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J.P.W.

EXPLANATION OF CHANGES MADE IN PROPOSED HCS CS SB 265 (FIN)

The actual changes are shown on the draft bill.

The purpose of these changes is to insure that the "hamster game" or "rat game" conducted by the Elks Club at the Palmer State Fair can continue. The House State Affairs Committee attempted to clear up this problem, but the Department of Revenue found problems with their language, fearing that illegal gambling at the Palmer fair could result.

The new language reflected in this committee substitute has been agreed to by DOR. It removes the "hamster game" from the definition of a numbers wheel so that it could continue for more than three days. The Elks' operation of a "hamster game" is currently regulated by DOR as a special draw raffle. This regulation would continue under the proposed language in this draft bill.

In sum, Monte Carlo Night and the "hamster game" can continue, and there is no possibility of illegal gambling at the Palmer fair.

DIFFERENCES FROM HCS CSSB 165 (RESOURCES)

Key: — new language

[...] deleted language

Levy
6/15/83 ✓

Original sponsors: V.Fischer, Faiks,
Josephson, et al

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 265 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to permits issued for games of
7 chance and contests of skill."

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

9 * Section 1. AS 05.15.030 is amended by adding a new subsection to
10 read:

11 (b) In addition to the requirements of (a) of this section, an
12 applicant for a permit to conduct an activity under AS 05.15.100(b)
13 shall notify the law enforcement agency having jurisdiction over the
14 location of the proposed activity. The commissioner of revenue may
15 not issue a permit for the proposed activity unless the application is
16 accompanied by the written approval of the law enforcement agency
17 having jurisdiction.

18 * Sec. 2. AS 05.15.100 is amended by adding a new subsection to read:

19 (b) The commissioner of revenue also may issue a permit giving a
20 municipality or qualified organization the privilege of conducting an
21 activity involving the use of playing cards, dice, and numbers wheels.
22 A municipality or qualified organization may apply for a permit for
23 only one activity a year under this subsection. For the purpose of
24 this subsection, "one activity" means ^{[AN AUTHORIZED STATE FAIR OR} a single event lasting no more
25 than three consecutive days.

26 * Sec. 3. AS 05.15.140 is amended by adding new subsections to read:

27 (b) In an application for a permit, a municipality or qualified
28 organization shall disclose the name and address of each person re-
29 sponsible for the operation of the activity and whether any person

1 named

2 (1) has ever been convicted of a felony or gambling misde-
3 meanor; or

4 (2) has a prohibited financial interest, as defined in
5 regulations adopted by the commissioner, in the operation of the
6 activity.

7 (c) The commissioner of revenue may not issue a permit for an
8 activity operated by a person who has been convicted of a felony or a
9 gambling misdemeanor.

10 (d) Application forms for permits shall contain a notice that a
11 false statement in the application is punishable by law.

12 * Sec. 4. AS 05.15.160 is repealed and reenacted to read:

13 Sec. 05.15.160. AUTHORIZED EXPENSES. No item of expense may be
14 incurred or paid in connection with the operation of an activity under
15 a permit issued under this chapter except for bona fide expenses
16 reasonably necessary for

17 (1) goods, wares, and merchandise necessary for the opera-
18 tion of the activity;

19 (2) personal services rendered that are not directly or
20 indirectly involved with the operation of the activity; or

21 (3) personal services involved with the operation of the
22 activity provided the services are performed by an employee of the
23 municipality, qualified organization, or a consultant hired by the
24 municipality or qualified organization conducting the activity and the
25 compensation is not related to the receipts from the activity.

26 * Sec. 5. AS 05.15.180 is amended to read:

27 Sec. 05.15.180. LIMITATIONS ON AUTHORIZED ACTIVITY. (a) Except
28 as provided in AS 05.15.100(b), this [THIS] chapter does not authorize
29 the use of playing cards, dice, roulette wheels, coin-operated instru-

1 ments or machines, or other objects or instruments used, designed, or
2 intended primarily for gaming or gambling or any other method or
3 implement: not expressly authorized by the commissioner.

