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5/27/84

PROPOSED BY REP. LINDAUER

Amendment to CSSB 255 (Rules)

AS 05, 15, 210 (15) ✓

change "fine" to "Three"

AS 05, 15, 210 (21)

before, "political party" add the
words "candidate" or "

These amendments to the bill will allow for Republicans to also be part of a raffle, democrats as well. Currently, only Libertarians can be in a raffle.

We do not use

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

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

(20) "rain classic" means a game of chance in which a prize is awarded for the closest guess of the amount of precipitation which is recorded at a certain location during a certain length of time;

(21) "political organization" means an organization or club organized under or formally affiliated with a political party as defined in AS 15.60.010. (§ 1 ch 27 SLA 1960; am §§ 4, 5 ch 66 SLA 1976)

Revisor's notes. — A semicolon was substituted for a comma and the word "and" following "license" in paragraph (15) by the revisor of statutes pursuant to AS 01.05.031(b).

Opinions of attorney general. — Under AS 05.15.210 a permit may be issued which gives a qualified organization the privilege of conducting any of the designated activities. AS 05.15.040 limits the activities that may be conducted to those activities specified in the permit. Under AS 05.15.060 the commissioner has authority to further limit the number of activities which may be conducted pursuant to any permit. Therefore, absent any regulation to the contrary, a permit could be issued for more than one activity to a qualified organization. 1960 Op. Att'y Gen., No. 8.

Item (16) of this section authorizes certain raffles and lotteries, but limits the raffle or lottery to that type conducted by

a drawing for prizes. 1960 Op. Att'y Gen., No. 8.

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

While the conduct of an ice pool might come within the definition of a lottery by the language in item (16) of this section, the legislature has limited a lottery to a game conducted by a drawing for prizes. 1960 Op. Att'y Gen., No. 8.

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

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

NOTES TO DECISIONS

Cited in *State v. A.L.I.V.E. Voluntary*, Sup. Ct. Op. No. 2022 (File No. 3670), 606 P.2d 769 (1980).

- 9) "fish derby" means a contest in which prizes are awarded for catching fish;
- 10) "fraternal organization" means a civic, service or charitable organization in the state, except a college and high school fraternity, for pecuniary profit, which is a branch or lodge or chapter, of a national or state organization and exists for the common business, brotherhood, or other interest of its members and which has so existed five years before applying for a license;
- 11) "gross receipts" means receipts from the sale of shares, tickets or rights connected with participation in any activity permitted under this chapter or the right to participate, including admission, fee or charge, sale of equipment or supplies, and all other miscellaneous receipts;
- 12) "ice classic" means a game of chance in which a prize of money is awarded for the closest guess of the time the ice moves in a body of water or watercourse in the state and is limited to the Nenana and Fairbanks Ice Pools in the same manner as they were conducted in 1959 and previous years;
- 13) "net proceeds" means the gross receipts less expenses, prizes, fines, or charges, fees, and deductions which are specifically authorized under this chapter;
- 14) "police or fire department and company" means a civic, service or charitable organization in the state, not for pecuniary profit, established by the state or a political subdivision of the state which has been in existence for five years before applying for a license under this chapter;
- 15) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, labor, political, educational organization, police or fire department company, dog catchers' association, or fishing-derby association in the state, which operates without profits to its members and which has been in existence continuously for a period of five years immediately before applying for a license; the organization may be a firm, corporation, company, association or partnership;
- 16) "raffle and lottery" means the selling of rights to participate in the awarding of prizes, in the specified kind of game of chance sometimes known as a raffle or lottery, conducted by the drawing of prizes by chance;
- 17) "religious organization" means an organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship and religious observances, or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place and which has been so gathered or united for five years before applying for a license and is recognized as a religious organization under the federal income tax laws and the selective service law;

Senator Ferguson's Office
5/24/84

CS for SB549 (Rules)

Bingo and other games of chance and skill are expected to gross over 35 million dollars this year for various Alaskan charitable and civic organizations. This activity is currently monitored by one accounting clerk in the Department of Revenue. Unfortunately, illegal and improper practices have become commonplace in recent years, due to the difficulty of enforcing existing laws.

Due to the severe cutbacks in federal aid, many social organizations are increasingly dependent upon the funds generated by Bingo and associated games to finance their programs. With this increasing dependence, some of these organizations have become aware of the urgent need for reform in the existing laws and practices.

This legislation does not liberalize or increase the amount of charitable gambling in Alaska. It does not put any undue hardship on the small bingo games run by churches or by the neighborhood American Legion.

What it does do is bring the law up to date. It provides for adequate enforcement and auditing and a means to repay the state for that activity. It guarantees a proper portion of the gross receipts will wind up as proceeds to the programs of the permittee. It requires bingo operators to publically list what organization a game is being run for and it requires some simple bookkeeping measures to help ensure the honesty of the games.

This bill has had extensive hearings in the Finance Committee and an additional hearing in the Rules Committee. During these hearings the testimony has been unanimous in favor of passage of this legislation. CSSB 549(Rules) passed the Senate 15 to 3. The bill in its current version is supported by the administration and by the organizations which first asked for reform of the existing laws.

