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COMMITTEE REPORT

SENATE

FURTHER: 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  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:

*[Handwritten signature]*

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*[Handwritten signature]*

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CHAIRMAN

# MEMORANDUM

# State of Alaska

TO: Denna L. Cline  
Special Assistant

DATE: April 3, 1981

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins  
Director  
Audit Division

SUBJECT: Games of Chance and  
Skill limitations

This is in response to your inquiry of today regarding the number of organizations who have Games of Chance and Skill permits that are near to or exceeding the prize value limitations established in the current regulations.

With regard to those organizations who had a permit to conduct raffles and lotteries during 1979 and 1980, we have received the annual financial reports from 178 for 1979 and 131 for 1980. Of the 178 in 1979, there were only three organizations which gave out the maximum allowable value in prizes. There were also three in 1980 which reached the maximum. The vast majority (i.e. 95%) of the organizations did not award prizes with a total value greater than \$15,000. In 1979, two of the three organizations exceeded the \$30,000 limitation, while in 1980 one of the three organizations exceeded the limitation.

With regard to the organizations conducting Bingo games throughout the state, to my knowledge we have had no problems with the limits currently provided in the regulations. Further, there have not been any requests made to my staff to increase those limits because they were inadequate.

If I can provide you any additional information, please feel free to contact me.

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

*Sen. Bennett*

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801  
907-465-3800

MEMORANDUM

March 30, 1981

SUBJECT: Amendments to SB 149

TO: Senator Patrick M. Rodey, Chairman  
Senate Judiciary Committee  
Attn: Kevin Bruce

FROM: Thomas A. Sofo *IAS*  
Legislative Counsel

The first paragraph of your memo of March 24, 1981, requests this office to draft amendments establishing uniform language for the definitions of the various organizations contained in AS 05.15.210. The instruction contained in this work order involves matters of taste and nuance. In each case there is a choice between several noun-verb phrases that could be employed. I have broken out the various operative noun-verb phrases which are contained in AS 05.15.210 below by paragraph number:

- (2) charitable organization -- "operated for the relief of poverty . . ."
- (3) civic or service organization -- "authorized to engage in a fraternal purpose . . ."
- (5) dog mushers' association -- "formed exclusively to promote interest in the breeding . . ."
- (7) educational organization -- "whose primary purpose is education . . ."
- (8) fishing derby association -- "whose primary purpose is to promote interest in fishing . . ."
- (10) fraternal organization -- "exists for the common business . . ."

(14) police and fire department -- "established by the state . . ."

(15) qualified organization -- "operates without profits . . ."

(17) religious organization -- "gathered in common membership . . ." and "united for religion purpose. . ."

(18) veterans organization -- "the membership of which consists . . ."

The above illustrates that you are correct in stating that there is little consistency in the terminology used in the section. However, I think after experimenting with revising this list to one particular consistent formulation you will find that uniformity does not necessarily result in an improvement to the text. A possible suggestion is to use some form of the verb "engage" in these definitions. For instance, a charitable organization could be "engaged in" the relief of poverty as opposed to "operated for" the relief of poverty. A dog mushers' association could be "engaged in promoting interests. . ." and so on. I am not sure that these definitions would read as smoothly if we tried to make a wholesale change to parallel structure. I am also fearful that we may be creating a mechanism for someone to argue that the scope of the definition has purposely been changed by any amendment we may make at this time. As an example, one might argue that a charitable organization which is engaged in the relief of poverty is not necessarily the same thing as a charitable organization which is operated for the relief of poverty. The first phrase implies a more active participation in the relief effort than the latter. These arguments may be specious but they can be avoided completely if we find no pressing need to revise language contained in AS 05.15.210. If you do not agree and would like nevertheless to pursue some level of uniformity, please indicate which phrase should be used in the above definitions.

The second request was for an amendment to this bill which would increase the prize amounts limited by 15 AAC 05.400. Based on your attachment to the memo, I realize that you are aware that the prize limit in bingo contests is set by regulation rather than by statute. In fact, there is no

Senator Patrick M. Rodey  
Page 3  
March 30, 1981

statutory language in AS 05.15 which even addresses the appropriate prize or awards which may be received by contestants in contests or games of chance. This is an area which is typically handled by regulation and would require a new statute to be inserted in AS 05.15 in order to accomplish the intended result. Before drafting such a statute, I am interested in ascertaining whether it is the committee's intent to revise prize limits generally or just in the case of bingo contests. The organization of AS 05.15 is one of general categories. It would be unusual to draft a statute which only addressed the prize limits in bingo while failing to otherwise set limits for the other games and contests which may be conducted under AS 05.15.

As soon as I receive your response the matters raised above, I will be happy to incorporate necessary language into SB 149.

TAS:ljb



# Alaska State Legislature

Senate

Judiciary Committee

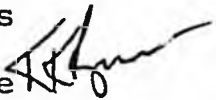
Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

## M E M O R A N D U M

DATE: March 24, 1981

TO: Bill Berrier  
Legal Services

FROM: Kevin K. Bruce 

RE: Amendments to SB 149

The committee has expressed an interest in establishing some uniform language for organizations defined under 05.15.210 specifically, some organizations (2) (15) operate; some engage in (3); some are formed (5) etc...

Additionally, Senator Bennett wishes to amend the bill to increase the prize amounts limited by 15 AAC 05.400 bingo. (Please see attached.)

Thank you for your assistance in this matter.

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 <sup>EXISTS</sup> 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 <sup>OPERATE AS A</sup> 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, <sup>OPERATE</sup> 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 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-darby 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  
28  
29

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

February 27, 1981

RECEIVED

FEB 27 1981

The Honorable Patrick M. Rodey  
Chairman  
Senate Judiciary Committee  
Room 125 - Capitol Building  
Juneau, Alaska

Dear Senator Rodey:

Re: Senate Bill No. 149

Senate Bill No. 149, an Act relating to the regulation of bingo, raffles, and ice pools, was introduced in the Senate on February 4, 1981 and was referred to the Senate Judiciary Committee.

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

Sincerely,



R. D. Stevenson  
Special Assitant

KCS/rdh

cc: Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Gary Jenkins, Director  
Audit Division  
Department of Revenue

Bill Yankee  
Research Section  
Department of Revenue

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.						
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)

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)

	-0-	20	30	45	60
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. 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)