4 (b) With the exception of raffles, lotteries, [AND] rairi clas-
5 sics, and other activities authorized under AS 05.15.100(b), no activ-
6 ity may be licensed under this chapter unless it existed in the state
7 in substantially the same form and was conducted in substantially the
8 same manner before January 1, 1959.

9 * Sec. 6. AS 05.15.180 is amended by adding a new subsection to read:

10 (c) The operation of activities licensed under AS 05.15.100(b)
11 is limited as follows:

12 (1) no cash prizes may be awarded;

13 (2) only money substitutes such as chips or scrip may be
14 used by a player in the activity;

15 (3) the money substitutes may be exchanged only for prizes
16 other than money and may not be otherwise exchanged or sold; and

17 (4) additional limitations that may be established by the
18 commissioner of revenue under adopted regulations.

19 * Sec. 7. AS 05.15.200 is repealed and reenacted to read:

20 Sec. 05.15.200. PENALTIES. (a) A person who knowingly violates
21 or aids or solicits a person to violate this chapter is guilty of a
22 violation for the first offense and a class B misdemeanor for the
23 second and each subsequent offense.

24 (b) A person who, with the intent to mislead a public servant in
25 the performance of the public servant's duty, submits a false state-
26 ment in an application for a permit under this chapter, is guilty of
27 unsworn falsification.

28 * Sec. 8. AS 05.15.210 is amended by adding a new paragraph to read:

29 (23) "numbers wheel" means any electronic, mechanical, or

1 other device with numbers or other figures that are selected randomly
2 and used in a game of chance in which the outcome is determined by the
3 number or figure selected by the device; not including games in which
4 a hamster or other animal is placed in an enclosure with several
5 numbered exit holes and the winner is determined by which hole the
6 hamster or other animal exits, or slot machines or other devices that
7 operate by insertion of a coin or other object that may entitle the
8 person operating the machine to receive a prize by strict dependence
9 on the element of chance.

10 * Sec. 9. AS 11.66.280(2) is amended by adding a new subparagraph to
11 read:

12 (C) an activity authorized by the commissioner of
13 revenue under AS 05.15.010 - 05.15.210;
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ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS COMMITTEE

SENATOR VIC FISCHER, CHAIRMAN

FOUCH V, JUNEAU 99811

(907) 465-4954



April 28, 1983
3:00 p.m.

Butrovich Room
Capitol Bldg.

Members Present:

Senator Vic Fischer, Chair
Senator Bill Ray, Vice Chair
Senator Pat Rodey
Senator Tim Kelly
Senator Arliss Sturgulewski

AGENDA

SB 265--Permits for games of chance

SB 257--Legislative conduct

SB 265--Permits for games of chance

Senator Rodey, who had been appointed as a subcommittee of one to consider this bill, proposed a committee substitute.

Don Bullock, hearing examiner for the Department of Revenue testified in support of the committee substitute. Mr. Bullock drafted much of the committee substitute and he explained the new provisions to the committee.

Senator Ray suggested that the definition of "activity" be amended to mean an event of no more than 3 day duration rather than 24 hours. The committee accepted this amendment by consensus.

General discussion ensued concerning what was meant by the term "personal gain" in a provision which prohibits the same by anyone operating an activity allowed by this legislation.

Senator Kelly asked if a political part could operate these gambling activities. Mr. Bullock said "yes."

Mr. Bullock said that the intent of this bill is to limit the abuses which have been associated with other forms of the legalized gambling in Alaska such as bingo.

The committee discussed various ways these activities could be limited to those organizations who had conducted such activities prior to some date in the past (grandfather rights). It was pointed out that organizations which had refrained from conducting such activities because of their questionable legality would be penalized by grandfather rights.