INTERIM OFFICE:
1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 463-4963

Alaska State Legislature



Representative Mitch Abood
CHAIRMAN

House Committee on State Affairs AGENDA

DATE: 5/27/84 Saturday

TIME: 1:00 P.M., ROOM 102

- I. CALL THE MEETING TO ORDER
 - A. NOTE THE COMMITTEE MEMBERS PRESENT AND WELCOME THOSE OBSERVING THE MEETING.
 - B. REMIND THOSE WHO HAVE NOT SIGNED-IN TO DO WHO WISH TO TESTIFY, AND REMIND THOSE GIVING TESTIMONY TO SPEAK UP AND STATE THEIR NAME, ADDRESS AND PHONE NUMBER BEFORE TALKING.
- II. ANNOUNCE LEGISLATION UNDER CONSIDERATION:

CSSB 549 (rules) An act relating to games of chance and contests of skill; and providing for an effective date.

OTHER NOTES OR REMINDERS:

RULES
CSSB 549 (~~FINANCE~~)
Summary of Changes To Present Law

Section 1 would repeal and reenact AS 05.15.020.

Present Law: -Annual permit required for activities
-\$20 application fee
-Additional fee of 1% of net proceeds paid by permit holder
-No provisions for an operator's permit

Proposed Changes: -Annual permit required for activities
-\$50 application fee for permit
-\$200 application fee for operator's permit
-Posting of bond or other security by operator
-Additional fee of 1.5% of gross receipts to be paid by permittee operating own games or by operator

Section 2 adds a new section, AS 05.15.025.

Present Law: -No provision for a license fee by local governments

Proposed Changes: -Boroughs and organized cities outside of boroughs could impose a fee of up to 1/2% of the gross receipts
-Department would collect the fee

Section 3 repeals and reenacts AS 05.15.030.

Present Law: -Notification of local governments required
-Local governments can protest only on the basis of the applicant's lack of qualifications

Proposed Changes: -Local government would have to approve the operation of bingo, pull-tabs and special-draw raffles before commissioner could issue initial permit

-Adds that a local government may protest any renewal application and an original application for which approval is not necessary based on the best interests of the community

-Commissioner could restrict locations of games

Section 4 repeals and reenacts AS 05.15.060.

No substantive changes between current and proposed law. Repeal and reenactment is proposed only to simplify the language.

Section 5 deletes a portion of AS 05.15.070.

Present Law: -Commissioner may charge permittees cost of the examination

Proposed Changes: -Deletes the power to charge for examination

Section 6 repeals and reenacts AS 05.15.080.

Present Law: -Annual report by January 31 to city or borough clerk nearest to location of activity

-Reports income, authorized expenses and disbursements of net proceeds

Proposed Changes: -Monthly reports to the state on activities conducted by organizations

-Annual report to State by January 31 of summary of prior year's activities

-Fee to be paid with annual report

Section 7 adds two new sections, AS 05.15.085 and AS 05.15.086.

Present law contains no provisions for games conducted by operators.

Proposed Changes: AS 05.15.085

- This is a new section for reports on games conducted by operators
- Monthly reports to State required on activities conducted for other organizations
- Operators to file annual reconciliation by January 31 of the succeeding year and pay the gross receipts fee
- Organizations using operators must file an annual report by January 31 of the succeeding year

AS 05.15.086

- All applications and reports to be file under penalty of perjury
- Reports must be signed by a bona fide member in good standing of the permittee or operator
- Commissioner may grant filing extensions but not extensions for the payment of fees
- Automatic suspension of activities if a report or fee is delinquent
- Delinquent fees bear interest at the rate provided for delinquent taxes

Section 8 amends AS 05.15.160.

Present Law: -Payments to employees of operators are not authorized expenses

-Payments to consultants cannot be related to the receipts of the authorized activity

Proposed Changes: -Payments to employees of qualified operators would be authorized expenses

-Consultants could be paid out of the receipts of an activity

Section 9 adds two new subsections to AS 05.15.160.

Present Law: -Current regulations limit Bingo prizes to \$1,000 per game not to exceed \$5,000 per session

-Current regulations limit annual prizes for raffles and lotteries to \$200,000

-Present law sets no limit on the amount of authorized expenses which may be incurred and no minimum amount of net proceeds which should be generated

Proposed Changes: -Limit annual authorized expenses to 25% of gross receipts

-Annual net proceeds may not be less than 25% of the gross receipts

Section 10 adds a new section, AS 05.15.165.

Present law contains no provisions for games conducted by operators.

Proposed Changes: -Qualified operators may operate for only one authorizing permittee in any 24 hour period

-The authorizing permittee must be paid its net proceeds within 15 days of the activity

-The operator must pay to the authorizing permittee the gross receipts reduced by the amount of the gross receipts fee, authorized expenses and prizes

-Authorizing permittee must designate a representative which would have access to the operator's books for its activities

-Department may order an operator to provide its books to an authorizing permittee

-The Department shall order an operator to pay to the authorizing permittee the amounts of unauthorized expenses incurred or the difference between the net proceeds paid and 25% of the gross receipts, whichever is greater

-Interest shall be added to the payments made to an authorizing permittee under order from the Department at the rate of 1.5% per month for each month or fraction of a month during which the money is not paid

~~Under the present assessment~~, an operator would be required to list the authorizing permittees in all advertising and would post its own permit and a copy of the permit of the authorizing permittee

Section 11 adds a new subsection to AS 05.15.200.

