or gambling purposes.

20 \* Sec. 13. This Act takes effect July 1, 1981.  
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Introduced: 2/4/81  
Referred: Judiciary

1 IN THE SENATE

BY BENNETT

2 SENATE BILL NO. 149

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of bingo, raffles,  
7 and ice pools; and providing for an effective date."

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

9 \* Section 1. AS 05.15.210(2) is amended to read:

10 (2) "charitable organization" means an organization, not for  
11 pecuniary profit, which is operated for the relief of poverty, distress,  
12 or other condition of public concern in the state, and which has been  
13 so engaged for one year [FIVE YEARS] before applying for a permit under  
14 this chapter;

15 \* Sec. 2. AS 05.15.210(3) is amended to read:

16 (3) "civic or service organization" means any branch or  
17 lodge or chapter of a national or state organization which is a civic  
18 or service organization, not for pecuniary profit, and authorized by  
19 its written constitution, charter, or articles of incorporation, or  
20 bylaws to engage in a fraternal, civic or service purpose in the state  
21 and which has been so engaged for one year [FIVE YEARS] before applying  
22 for a license under this chapter;

23 \* Sec. 3. AS 05.15.210(5) is amended to read:

24 (5) "dog mushers' association" means a civic, service or  
25 charitable organization in the state, not for pecuniary profit, formed  
26 exclusively to promote interest in the breeding and training of dog  
27 teams for work or recreational and racing purposes and which has been  
28 in existence for one year [FIVE YEARS] before applying for a permit  
29 under this chapter, but does not include an organization formed or

COMMITTEE COPY

1 operated for gaming or gambling purposes;

2 \* Sec. 4. AS 05.15.210(7) is amended to read:

3 (7) "educational organization" means a civic, service or  
4 charitable organization in the state, not for pecuniary profit, whose  
5 primary purpose is educational in nature and designed to develop the  
6 capabilities of individuals by instruction and which has been in exist-  
7 ence for one year [FIVE YEARS] before applying for a license under this  
8 chapter;

9 \* Sec. 5. AS 05.15.210(8) is amended to read:

10 (8) "fishing-derby association" means a civic, service or  
11 charitable organization in the state, not for pecuniary profit, whose  
12 primary purpose is to promote interest in fishing for recreational  
13 purposes and which has been in existence for one year [FIVE YEARS]  
14 before applying for a permit under this chapter, but does not include  
15 an organization formed or operated for gaming or gambling purposes;

16 \* Sec. 6. AS 05.15.210(10) is amended to read:

17 (10) "fraternal organization" means a civic, service or  
18 charitable organization in the state, except a college and high school  
19 fraternity, not for pecuniary profit, which is a branch or lodge or  
20 chapter, of a national or state organization and exists for the common  
21 business, brotherhood, or other interest of its members and which has  
22 so existed for one year [FIVE YEARS] before applying for a license;

23 \* Sec. 7. AS 05.15.210(14) is amended to read:

24 (14) "police or fire department and company" means a civic,  
25 service or charitable organization in the state, not for pecuniary  
26 profit, established by the state or a political subdivision of the  
27 state which has been in existence for one year [FIVE YEARS] before  
28 applying for a license under this chapter;

29 \* Sec. 8. AS 05.15.210(15) is amended to read:

1 (15) "qualified organization" means a bona fide civic or  
2 service organization or a bona fide religious, charitable, fraternal,  
3 labor, political, or educational organization, police or fire department  
4 company, dog mushers' association, or fishing-derby association in the  
5 state, which operates without profits to its members and which has been  
6 in existence continually for a period of one year [FIVE YEARS] immedi-  
7 ately before applying for a license, and the organization may be a  
8 firm, corporation, company, association or partnership;

9 \* Sec. 9. AS 05.15.210(17) is amended to read:

10 (17) "religious organization" means an organization, church,  
11 body of communicants, or group, not for pecuniary profit, gathered in  
12 common membership for mutual support and edification in piety, worship  
13 and religious observances, or a society, not for pecuniary profit, of  
14 individuals united for religious purposes at a definite place and which  
15 has been so gathered or united for one year [FIVE YEARS] before applying  
16 for a license and is recognized as a religious organization under the  
17 federal income tax laws and the selective service law;

18 \* Sec. 10. AS 05.15.210(18) is amended to read:

19 (18) "veterans organization" means a civic, service or charit-  
20 able organization in the state, or a branch or lodge or chapter of a  
21 national or state organization in the state, not for pecuniary profit,  
22 the membership of which consists of individuals who were members of the  
23 armed services or forces of the United States, and which has been in  
24 existence for one year [FIVE YEARS] before applying for a license under  
25 this chapter.

26 \* Sec. 11. This Act takes effect July 1, 1981.  
27  
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29

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 149 (Judiciary)

Title An Act relating to the regulation of bingo, raffles, and lotteries, ice classics etc.

Requested by Senate Rules Committee

Date April 29, 1981

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		79.9	79.9	79.9	79.9	79.9
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL		9.5	9.5	9.5	9.5	9.5
400 COMMODITIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		2.7	2.7	2.7	2.7	2.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>

FUNDING (Thousands of Dollars)

<u>GENERAL FUND</u>		98.3	98.3	98.3	98.3	98.3
<u>FEDERAL FUNDS</u>						
<u>OTHER (Specify Fund Source)</u>						

POSITIONS

<u>FULL TIME</u>		3	3	3	3	3
<u>PART TIME</u>						
<u>TEMPORARY</u>						

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

The memorandum to R. D. Stevenson dated February 26, 1981, which was attached to the fiscal note on the original version of the bill is still applicable.

IV. DATE April 29, 1981

PREPARED BY Gary L. Jenkins

AGENCY Audit Division

PHONE 465-2370

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

MAY 4 1981

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

May 4, 1981

The Honorable Tim Kelly  
Chairman  
Senate Rules Committee  
Room 100 - Capitol Building  
Juneau, Alaska

Dear Senator Kelly:

Re: CS for Senate Bill No. 149 (Judiciary)

CS for Senate Bill No. 149 (Judiciary), an Act relating to the regulations of bingo, raffles and lotteries, ice classics, rain classics, dog mushers contests', boating associations, fish derbies, and contests of skill, was referred in the Senate on April 28, 1981 by the Senate Judiciary Committee to the Senate Rules Committee.

For the consideration of the Senate Rules Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division and Mr. Bill Yankee, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Gary L. Jenkins, Director  
Audit Division  
Department of Revenue

Bill Yankee  
Research Section  
Department of Revenue

# MEMORANDUM

# State of Alaska

TO R. D. Stevenson  
Legislative Assistant

DATE February 26, 1981

FILE NO.

TELEPHONE NO

FROM Gary L. Jenkins  
Director  
Audit Division

SUBJECT SB 149

This bill proposes to change the requirement of how long a qualified organization must be in existence before it is eligible to apply for a Games of Chance and Skill permit. The current law which has been in effect since 1960 requires an organization to have been in existence for 5 years before they can apply for a permit. The proposed bill would reduce that to one year.

There would appear to be a very good reason for the action the Legislature originally took in 1960 when they set the requirement at 5 years before an organization could apply for a permit. I believe that they were concerned that questionable groups could be set up just to take advantage of the fund raising permitted under the law. The 5 year requirement would mean that an organization would need to have sufficient public support to maintain it's existence for a five year period prior to it being able to take advantage of the fund raising afforded by a Games of Chance and Skill permit. This would result in those organizations established for the benefit of the organizers usually disbanding before five years had passed.

This bill would also necessitate the addition of two tax examiners to handle the several hundred additional applications and financial reports which we would receive each year. Further, an auditor would be needed to routinely conduct audits of these organizations to insure that the games were conducted in accordance with the law and the proceeds were distributed to qualified recipients.