Senator Ray moved and asked unanimous consent that 1) the various amendments be incorporated into the committee substitute; 2) that the committee adopt the revised committee substitute; and, 3) that the committee substitute pass from committee with individual recommendations. There was no objection.

SB 257--Legislative Conduct

Lewis Schnaper aide to Senator Fischer presented to the committee a memorandum containing a number of changes suggested to the bill. Billy Berrier of Legislative Legal Services was present to assist the committee. Mr Schnaper explained the different suggested amendments for approval by the committee. A copy of this memorandum and a mark-up of the bill keyed to the memo is attached.

Senator Sturgulewski raised a number of questions concerning legislative contracts, using her own business situation as an example. Many of her concerns were satisfied by an examination of what contracts would be covered, and the fact that contracts entered into by competitive bid are allowed to legislators.

The committee discussed the formula to determine what an allowable interest was for a legislator in a non-bid contract. After considerable discussion the committee decided to use the formula in the bill. Discussion proceeded on the change memo.

Considerable discussion was had of the various suggested changes. The majority of the suggested changes were adopted by the committee and made part of the committee CS for the bill.

The committee then considered a document entitled "Suggested Cleanup of Adjudication Section." Bill Berrier opposed considering the changes in this document, as he thought that up to a week's work might be required to satisfactorily adjust this section. At the committee's request he said that he would work up suggested new language.

The committee decided to forward the bill to the Judiciary Committee without the changes suggested in the adjudication sections in an effort to move the bill toward the floor. A letter will be sent to the Judiciary Committee suggesting that this area needs further attention.

Senator Fischer placed a document regarding a substitute definition of "conflict of interest" before the Committee. After brief discussion the committee did not adopt this suggested change.

Senator Kelly moved and asked unanimous consent to adopt the committee substitute and move it from committee with individual recommendations. No objection.

The meeting was adjourned at 5.50 pm.

by
David Dye
committee Aide

Bill



Senator Vic Fischer

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954

June 17, 1983

Mr. James D. Davis
801 Airport Heights, #146
Anchorage, Alaska 99504

Dear Jim:

Thanks for your letter urging support for SB 265/HB 360 -- authorizing games of skill and chance, such as Monte Carlo night activities during the Anchorage Fur Rendevous.

SB 265, which I sponsored, passed the House today and will be returned to the Senate on Monday. I expect the Senate will concur with the changes made in the House.

From there the bill goes to the Governor for signature. The Governor has already indicated his support for the bill, so I anticipate no problems with it becoming law this year.

Thanks again for taking the time to write.

Best regards,


Senator Vic Fischer

Senator Vic Fischer

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954



June 17, 1983

Mr. Andy Waldron
605 Mumford, #4
Anchorage, Alaska 99504

Dear Andy:

Thanks for your letter urging support for SB 265/HR 360 -- authorizing games of skill and chance, such as Monte Carlo night activities during the Anchorage Fur Rendezvous.

SB 265, which I sponsored, passed the House today and will be returned to the Senate on Monday. I expect the Senate will concur with the changes made in the House.

From there the bill goes to the Governor for signature. The Governor has already indicated his support for the bill, so I anticipate no problems with it becoming law this year.

Thanks again for taking the time to write.

Best regards,

A handwritten signature in cursive script, appearing to read "Vic".

Senator Vic Fischer



Senator Vic Fischer

Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954

June 17, 1983

Ms. Charice Wallesen
1930 Sunrise Drive
Anchorage, Alaska 99504

Dear Charice:

Thanks for your letter urging support for SB 265/HB 360 -- authorizing games of skill and chance, such as Monte Carlo night activities during the Anchorage Fur Rendezvous.

SB 265, which I sponsored, passed the House today and will be returned to the Senate on Monday. I expect the Senate will concur with the changes made in the House.

From there the bill goes to the Governor for signature. The Governor has already indicated his support for the bill, so I anticipate no problems with it becoming law this year.

Thanks again for taking the time to write.