Present Law: -Only penalty for the non-payment of license fees is a suspension or revocation of the permit

Proposed Change: -A penalty may be assessed by the commissioner which is similar to the failure to pay penalty for taxes (5% for each 30 day period or fraction thereof) during which the fee is delinquent

Section 12 repeals and reenacts AS 05.15.210(15).

Present Law: -"Net proceeds" is defined as the gross receipts less expenses, charges, fees, and deductions which are specifically authorized under the chapter

Proposed Change: -"Net proceeds" is defined simply to be gross receipts reduced by the license fee based on the gross receipts, authorized expenses defined in AS 05.15.160(a) and the prizes awarded at the activity

Section 13 adds 5 new subsections to AS 05.15.210.

Present Law: -There are no definitions for "authorizing permittee", "commissioner", "department", "permittee" or "qualified operator"

Proposed Changes: -The above terms would be defined

Section 14 provides that organizations conducting bingo games, pull-tabs and special-draw raffles before the effective date of the Act would not be required to have local government approval.

Section 15 would make the act effective July 1, 1984.



Official Business

Alaska State Legislature

House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811

SB 549

① McKie Campbell
is from C & RA and did
work on this for the committee
LET HIM
GO FIRST.

② DAN BULLOCK - REVENUE

SENATE
JOURNAL SUPPLEMENT

5/18/84

No. 87

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

CSSB
549
(FIN)

<p>REQUEST Bill/Resolution No: <u>CSSB549 (Finance)</u> Title: <u>An Act Relating to Games of Chance & Skill & Provide for effective date</u> Sponsor: <u>Community & Regional Affairs</u> Requestor: <u>Senate Finance</u> Date of Request: <u>5/3/84</u></p>	<p>FISCAL DETAIL Agency Affected: <u>Revenue</u> Program Category Affected: <u>Revenue Collection & Management</u> BRU, Program or Subprogram(s) Aff: <u>Public Services Division BRU</u></p>
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EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 86	FY 87	FY 88	FY 89
OPERATING					
100 PERSONAL SERVICES	200.3	303.8	320.1	336.1	352.9
200 TRAVEL	48.0	40.0	42.0	44.1	46.3
300 CONTRACTUAL	17.1	60.9	60.9	60.9	60.9
400 SUPPLIES	0	4.2	4.4	4.6	4.8
500 EQUIPMENT	.8	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-
TOTAL OPERATING	463.2	409.9	427.4	445.7	464.9

CAPITAL	-	-	-	-	-
REVENUE	550.3	597.8	654.2	715.9	783.4

FUNDING: (Thousands of Dollars)

GENERAL FUND	463.2	409.9	427.4	445.7	464.9
FEDERAL FUNDS	-	-	-	-	-
OTHER	-	-	-	-	-
TOTAL	-	-	-	-	-

POSITIONS:

FULL-TIME	0	8	8	0	8
PART-TIME	-	-	-	-	-
TEMPORARY	-	-	-	-	-

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See revenue figures above.

ANALYSIS: See attached page.

Prepared by: William J. Richard
 Division: Public Services

Phone: 465-2392
 Date: 5/3/84

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 5/13/84

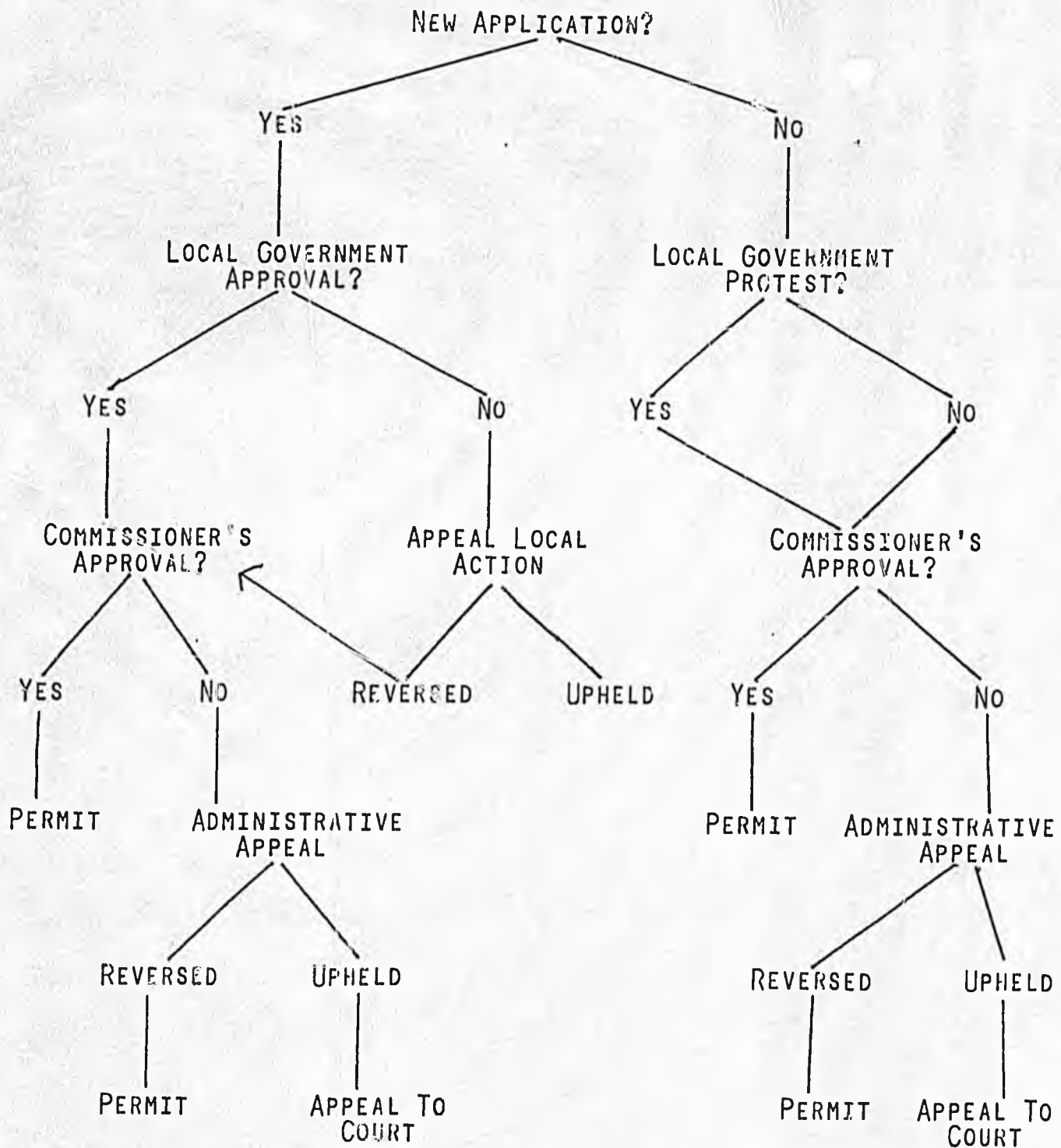
CSSB
549
(FIN)