THE LEGISLATURE OF THE STATE OF OKLA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Senate Bill 149 (Judiciary)  
 Title Act relating to the regulation of bingo, raffles, and ice pools.  
 Requested by Senate Rules Committee Date April 28, 1981

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

	-0-	25	40	60	80
GENERAL FUND					
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

The bill proposes to reduce from five years to one year the time necessary for certain not-for-profit organizations to qualify for a permit enabling them to operate certain games of chance and skill. In addition, the bill would add boating associations to those organizations already qualified and increases the dollar amounts allowed in prizes. The fees amount to \$20 for an annual permit and 1% of net proceeds.

It is assumed that both the number of organizations applying and the amount of net proceeds, after inflation, will increase by 25% each year.

IV. DATE April 28, 1981 PREPARED BY William Yankee *Bill Yankee*  
 AGENCY Revenue (Research)  
 PHONE 465-2173  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

TWELFTH Legislature FIRST Session

SENATE BILL NO. 149

By BENNETT

"An Act relating to the regulation of bingo, raffles, and ice pools; and providing for an effective date."

Introduced in the Senate 2/4/31

HISTORY IN THE SENATE

19 81	Read first time and referred to Committee on Judiciary												
2 4	Reported back with recommendation that <i>replace w/CS - 3 do pass, 1 no rec - to be referred added - to Dir</i>												
4 28													
5 6	Read second time and												
	Read third time and												
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
PASS	Effective Date												
Yeas	Yeas												
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Absent	Absent												
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Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by President Sent to House												

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
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Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed Signed by Speaker Returned to Senate												

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Received from House
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

LAY S. HAMMOND, GOVERNOR

APR 14 1982

POUCH 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

April 13, 1982

The Honorable Don Bennett  
Pouch V  
Juneau, AK 99811



Dear Senator Bennett:

This responds to your question concerning the fiscal note effect of SB 149, "An act relating to the regulation of bingo, raffles and ice pools." You specifically questioned if the present staff could support the changes resulting from the passage of SB 149 thereby eliminating the request for additional funding contained on the Fiscal Note.

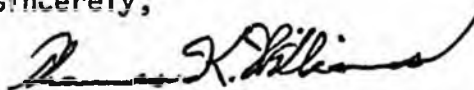
Presently one employee is assigned full-time to administering AS 05.15. Over 600 permits are issued from over 700 applications. Before individual income tax repeal, a second position was assigned during the three month peak renewal period each year. This year the primary position is working an average of 10 hours overtime per month. The peak renewal period is now underway but, there is no second position to assign. The issuance of permits will be delayed an estimated six to eight weeks during the period April through June.

CSS SB 149 (Jud) would result in hundreds of additional applications, for two reasons: (1) the one year prior engagement provision and; (2) the increase in prize limits. The estimated number of applications received and permits issued is double the present work load. Additional resources will be needed to handle the work. Failure to provide the necessary resources will result in untenable delays in processing permits.

Present permit administration is without assigned audit support which would help insure that activity conducted under the issued permit is in accordance with the law and that proceeds are dedicated to qualified purposes. The increased workload which will result from this Bill will exacerbate the current lack of resources within the Department. We continuously receive complaints of raffle prizes never issued, cheating in the operation of bingo games, illegal prizes, etc. which can not be verified or acted upon because there is no audit or investigative resource provided in support of AS 05.15.

An update Fiscal Note is attached for your information.

Sincerely,



Thomas K. Williams  
Commissioner

Attachment

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CS SB 149 (Jud)

Title: Relating to the regulation of bingo, raffles and lotteries.