Best regards,


Senator Vic Fischer

CG 93-00025238 PRTY 1 06/15/83 17:17:56 ORIG: LA02 IN= 0003 OUT= 0096
FROM: JUNE, AND LIO TO: FOR, JNU INFO
TARGET: LJHL SUBJ: POM

6/15/83, JUNE, AND LIO, MSGNG 25238

TO: ALL MEMBERS OF THE LEGISLATURE

FROM: ANDY WALDRON, 605 HUNFORD #4, ANCHORAGE, AK 99504
H- 276-2059 W- 277-8615

WOULD LIKE TO URGE YOU TO SUPPORT HB 360 AND SB 265, CONCERNING GAMES
OF CHANCE.

6/15/83, JUNE, AND LIO, MSGNG 25238

TO: ALL MEMBERS OF THE LEGISLATURE

FROM: JAMES D. DAVIS, 801 AIRPORT HEIGHTS #146, ANCHORAGE, AK 99504
H- 274-7991 W- 276-5224

ENDORSE AND ENCOURAGE THE PASSAGE OF HB 360 AND SB 265 REGARDING GAMES
OF CHANCE.

FROM: SHIRLEE AND LIO
TARGET: LJHL SUBJ: POM

TO: POMS JUNEAU INFO

TO: ALL MEMBERS, ALASKA LEGISLATURE

FROM: RICHARD E. HOWE, SRA BOX 1455, ANCH 99502
(RES: OCEANVIEW DRIVE) H 345-0467 W 276-7600

PLEASE SUPPORT SB 265 CONCERNING GAMES OF SKILL AND CHANCE.
MONTE CARLO NIGHT IS AN ENJOYABLE FUNCTION THAT PROVIDES
A VALUABLE COMMUNITY SERVICE.

6/15/83, JUNE, AND LIO, MSGNG 25235

TO: ALL MEMBERS OF THE LEGISLATURE

FROM: CHARICE WALLESEN, 1930 SUNRISE DRIVE, ANCHORAGE, AK 99504
H- 279-2675 W- 277-8615

WOULD LIKE TO URGE YOU TO SUPPORT HB 360 AND SB 265 (PERMITS/GAMES
OF CHANCE AND CONTESTS OF SKILLS).



JUNEAU, ALASKA

Alaska State Legislature House

Jim Fisher

MESSAGE TO THE SENATE

Date June 20, 1983

MR. PRESIDENT:

The House has passed CSSB 265(SA) (permits issued for games of chance and contests of skill) with the following amendment:

HCS CSSB 265(Fin)amH (same title)

and it is transmitted for consideration.

~~FB~~

done
yes — *Pay + Kertala*
yes
concur

Concur 2
0

4922
3771

[Signature]
Chief Clerk of the House

IN THE SENATE

CS FOR SENATE BILL NO. 265 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to permits for certain games using playing cards, dice, and numbers wheels, and providing for an effective date."

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

* Section 1. LEGISLATIVE INTENT. (a) The legislature finds that the use of playing cards, dice and roulette wheels have not been authorized for use in Alaska since 1960 under the provisions of AS 05.15.010 - 05.15.210.

(b) In spite of the fact that playing cards, dice and roulette wheels have not been previously authorized, certain qualified organizations, as defined in AS 05.15.210, have held events, sometimes known as "Monte Carlo Nights", which have involved the use playing cards, dice and numbers wheels.

(c) The legislature finds that the authorization of the use of playing cards, dice and numbers wheels in activities dedicating a substantial portion of the

Section 1
contains the legislative intent for the Act. The intent is designed to recognize the previous illegal operation of games involving playing cards, dice and numbers wheels and to demonstrate the narrow limits within which these

gross receipts for political, educational, civic, public, charitable, patriotic or religious purposes is justified providing that the activities are closely controlled and operated with the primary and overriding purpose of fundraising for the above purposes.

may be used in the future.