ANALYSIS:

Administration of Games of Chance and Contests of Skill (AS 05.75) rests with the Public Services Division. Essentially, no field enforcement has been employed in past years. Gambling in Alaska has grown substantially in recent years with an even more accelerating growth expected. There is a definite need to provide for some control before it reaches a level that would prohibit any control.

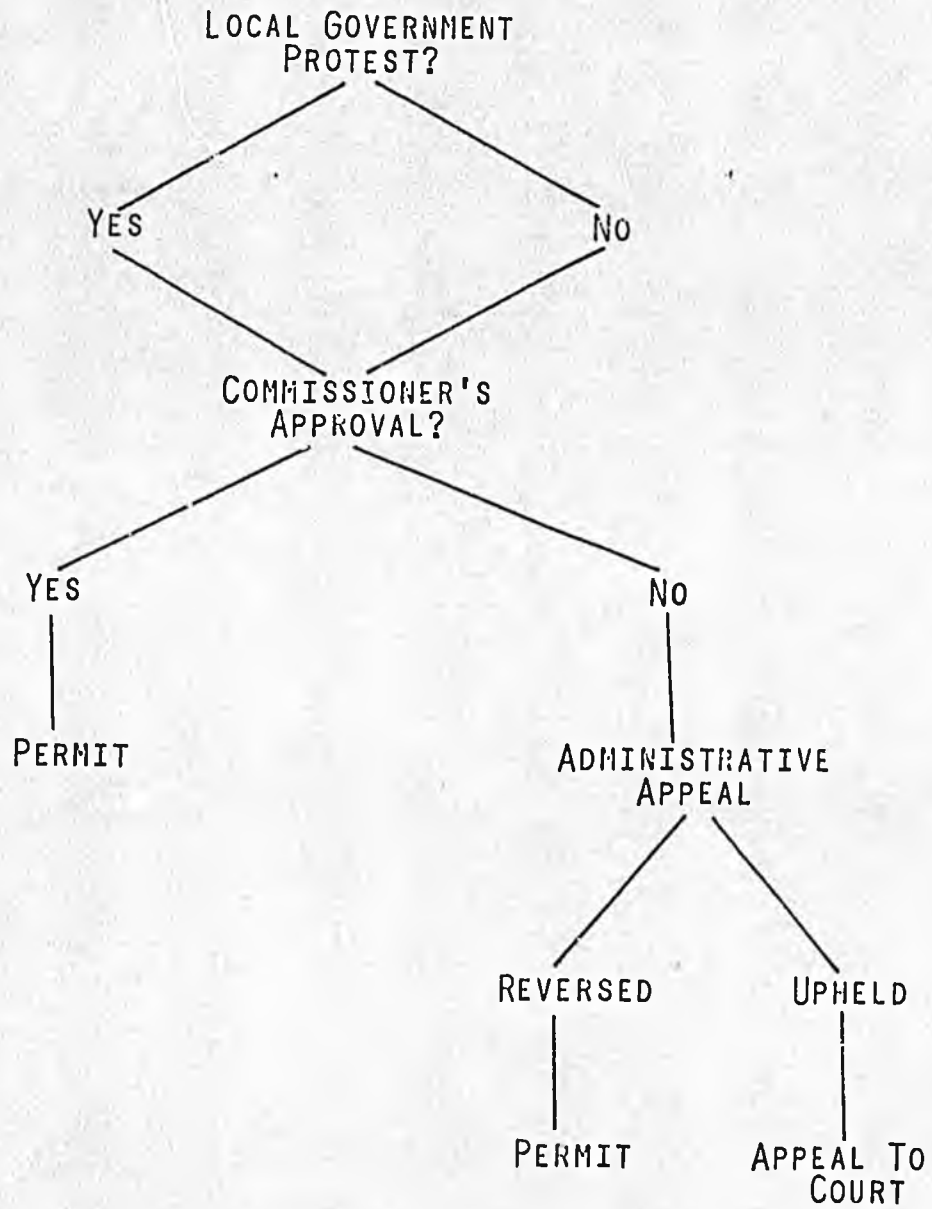
The change in fee structure provided for in this legislation would allow funds for an educational enforcement program. The field investigators would review gaming operations holding permits to ensure proper operation. The tax examiners will be used to issue permits and review financial statements, ensuring proper use of funds derived from gaming.