Requested by: \_\_\_\_\_ Date: 4/6/82

II. FISCAL DETAIL

Agency Affected: \_\_\_\_\_

Revenue

Program Category Affected: General Government

BRU, Program, or Subprogram(s) Affected: Public Services

(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)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	78.7	84.2	90.1	96.4	103.2
200 TRAVEL	-	5.0	5.4	5.7	6.1	6.6
300 CONTRACTUAL	-	10.0	10.7	11.5	12.3	13.1
400 COMMODITIES	-	1.0	1.1	1.1	1.2	1.3
500 EQUIPMENT	-	3.0	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-0-	97.7	101.4	108.4	116.0	124.2

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	97.7	101.4	108.4	116.0	124.2
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	2/24mm	2/24mm	2/24mm	2/24mm	2/24mm
PART TIME	-	1/5mm	1/5mm	1/5mm	1/5mm	1/5mm
TEMPORARY	-	-	-	-	-	-

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

CS SB 149 (Jud) increases the prize limits on bingo games, raffles and lotteries, decreases pre-engagement requirement from five years to one year and adds "boating association" to the definition of "qualified organizations."

Assumptions:

Adds 700 applications and 610 potential permits: additional applications qualifying at one year - 600, boating associates - 10.

Continued on next page.

IV. DATE: 4/6/82

PREPARED BY: *P. A. Wall*

AGENCY: Revenue

PHONE: 465-2393

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

33-001 (Rev. 12/81)

CS SB 149 (Jud)

Program Summary:

One employee is presently assigned full-time to administering AS 05.5. Over 600 permits are issued from over 700 applications. The position is working an average of 10 hours overtime per month. The peak renewal period is now underway and application processing is beginning to backlog. The issuance of permits will be delayed an estimated six to eight weeks during the period April through June.

CS SB 149 (Jud) would result in hundreds of additional applications for two reasons: (1) The one year engagement provision; and (2) the increase in prize limits. The assumed number of applications received and permits issued will double the present workload. Additional resources will be needed to handle the work. Failure to provide the necessary resources will result in untenable delays in processing permits.

Present permit administration is without audit support to insure that activity conducted under the issued permit is in accordance with law and that proceeds are distributed to qualified recipients. The increase which will result from this Bill will compound the lack of audit situation.

Positions:

1 PFT Revenue Auditor, R 16 @ \$2,463 mo.  
plus 32% costs = 39.0

Audit permittees to insure that activity conducted is in accordance with the law and that proceeds are distributed to qualified recipients.

1 PFT Tax Examiner R 12 @ \$1,889 mo.  
plus 32% costs = 29.9

Receive and examine additional applications, obtain additional information from applicants, disapprove or approve and issue permits. Respond to letter, phone and in-person inquiries. Receive and audit reports from permittees. Prepare the annual report to the Legislature.

1 PPT Clerk Typist, R 8 @ \$1,487 mo. plus  
32% costs for 5 mo. = 9.8

Total positions = 78.7

Other Expenditures:

Travel - to audit permittees	=	5.0	==
Total Travel	=		5.0
Contractual - Postage, Toll Calls, Equipment Rental, Forms	=	10.0	==
Total Contractual	=		10.0
Commodities -	=	1.0	==
Total Commodities	• =		1.0
Equipment -	=	3.0	==
Total Equipment	=		3.0

Introduced: 2/4/81  
Referred: Judiciary

1 IN THE SENATE

BY BENNETT

2 SENATE BILL NO. 149

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of bingo, raffles,  
7 and ice pools; and providing for an effective date."

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

9 \* Section 1. AS 05.15.210(2) is amended to read:

10 (2) "charitable organization" means an organization, not for  
11 pecuniary profit, which is operated for the relief of poverty, distress,  
12 or other condition of public concern in the state, and which has been  
13 so engaged for one year [FIVE YEARS] before applying for a permit under  
14 this chapter;

15 \* Sec. 2. AS 05.15.210(3) is amended to read:

16 (3) "civic or service organization" means any branch or  
17 lodge or chapter of a national or state organization which is a civic  
18 or service organization, not for pecuniary profit, and authorized by  
19 its written constitution, charter, or articles of incorporation, or  
20 bylaws to engage in a fraternal, civic or service purpose in the state  
21 and which has been so engaged for one year [FIVE YEARS] before applying  
22 for a license under this chapter;