(d) The passage of the Act does not evidence support for the general legalization of gambling in the state. The Act also discourages the professional operation of the authorized activities by limiting those authorized to conduct the activities.

(e) This Act will make unlawful the participation in the operation or conduct of activities involving the use of playing cards, dice and numbers wheels by persons having a direct or indirect financial interest in the activities.

(f) This Act shall be narrowly and strictly construed against the municipalities and qualified organizations receiving permits from the commissioner of revenue. The commissioner of revenue shall strictly enforce the provisions of AS 05.15.010 - 05.15.210 to keep qualified organizations from operating games of chance and contests of skill in ways and means not within the nature and spirit of the laws authorizing such games and contests.

* Section 2. AS 05.15.030 is amended by adding a new subsection to read:

(b) In addition to the requirements of (a) of this section, an applicant for a permit to conduct an activity under AS 05.15.100(b) shall notify the law enforcement agency having jurisdiction over the location of the proposed activity. The commissioner of revenue shall not issue a permit for a proposed activity unless the application for the permit is accompanied by the written approval of the law enforcement agency referred to in this subsection.

* Section 3. AS 05.15.100 is amended by adding a new subsection to read:

(b) The commissioner of revenue also may issue a permit giving a municipality or qualified organization the privilege of conducting an activity involving the use of playing cards, dice, and numbers wheels. A municipality or qualified organization may apply for a permit for only one activity per year. For the purpose of this subsection, one activity means a single event in a single 24 hour period.

* Section 4. AS 05.15.130 is repealed and reenacted to read:

Sec. 05.15.130. PROHIBITION ON CONFLICTS OF INTEREST AND ADDITIONAL REQUIREMENTS FOR

Section 2 prevents the commissioner from issuing a permit without the approval of the local police.

Section 3 limits the activity to one event per year and defines what the single event is.

Section 4 describes conflicts of interest which must be avoided in

ELIGIBILITY. (a) No member of a qualified organization conducting an activity under AS 05.15.010 - 05.15.210 shall have, either directly or indirectly, a financial interest in the operation or receipts from the activities. For the purposes of this subsection, a "financial interest" includes but is not limited to the receipt of consideration for conducting, managing or otherwise being involved in the operation of the activity, receipt of consideration for the use of the facility where the activities are conducted, or selling, renting or otherwise providing for consideration equipment, supplies or other materials to the qualified organization which are used in the operation or conduct of authorized activities. This subsection does not prohibit members of the qualified organization from participating in the authorized activity as players, contestants or participants providing the members who participate receive no greater benefit or likelihood of winning than any other player, contestant or participant.

(b) Only persons who are members of the qualified organization issued a permit by the commissioner or volunteers having no conflict of interest in the activities, as described in

the operation of the games and contests under the chapter. Operators of the games cannot receive compensation, only the qualified organization can operate the activity and no one in the organization can have a financial interest in the activity.

subsection (a) of this section, shall conduct or be involved in the operation of the games and contests authorized under the provisions of AS 05.15.010 - 05.15.210.

(c) The commissioner of revenue may adopt regulations providing for a determination in advance of the issuance of a permit of possible conflicts of interest by members of an organization or volunteers involved in the operation or conduct of the activities covered under AS 05.15.010 - 05.15.210. The commissioner may also supplement the definitions of qualified organizations and activities by rules and regulations adding to the definitions additional requirements which the commissioner considers necessary for the best interests of the public or for the proper administration of AS 05.15.010 - 05.15.210.

* Section 5. AS 05.15.140 is amended by adding a new subsection to read:

(b) When applying for a permit to conduct an activity under AS 05.15.100(b) the municipality or qualified organization shall disclose the names and addresses of the persons responsible for operation of the activity and whether or not each person has ever been

Section 5 requires the disclosure of the names of persons who will be involved in the games. The commissioner may not

convicted of a gambling misdemeanor or a felony. The commissioner of revenue shall not issue a permit for an activity in which a convicted felon or gambling misdemeanant is involved in the operation of the activity.