APPLICATION PROCESS
BINGO, PULL-TABS, SPECIAL-DRAW RAFFLES



APPLICATION PROCESS
GAMES OTHER THAN BINGO, PULL-TABS, SPECIAL-DRAW RAFFLES

NEW APPLICATION AND RENEWALS



05.10.170

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§ 05.12.010

AMUSEMENTS AND SPORTS

§ 05.15.010

Chapter 12. Arctic Winter Games.

Section

10. Arctic Winter Games

Sec. 05.12.010. Arctic Winter Games. (a) No person may use, display or publish the symbol of the Arctic Winter Games, consisting of the triple circle symbol and ulu combination, for commercial purposes or private gain without the written authorization of the Arctic Winter Games Incorporated.

(b) No person may use, display or publish any name, title or device that tends to indicate that he is affiliated with or supported by the Arctic Winter Games without the written authorization of the Arctic Winter Games Incorporated.

(c) A person who violates a provision of this Act is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$100. Each day of unauthorized use, display or publication is a separate offense. (§ 1 ch 131 SLA 1972; AS 11.70.050; am § 22 ch 166 SLA 1978)

Editor's notes. — This section derives from AS 11.70.050 and was transferred by the revisor of statutes pursuant to § 22, ch. 136, SLA 1978 (revision of criminal code).

Chapter 15. Games of Chance and Contests of Skill.

Article

1. Administration (§§ 05.15.010 — 05.15.090)
2. Licenses and Permits (§§ 05.15.100 — 05.15.180)
3. General Provisions (§§ 05.15.190 — 05.15.210)

Cross references. — As to gambling offenses, see AS 11.66.200 — 11.66.280.

Article 1. Administration.

Section

10. Department of Revenue to administer chapter
20. Annual permit and fee
30. Notification of local governments and protests
40. Issuance and effect and term of permit
50. Surrender of permit upon suspension or revocation

Section

60. Regulations
70. Commissioner of revenue may examine permittees
80. Reports by permittees
90. Reports to the legislature

Sec. 05.15.010. Department of Revenue to administer chapter. The Department of Revenue shall administer this chapter. (§ 3 ch 27 SLA 1960)

Opinions of attorney general. — AS 05.15.010 — 05.15.210 does not create any new categories of prohibited gambling activities. 1962 Op. Att'y Gen., No. 22.

Collateral references. — 38 Am. Jur. 2d Gambling §§ 1-9, 10-14, 17-19, 41, 42, 49, 57-61, 67, 74, 190, 264 268.

38 C.J.S. Gaming §§ 1, 2, 80-132; 54 C.J.S. Lotteries § 1 et seq.

38 C.J.S. Gaming §§ 80 to 132; 54 C.J.S. Lotteries § 1 et seq.

What transactions are within the purview of statutes or ordinances in relation to gifts or prizes or gift enterprises, 39 ALR 1035.

Constitutionality of statute which affirmatively permits certain forms of betting or gambling. 95 ALR 622.

Construction and application of statutes permitting specified forms of betting. 117 ALR 828.

Lottery as game of chance. 135 ALR 168.

What are games of chance, games of skill, and mixed games of chance or skill. 139 ALR 104.

Validity and construction of statute exempting gambling operations carried on by religious, charitable, or other nonprofit organizations from general prohibitions against gambling. 42 ALR3d 663.

Sec. 05.15.020. Annual permit and fee. An activity permitted under this chapter may not be conducted unless an annual permit issued by the department is first obtained and a fee of \$20 is paid to the department. An additional fee of one per cent of the net proceeds shall be paid by each permittee annually. This fee is due and payable at the same time as the annual financial statement. (§ 3 ch 27 SLA 1960; am § 1 ch 182 SLA 1976)

Revisor's notes. — In the first sentence, the word "An" was substituted for "No" at the beginning of the sentence and

the word "not" was inserted preceding "be conducted" by the revisor of statutes pursuant to AS 01.05.031(b).