23 \* Sec. 3. AS 05.15.210(5) is amended to read:

24 (5) "dog mushers' association" means a civic, service or  
25 charitable organization in the state, not for pecuniary profit, formed  
26 exclusively to promote interest in the breeding and training of dog  
27 teams for work or recreational and racing purposes and which has been  
28 in existence for one year [FIVE YEARS] before applying for a permit  
29 under this chapter, but does not include an organization formed or

1 operated for gaming or gambling purposes;

2 \* Sec. 4. AS 05.15.210(7) is amended to read:

3 (7) "educational organization" means a civic, service or  
4 charitable organization in the state, not for pecuniary profit, whose  
5 primary purpose is education in nature and designed to develop the  
6 capabilities of individuals by instruction and which has been in exist-  
7 ence for one year [FIVE YEARS] before applying for a license under this  
8 chapter;

9 \* Sec. 5. AS 05.15.210(8) is amended to read:

10 (8) "fishing-derby association" means a civic, service or  
11 charitable organization in the state, not for pecuniary profit, whose  
12 primary purpose is to promote interest in fishing for recreational  
13 purposes and which has been in existence for one year [FIVE YEARS]  
14 before applying for a permit under this chapter, but does not include  
15 an organization formed or operated for gaming or gambling purposes;

16 \* Sec. 6. AS 05.15.210(10) is amended to read:

17 (10) "fraternal organization" means a civic, service or  
18 charitable organization in the state, except a college and high school  
19 fraternity, not for pecuniary profit, which is a branch or lodge or  
20 chapter, of a national or state organization and exists for the common  
21 business, brotherhood, or other interest of its members and which has  
22 so existed for one year [FIVE YEARS] before applying for a license;

23 \* Sec. 7. AS 05.15.210(14) is amended to read:

24 (14) "police or fire department and company" means a civic,  
25 service or charitable organization in the state, not for pecuniary  
26 profit, established by the state or a political subdivision of the  
27 state which has been in existence for one year [FIVE YEARS] before  
28 applying for a license under this chapter;

29 \* Sec. 8. AS 05.15.210(15) is amended to read:

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(15) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, labor, political, 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 one year [FIVE YEARS] immediately before applying for a license, and the organization may be a firm, corporation, company, association or partnership;

\* Sec. 9. AS 05.15.210(17) is amended to read:

(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 one year [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;

\* Sec. 10. AS 05.15.210(18) is amended to read:

(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 one year [FIVE YEARS] before applying for a license under this chapter.

\* Sec. 11. This Act takes effect July 1, 1981.

Original Sponsor: Bennett

Offered: 4/28/81  
Referred: Rules

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 149 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of bingo, raffles  
7 and lotteries, ice classics, rain classics, dog mushers  
8 contests', boating associations, fish derbies, and  
9 contests of skill; and providing for an effective  
10 date."

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

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

13 Sec. 05.15.185. AUTHORIZED PRIZES. (a) A single prize awarded in  
14 a bingo game conducted under a permit issued under this chapter may not  
15 exceed \$1,500, and the total prizes awarded during one bingo session  
16 may not exceed \$7,500.

17 (b) A person holding a permit to conduct raffles or lotteries  
18 under this chapter may not in one calendar year award

19 (1) cash prizes or prizes of personal property of an aggre-  
20 gate total in excess of \$75,000; or

21 (2) prizes of real property in excess of \$100,000.