* Section 6. AS 05.15.160 is repealed and reenacted to read:

Sec. 05.15.160. AUTHORIZED EXPENSES. (a) Bona fide expenses in reasonable amount for goods, wares, and merchandise furnished, reasonably necessary for the holding, operating or conducting of the activity 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 AS 05.15.010 - 05.15.210.

(b) Bona fide expenses in reasonable amount for services rendered are allowed provided the services are not directly or indirectly involved with the actual conduct or operation of the activity conducted under a license.

(c) Authorized expenses do not include Payments to persons having a conflict of interest pursuant to AS 05.15.130(a).

issue a permit if a felon or gambling misdemeanant would be involved.

Section 6 limits the authorized expenses. No one operating the activity can be paid any payments involved in conflicts of interest are not authorized.

* Section 7. AS 05.15.170 is repealed and reenacted to read:

Sec. 05.15.170. SUSPENSION OF PERMIT. (a) 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 notice may be given by the delivery or handing 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 an order has been issued by the commissioner of revenue.

(b) A permittee may appeal the suspension of a permit by requesting a hearing before the commissioner of revenue within 30 days of the issuance of the notice of suspension. The hearing by the commissioner shall not be subject to the Administrative Procedure Act (AS 44.62) and shall be conducted following the procedures contained in AS 43.05.240 and the regulations thereunder.

(c) Following the hearing the commissioner of revenue may withdraw the suspension of the permit, suspend the issuance of a permit other

Section 7 provides new procedures for the suspension of permits. The appeal procedure is clarified and is exempt from the Administrative Procedure Act.

than a permit issued pursuant to AS 05.15.100(b) for 2 years, or, in the case of a permit issued pursuant to AS 05.15.100(b), suspend the issuance of a permit for 4 years.

(d) Within 30 days after the issuance of the order by the commissioner of revenue, the permittee aggrieved by the decision may appeal to the superior court in the judicial district in which the permittee resides. The permittee shall be given access to the file of the department in the matter for preparation of the appeal.

* Section 8. AS 05.15.180 is repealed and reenacted to read:

Sec. 05.15.180. LIMITATIONS ON AUTHORIZED ACTIVITY. (a) Except as provided in AS 05.15.100(b), 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, raffle classics, and other activities authorized under AS 05.15.100(b), no activity may

Section 8 imposes special limitations on the conduct of games using playing cards, dice and numbers wheels.

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.

(c) In addition to the other limitations imposed in this chapter, the following special limitations apply to activities conducted under a permit issued pursuant to AS 05.15.100(b):

(1) No cash prizes shall be awarded;

(2) Players must purchase or be provided money substitutes such as chips or scrip for use in the games conducted under the permit; only money substitutes shall be used in activities conducted under the permit;

(3) The money substitutes may only be exchanged for non-cash prizes and may not otherwise be exchanged, redeemed or sold;

(4) The commissioner of revenue may adopt regulations imposing additional limitations necessary to preserve the spirit and intent of the legislature in authorizing the use of playing cards, dice and numbers wheels in AS 05.15.100(b).

* Section 9. AS 05.15.200 is repealed and reenacted to read:

Sec. 05.15.200. CRIMINAL PENALTIES. (a) A person who wilfully, but without fraud, violates

Section 9
creates new criminal penalties
for violations of

or, with the intent to promote or facilitate a violation of the provisions of AS 05.15.010 - 05.15.210, who solicits another person to commit the violation, or who aids or abets another person in planning or committing the offense, is guilty of a violation for the first offense and a class B misdemeanor for the second and each subsequent offense.

(b) A person who fraudulently violates or, with the intent to promote or facilitate a violation of the provisions of AS 05.15.010 - 05.15.210, who solicits another person to commit the violation, or who aids or abets another person in planning or committing the offense, is guilty of a class C felony.