Sec. 05.15.030. Notification of local governments and protests. At the time of filing application the applicant shall notify the city or borough nearest to the location of the proposed activity of the application. A local government unit may protest the conduct of the activity in its jurisdiction by resolution stating the reasons for the protest filed with the department; protests are limited to the lack of qualifications prescribed by this chapter. This resolution is only a recommendation by the city which may be considered by the commissioner in his determination to issue or refuse to issue a permit. (§ 3 ch 27 SLA 1960; am § 2 ch 94 SLA 1980)

Revisor's notes. — Pursuant to AS 01.05.031, the revisor of statutes deleted former subsection designations (a) and (b), combined the former second and third sentences by substituting a semicolon for a period following "department," and added the provisions of former subsection (b) as

the present third sentence.

Effect of amendments. — The 1980 amendment substituted "A" for "During the 15-day period a" at the beginning of the second sentence of former subsection (a).

Sec. 05.15.040. Issuance and effect and term of permit. After the fee is paid, a permit issued, and during the effective period of the permit, the organization may conduct the activity specified in the permit. If a permit is revoked, the permittee is not eligible for another permit until the expiration of one year from the date of revocation. A

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§ 05.15.050

AMUSEMENTS AND SPORTS

§ 05.15.060

permit expires at the end of the period for which it is issued. A permit is not transferable. (§ 3 ch 27 SLA 1960)

Opinions of attorney general. — Under AS 05.15.210 a permit may be issued which gives a qualified organization the privilege of conducting any of the designated activities. AS 05.15.040 limits the activities that may be conducted to those activities specified in the permit. Under AS 05.15.060 the commissioner has

authority to further limit the number of activities which may be conducted pursuant to any permit. Therefore, absent any regulation to the contrary, a permit could be issued for more than one activity to a qualified organization. 1960 Op. Att'y Gen., No. 8.

Sec. 05.15.050. Surrender of permit upon suspension or revocation. When a permit is suspended or revoked, the permittee shall surrender the permit to the department on or before the effective date of the suspension or revocation. A permit is not valid beyond the effective date of the suspension or revocation, whether surrendered or not. (§ 3 ch 27 SLA 1960)

Sec. 05.15.060. Regulations. In accordance with the Administrative Procedure Act (AS 44.62), the commissioner of revenue shall adopt, no later than September 7, 1960, regulations necessary to carry out this chapter covering, but not limited to

- (1) the issuance, renewal, and revocation of permits;
- (2) a method of ascertaining net proceeds, the determination of items of expense which may be incurred or paid and the limitation of the amount of the items of expense to prevent the proceeds from the activity permitted from being diverted to noncharitable, noneducational, nonreligious, or profit-making organizations, individuals or groups;
- (3) the immediate revocation of permits if this chapter or regulations issued under it are violated;
- (4) the requiring of detailed, sworn, financial reports of operations from permittees including detailed statements of receipts and payments;
- (5) the investigation of permittees and their employees, including the fingerprinting of those permittees and employees whom he considers it advisable to fingerprint;
- (6) exclusion from participation as a permittee or employee of a permittee of any person convicted of a felony, a crime involving moral turpitude, or violation of a municipal, state, or federal gambling law;
- (7) the method and manner of conducting activity and awarding of prizes or awards, and the equipment which may be used;
- (8) the number of activities which may be held, operated, or conducted under a permit during a specified period;
- (9) a method of accounting for receipts and disbursements including the keeping of records and requirements for the separate banking of all receipts, and payments by check only;

(10) the disposition of funds in possession of a permittee at the time a permit is surrendered, revoked or invalidated;

(11) other matters which the commissioner considers necessary to carry out this chapter or protect the best interest of the public. (§ 4 ch 27 SLA 1960)

Revisor's notes. — The words "rules and" were deleted preceding "regulations necessary" in the introductory language by the revisor of statutes pursuant to AS 01.05.031(b).

Opinions of attorney general. — Under AS 05.15.210 a permit may be issued which gives a qualified organization the privilege of conducting any of the designated activities. AS 05.15.040 limits

the activities that may be conducted to those activities specified in the permit. Under AS 05.15.060 the commissioner has authority to further limit the number of activities which may be conducted pursuant to any permit. Therefore, absent any regulation to the contrary, a permit could be issued for more than one activity to a qualified organization. 1960 Op. Att'y Gen., No. 8.

NOTICE TO DECISIONS

Annulment of regulations by legislature. — The legislature acting under AS 44.62.320(a) could not constitutionally annul by concurrent resolution a regulation prohibiting lottery owners from

giving prizes exceeding certain personal and real property limits. *State v. A.L.I.V.E. Voluntary*, Sup. Ct. Op. No. 2022 (File No. 3670), 606 P.2d 769 (1980).

Sec. 05.15.070. Commissioner of revenue may examine permittees. The commissioner may examine or have examined the books and records of a permittee. The commissioner may require the permittee to pay the reasonable cost of the examination. The commissioner may issue subpoenas for the attendance of witnesses and the production of books, records, and other documents. (§ 6 ch 27 SLA 1960)

Sec. 05.15.080. Reports by permittees. The permittee shall, by January 31 of the following year file for public inspection with the city or borough clerk nearest to the location of the activity licensed and with the commissioner of revenue, an itemized statement showing all income, authorized expense and disbursements of net proceeds in connection with the activity. (§ 6 ch 27 SLA 1960; am § 2 ch 182 SLA 1976)

Sec. 05.15.090. Reports to the legislature. Before March 2 of each year the commissioner of revenue shall submit a detailed report containing a summary of all reports required of permittees and recommending a permit fee scale that will cover costs of administration and enforcement. The attorney general and the commissioner of public safety shall, within 10 days after the convening of the legislature each year, submit a jointly prepared, detailed report outlining the effect, if any, of the operation of this chapter on the legal and law-enforcement activities of the state. (§ 9 ch 27 SLA 1960; am § 3 ch 182 SLA 1976)

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Article 2. Licenses and Permits.