22 \* Sec. 2. AS 05.15.210(2) is amended to read:

23 (2) "charitable organization" means an organization, not for  
24 pecuniary profit, which is formed [OPERATED] for the relief of poverty,  
25 distress, or other condition of public concern in the state, and which  
26 has been so engaged for one year [FIVE YEARS] before applying for a  
27 permit under this chapter;

28 \* Sec. 3. AS 05.15.210(?) is amended to read:

29 (3) "civic or service organization" means any branch or

1 lodge or chapter of a national or state organization which is a civic  
2 or service organization, not for pecuniary profit, formed and authorized  
3 by its written constitution, charter, or articles of incorporation, or  
4 bylaws to engage in a fraternal, civic or service purpose in the state  
5 and which has been so engaged for one year [FIVE YEARS] before applying  
6 for a license under this chapter;

7 \* Sec. 4. AS 05.15.210(5) is amended to read:

8 (5) "dog mushers' association" means a civic, service or  
9 charitable organization in the state, not for pecuniary profit, formed  
10 exclusively to promote interest in the breeding and training of dog  
11 teams for work or recreational and racing purposes and which has been  
12 in existence for one year [FIVE YEARS] before applying for a permit  
13 under this chapter, but does not include an organization formed or  
14 operated for gaming or gambling purposes;

15 \* Sec. 5. AS 05.15.210(7) is amended to read:

16 (7) "educational organization" means a civic, service or  
17 charitable organization in the state, not for pecuniary profit,  
18 formed for an [WHOSE PRIMARY PURPOSE IS] educational purpose [IN NATURE]  
19 and designed to develop the capabilities of individuals by instruction  
20 and which has been in existence for one year [FIVE YEARS] before apply-  
21 ing for a license under this chapter;

22 \* Sec. 6. AS 05.15.210(8) is amended to read:

23 (8) "fishing-derby association" means a civic, service or  
24 charitable organization in the state, not for pecuniary profit, formed  
25 [WHOSE PRIMARY PURPOSE IS] to promote interest in fishing for recrea-  
26 tional purposes and which has been in existence for one year [FIVE  
27 YEARS] before applying for a permit under this chapter, but does not  
28 include an organization formed or operated for gaming or gambling  
29 purposes;

1 \* Sec. 7. AS 05.15.210(10) is amended to read:

2 (10) "fraternal organization" means a civic, service or  
3 charitable organization in the state, except a college and high school  
4 fraternity, not for pecuniary profit, which is a branch or lodge or  
5 chapter, of a national or state organization and is formed [EXISTS] for  
6 the common business, brotherhood, or other interest of its members and  
7 which has so existed for one year [FIVE YEARS] before applying for a  
8 license;

9 \* Sec. 8. AS 05.15.210(14) is amended to read:

10 (14) "police or fire department and company" means a civic,  
11 service or charitable organization in the state, not for pecuniary  
12 profit, formed [ESTABLISHED] by the state or a political subdivision of  
13 the state which has been in existence for one year [FIVE YEARS] before  
14 applying for a license under this chapter;

15 \* Sec. 9. AS 05.15.210(15) is amended to read:

16 (15) "qualified organization" means a bona fide civic or  
17 service organization or a bona fide religious, charitable, fraternal,  
18 labor, political, or educational organization, police or fire department  
19 company, dog mushers' association, boating association, or fishing-derby  
20 association in the state, which operates without profits to its members  
21 and which has been in existence continually for a period of one year  
22 [FIVE YEARS] immediately before applying for a license, and the organi-  
23 zation may be a firm, corporation, company, association or partnership;

24 \* Sec. 10. AS 05.15.210(17) is amended to read:

25 (17) "religious organization" means an organization, church,  
26 body of communicants, or group, not for pecuniary profit, formed  
27 [GATHERED IN COMMON MEMBERSHIP] for mutual support and edification in  
28 piety, worship and religious observances, or a society, not for  
29 pecuniary profit, of individuals united for religious purposes at a

1 definite place and which has been so gathered or united for one year  
2 [FIVE YEARS] before applying for a license and is recognized as a  
3 religious organization under the federal income tax laws and the selec-  
4 tive service law;

5 \* Sec. 11. AS 05.15.210(18) is amended to read:

6 (18) "veterans organization" means a civic, service or  
7 charitable organization in the state, or a branch or lodge or chapter  
8 of a national or state organization in the state, not for pecuniary  
9 profit, formed by [THE MEMBERSHIP OF WHICH CONSISTS OF] individuals who  
10 were members of the armed services or forces of the United States, and  
11 which has been in existence for one year [FIVE YEARS] before applying  
12 for a license under this chapter.