* Section 10. AS 05.15.210 is amended by adding a new definition to read:

(23) "numbers wheels" include any electrical, electronic, mechanical, or other device, with numbers or other figures which are selected randomly and used in a game of chance in which the outcome is determined by the number or figure selected by the device; "numbers wheels" do not include slot machines or other apparatus or devices which operate by means of insertion of a coin, token, or similar object and which by

the chapter. A wilful violation is a violation for the first offense (\$300 fine), and a class B misdemeanor (90 days, \$1,000). A fraudulent violation is considered a class C felony (5 years, \$50,000), the same as for promoting gambling in the first degree.

Section 10 provides a definition of "numbers wheels."

strict dependence upon the element of chance, may
deliver or may entitle the person playing or
operating the machine to receive a prize.

I. REQUEST

Bill/Resolution No: SB 265Title: Act relating to permits issued for
games of chance and contests of skillSponsor: State Affairs & FinanceRequestor: Senators V. Fischer, Faiks, Josephson,
Sturgulewski, Petty John, and P. Fischer

II. FISCAL DETAIL

Agency Affected: Department of RevenueProgram Category Affected: Rev. Operations

BRU, Program of Subprogram(s) Affected:

Public Svcs. & Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		43.0	46.0	49.0	56.0	60.0
200 TRAVEL		7.5	8.0	8.5	9.0	9.5
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES		4.5	5.0	5.5	6.0	6.5
500 EQUIPMENT		-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING		55.0	59.0	63.0	71.0	76.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND		55.0	59.0	63.0	71.0	76.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:

FULL-TIME		1.5	1.5	1.5	1.5	1.5
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-
		1.5	1.5	1.5	1.5	1.5

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Ralph Kimlinger, Acting DirectorDivision: Public Services DivisionPhone: 465-2392Date: 4-22-83Approved by Commissioner: *Ralph Kimlinger*Department: Revenue

Date: _____

Distribution:

Original to Legislative Finance

Copy to Office of Management and Budget (for Legislature introduced bills)

Copy to Department (for Governor introduced bills)

Copy to Sponsor

Copy to Requestor (if different from Sponsor)

ANALYSIS

SB 265

1. Passage of SB 265 will require a full time, seasonal, x Examiner to handle a minimum of 150 applications. Each application and attendant Financial Statement requires 1.5 to 2.0 hours of processing and in addition clerical time of approximately one hour per application is required.

To insure equitable compliance with the law, a full time investigator will be needed and audit and investigation will require a minimum of eight field trips per year.

Supplies and commodities include new forms, mail outs and miscellaneous clerical supplies. All instruction and forms will require immediate revision and reprint.

New office equipment will be required for both requested positions.

FOR IMMEDIATE RELEASE:
April 20, 1983

FISCHER BILL WOULD ALLOW NON-PROFITS
TO HOST MONTE CARLO-TYPE FUNDRAISERS

JUNEAU, AK. -- Games of chance and skill which permit non-profit Alaskan groups to raise funds for their normal activities would be allowed on a limited basis through a bill introduced in the State Senate today by Anchorage Senator Vic Fischer. Five other Anchorage area senators have co-sponsored the legislation.

The bill, S.B. 265, would resolve the recent Fur Rendezvous crisis brought about when the state attorney general's office ruled that Monte Carlo Night activities were not permissible under current state statutes.

The Fischer bill would change the existing laws to authorize Monte Carlo Night activities of the Anchorage Fur Rendezvous Committee and other non-profit groups in the state on a once-a-year basis only. Monte Carlo Nights traditionally involve the use of playing cards, dice, and roulette wheels.

"While I am not in favor of legalizing gambling per se," Fischer explained, "there exists a real need for non-profit organizations and communities in Alaska to use these types of activities, on a limited basis, to raise funds for the charitable programs they support and operate."

Under S.B. 265, the groups must obtain a separate permit each year from the Commissioner of Revenue and the activity must be approved by the responsible law enforcement agency in the community or area where the fundraising activity will take place.