Section

- 100. Commissioner of revenue may issue permits
- 110. Authorized activities a privilege
- 120. Eligibility for permit
- 130. Commissioner may impose additional requirements for eligibility.

Section

- 140. Proof necessary to qualify for permit
- 150. Limitation on use of proceeds
- 160. Authorized expenses
- 170. Suspension of permit
- 180. Limitations on authorized activity

Sec. 05.15.100. Commissioner of revenue may issue permits. The commissioner of revenue may issue a permit to a qualified organization. The permit gives the organization the privilege of conducting bingo, raffles and lotteries, ice classics, rain classics, dog mushers' contests, fish derbies and contests of skill. (§ 1 a ch 27 SLA 1960; am § 1 ch 66 SLA 1976)

NOTES TO DECISIONS

Quoted in State v. A.L.I.V.E. Voluntary, Sup. Ct. Op. No. 2022 (File No. 3670), 606 P.2d 769 (1980). 38 C.J.S. Gaming §§ 2, 50, 80-83; 54 C.J.S. Lotteries §§ 11-17. Collateral references. — 38 Am. Jur. 2d Gambling §§ 10-19.

Sec. 05.15.110. Authorized activities a privilege. The activities specified in AS 05.15.100 may be permitted as a privilege and do not confer a right upon any person to conduct the activities. (§ 1 b ch 27 SLA 1960)

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

NOTES TO DECISIONS

Cited in State v. A.L.I.V.E. Voluntary, Sup. Ct. Op. No. 2022 (File No. 3670), 606 P.2d 769 (1980).

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

Sec. 05.15.140. Proof necessary to qualify for permit. The commissioner of revenue may not issue or renew a permit except upon proof, satisfactory to him, that the applicant is a qualified organization,

the activity may be permitted under this chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon request of the commissioner of revenue, the applicant shall prove conclusively each of these requirements before a permit may be issued or renewed. (§ 1 d ch 27 SLA 1960)

Sec. 05.15.150. Limitation on use of proceeds. (a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the raffles or contests to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic or religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious uses" mean uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or through aiding candidates for public office or groups which support candidates for public office, or by erecting or maintaining public buildings or works, or lessening the burden on government but do not include the erection, acquisition, improvement, maintenance, or repair of real, personal or mixed property unless it is used exclusively for one or more of the uses stated.

(b) The net proceeds derived from the activity must be devoted within one year to one or more of the uses stated. An organization desiring to hold the net proceeds for a period longer than one year must apply to the commissioner of revenue for special permission and upon good cause shown the commissioner may grant the request. (§ 1 e ch 27 SLA 1960; am § 2 ch 66 SLA 1976)

NOTES TO DECISIONS

Quoted in *State v. A.L.I.V.E. Voluntary*, Sup. Ct. No. 2022 (File No. 3670), 606 P.2d 769 (1980).

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

Sec. 05.15.170. Suspension of permit. The commissioner of revenue may suspend a permit pending investigation or hearing. The suspension is effective upon the giving of notice to the permittee. The

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

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

(b) With the exception of raffles, lotteries and raffle 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. (§ 2 ch 27 SLA 1960; am § 3 ch 66 SLA 1976)

NOTES TO DECISIONS

Quoted in Pin-Ball Mach. Serial No. 2334 v. State, Sup. Ct. Op. No. 86 (File No. 162), 371 P.2d 805 (1962).

Article 3. General Provisions.

Section

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

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

Collateral references. — 38 Am. Jur. 2d Gambling; § 18. 54 C.J.S. Lotteries §§ 18, 19.

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

Cross references. — As to sentences for misdemeanors, see AS 12.55.135.

Sec. 05.15.210. Definitions. In this chapter

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

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

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

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

(5) "dog mushers' association" means a civic, service or charitable organization in the state, not for pecuniary profit, formed exclusively to promote interest in the breeding and training of dog teams for work or recreational and racing purposes and which has been in existence for five years before applying for a permit under this chapter, but does not include an organization formed or operated for gaming or gambling purposes;

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

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

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

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

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

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

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

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

(14) "police or fire department and company" means a civic, service or charitable organization in the state, not for pecuniary profit, established by the state or a political subdivision of the state which has been in existence for five years before applying for a license under this chapter;

(15) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, 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 five years immediately before applying for a license; the organization may be a firm, corporation, company, association or partnership;

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

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

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

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

(20) "rain classic" means a game of chance in which a prize is awarded for the closest guess of the amount of precipitation which is recorded at a certain location during a certain length of time;

(21) "political organization" means an organization or club organized under or formally affiliated with a political party as defined in AS 15.60.010. (§ 1 ch 27 SLA 1960; am §§ 4, 5 ch 66 SLA 1976)

Revisor's notes. — A semicolon was substituted for a comma and the word "and" following "license" in paragraph (15) by the revisor of statutes pursuant to AS 01.05.031(b).