13 \* Sec. 12. AS 05.15.210 is amended by adding a new paragraph to read:

14 (22) "boating association" means a civic, service, or charit-  
15 able organization in the state, not for pecuniary profit, formed to  
16 promote interest in boating for recreational or racing purposes and  
17 which has been in existence for one year before applying for a permit  
18 under this chapter, but does not include an organization formed or  
19 operated for gaming or gambling purposes.

20 \* Sec. 13. This Act takes effect July 1, 1981.  
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THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 149 (Judiciary)

Title An Act relating to the regulation of bingo, raffles, and lotteries, ice classif etc.

Requested by Senate Rules Committee Date April 29, 1981

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		79.9	79.9	79.9	79.9	79.9
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL		9.5	9.5	9.5	9.5	9.5
400 COMMODITIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		2.7	2.7	2.7	2.7	2.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		98.3	98.3	98.3	98.3	98.3

FUNDING (Thousands of Dollars)

GENERAL FUND		98.3	98.3	98.3	98.3	98.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

The memorandum to R. D. Stevenson dated February 26, 1981, which was attached to the fiscal note on the original version of the bill is still applicable.

IV. DATE April 29, 1981

PREPARED BY Gary L. Jenkins

AGENCY Audit Division

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 149

Title Regulation of bingo, raffles, and ice pools.

Requested by Senate Judiciary Committee

Date February 4, 1981

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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		79.9	79.9	79.9	79.9	79.9
200 TRAVEL		5.0	5.0	5.0	5.0	5.0
300 CONTRACTUAL		9.5	9.5	9.5	9.5	9.5
400 COMMODITIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		2.7	2.7	2.7	2.7	2.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>	<b>98.3</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		98.3	98.3	98.3	98.3	98.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

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

See attached memo to R.D. Stevenson, dated February 26, 1981.

IV. DATE February 26, 1981

PREPARED BY Gary L. Jenkins

AGENCY Audit Division

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

# MEMORANDUM

# State of Alaska

TO: R. D. Stevenson  
Legislative Assistant

DATE: February 26, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: SB 149

This bill proposes to change the requirement of how long a qualified organization must be in existence before it is eligible to apply for a Games of Chance and Skill permit. The current law which has been in effect since 1960 requires an organization to have been in existence for 5 years before they can apply for a permit. The proposed bill would reduce that to one year.

There would appear to be a very good reason for the action the Legislature originally took in 1960 when they set the requirement at 5 years before an organization could apply for a permit. I believe that they were concerned that questionable groups could be set up just to take advantage of the fund raising permitted under the law. The 5 year requirement would mean that an organization would need to have sufficient public support to maintain its existence for a five year period prior to it being able to take advantage of the fund raising afforded by a Games of Chance and Skill permit. This would result in those organizations established for the benefit of the organizers usually disbanding before five years had passed.

This bill would also necessitate the addition of two tax examiners to handle the several hundred additional applications and financial reports which we would receive each year. Further, an auditor would be needed to routinely conduct audits of these organizations to insure that the games were conducted in accordance with the law and the proceeds were distributed to qualified recipients.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 149  
 Title Act relating to the regulation of bingo, raffles, and ice pools  
 Requested by Senate Judiciary Committee Date February 5, 1981

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (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)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
<b>TOTAL</b>						

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	20	30	45	60	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The bill proposes to reduce from five years to one year the time necessary for certain not-for-profit organizations to qualify for a permit enabling them to operate certain games of chance and skill. The fees amount to \$20 for an annual permit and 1% of net proceeds.

It is assumed that both the number of organizations applying and the amount of net proceeds, after inflation, will increase by 25% each year.

IV. DATE February 5, 1981 PREPARED BY Bill Yankee  
 AGENCY Research Section  
 PHONE 465-2173  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)