Opinion of attorney general. — Under AS 05.15.210 a permit may be issued which gives a qualified organization the privilege of conducting any of the designated activities. AS 05.15.040 limits the activities that may be conducted to those activities specified in the permit. Under AS 05.15.060 the commissioner has authority to further limit the number of activities which may be conducted pursuant to any permit. Therefore, absent any regulation to the contrary, a permit could be issued for more than one activity to a qualified organization. 1960 Op. Att'y Gen., No. 8.

Item (16) of this section authorizes certain raffles and lotteries, but limits the raffle or lottery to that type conducted by

a drawing for prizes. 1960 Op. Att'y Gen., No. 8.

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

While the conduct of an ice pool might come within the definition of a lottery, by the language in item (16) of this section, the legislature has limited a lottery to a game conducted by a drawing for prizes. 1960 Op. Att'y Gen., No. 8.

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

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

NOTES TO DECISIONS

Cited in *State v. A.L.I.V.E. Voluntary*, Sup. Ct. Op. No. 2022 (File No. 3670), 606 P.2d 769 (1980).



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1974 FORD VAN, 8 cylinder, 278-1813 anytime, daytime. \$1200 OBO. 5t/11

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1979 4x4 CHEVY LUV, best offer over \$3000. Mack K. days 378-6329, even 378-8747. 12t/11

1976 DODGE Club Cab, 1/2 ton, 4x4, with camper shell, \$2900. 337-8903. 12t/11

Miscellaneous

HAVE A part in the Annual Fall Show, join the Anchorage Sourdough Chapter Sweet Adelinas. Come and see on Tuesday, May 15, 7:30pm, East High Choral Room, singing, refreshments, and lots of fun. Info. Sue 272-4245 or Vernie 337-1193. 5m/11

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limited edition plates and wooden frames. See me every weekend at the new Flea Market on the Old Seward Hwy. or call 333-4498 after noon. 5m/11

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ONE WAY ticket to LaGle, NYO. Must be made, open ticket, asking \$350. Come visit at 340 No. price Apt. B. 6m/11

Motorcycles

LIKE NEW
1983 YAMAHA MX 100 \$500
583-3819 work, 694-9223 home. 5m/11

1983 HARLEY DAVIDSON Tour Glide, custom painted, excellent condition, low miles, still under warranty. 337-3385. 12n/11

1979 HOND 750 Super Sport, Kerker headers, new tires and chain, \$1500 OBO. 7:30-4:30 582-2313 after 5pm 277-2926 ask for Ken. 12n/11

1983 HONDA CB 1100F, sport fairing, adjustable suspension and handlebars, superior handling, very fun commuter, \$2995 OBO. 688-3891. 12n/11

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17' FIBERGLASS BOAT, trailer, full cover, VHF, CB, sleeper seats, 50 HP electric Merc, everything included. \$5000. 345-1327. 5a/11

TAYLORCRAFT BCS-65, 30 SMOH ceconite, Scott tail, 8:50x6 tires, Cleveland wheels and brakes. \$8500. 378-6291. 12a/11

14' BOAT, completely redone 20 HP Mercury outboard, rebuilt with trailer. \$1700. Days 344-8131, after 5pm 344-4137. 3a/11

18' FIBERGLASS Boat with full canvas, lift trailer, real nice boat, \$3500. 344-1295 anytime. 12a/11

CHEROKEE 180, \$12,000. Airboat, 140 HP Ly6, \$7000 OBO. 335-1144. 12a/11

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URGENT! Must Sell! Y8 Gregoor riverboat, E-Z Load trailer, 55 HP Evinrude, jet unit and prop, lots of extras. 243-6868. 2a/11

1982 18' ALUMAWELD Guide Model riverboat, 140 HP Evinrude & 7 1/2 HP Mercury, excellent condition, many extras. \$10,500. 694-4254. 2a/11

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19' BEACRAFT Whaler with Johnson 115 HP outboard motor, new canvas, E-Z Load trailer. Licensed for 1984 commercial halibut season, including halibut gear. \$8850. 277-2759 or 337-1335. 12a/11

Automobiles

1981 TOYOTA SR5 Liftback, 5 speed, low miles, excellent condition, power steering, sun roof. \$5750. 333-8355, 276-6513. 12c/11

1978 MARK V, 14,000 miles, sharpest in town. 333-8355, 276-6513. All options, luxury at it's best. \$8350 OBO. 12c/11

1979 4x4 SUBARU, brown station wagon style, very good condition, clean, 4 snow tires. 337-3342. 12c/11

1982 PLYMOUTH Horizon, AT, AM radio, 17,000 miles, good condition. \$5000. 337-4708. 12c/11

1978 PINTO SW, good condition, PS, PB, AC, AM-FM CB, new tires. Phone 277-7264. \$2500 OBO. 5c/11

1972 CADILLAC Coupe, good condition, left fender dented. Phone 277-7264. \$1500 OBO. 5c/11

FOUND: Prescription glasses, rose tinted, frames, faceted edges. Lost in vicinity of South Park probably during winter. Still in perfect condition. Call 276-6555. 5c/11

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8 Hard Cards