(more)

Fischer's bill has been co-sponsored by Anchorage senators Jan Faiks,
Fritz Pettyjohn, Joe Josephson, Arliss Sturgulewski, and Paul Fischer.

-30-

For further information, contact:
Ginger Baim, Tel.: 465-4954

042083

VICTOR:

YOU HAVE 2 RESOLUTIONS AND ONE BILL ON THE FLOOR FOR INTRODUCTION TODAY (Tuesday, 4/20/83)

SB 265 - An act relating to permits issued for games of chance and contests of skill.

1. The AG issued an opinion that Monte Carlo-Casino Nite fund raising activities were not authorized for a permit under AS 05.15.
2. SB 265 would:
 - A. Authorize Monte Carlo Nite activities
 - B. Authorize these kinds of activities only for organizations defined under AS 05.15 (non-profits & community fund raisers)
 - C. Only one Monte Carlo type activity could be held per group/per year.
 - D. A permit for the activity must be approved by the responsible law enforcement agency.

(additional material is attached for your information - a press release is coming.

VIC: (re: co-sponsors)

These have agreed and are on the bill:
Sturgulewski, P. Fischer, Pettyjohn, Josephson, & Faikes.

No reply from:
Eilman, Halford, Bennett, Kelly, Kerttula, Moss, Mulcahay, Sackett & Zeigler.

Will get on the floor:
Rodey

Definate "no":
B. Ray

1 IN THE SENATE

2 SENATE BILL NO. 265-

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to permits issued for games of
7 chance and contests of skill."

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

9 * Section 1. AS 05.15.030 is amended by adding a new subsection to
10 read:

11 (b) In addition to the requirements of (a) of this section, an
12 applicant--for a permit to conduct an activity under AS 05.15.100(b)
13 shall notify the law enforcement agency nearest to the location of the
14 proposed activity of the application. The commissioner of revenue may
15 not issue a permit for the proposed activity unless the law enforce-
16 ment agency approves the permit.

17 * Sec. 2. AS 05.15.100 is amended by adding a new subsection to read:

18 (b) The commissioner of revenue also may issue a permit giving a
19 municipality or qualified organization the privilege of conducting an
20 activity involving the use of playing cards, dice, and numbers wheels.
21 A municipality or qualified organization may conduct only one activity
22 a year under this subsection and must obtain a separate permit for
23 each activity.

24 * Sec. 3. AS 05.15.180 is amended to read:

25 Sec. 05.15.180. LIMITATIONS ON AUTHORIZED ACTIVITY. (a) Except
26 as provided in AS 05.15.100(b), this [THIS] chapter does not authorize
27 the use of playing cards, dice, roulette wheels, coin-operated instru-
28 ments or machines, or other objects or instruments used, designed, or
29 intended primarily for gaming or gambling or any other method or

1 implement not expressly authorized by the commissioner.

2 (b) With the exception of raffles, lotteries, [AND] raffle clas-
3 sics, and other activities authorized under AS 05.15.100, no activity
4 may be licensed under this chapter unless it existed in the state in
5 substantially the same form and was conducted in substantially the
6 same manner before January 1, 1959.
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PHONE 277-8615 ● P.O. BOX 773 ● ANCHORAGE, ALASKA 99510
● LOCATION: 737 WEST 5TH AVENUE

A NON-PROFIT CIVIC ORGANIZATION

April 13, 1983

The Honorable Vic Fischer
Pouch V
Juneau, AK 99811

Ref: Monte Carlo Nite Activities by
non-profit organizations under
AS 05.15

Dear Senator Fischer:

The Attorney General recently issued an opinion that Monte Carlo -
Casino Nite fund raising activities were not authorized for a permit
under AS 05.15 (copy enclosed).

Since Monday, April 11, I have met with Ben Harding of the Governor's
office, Diane Colvin, of the Attorney General's office, and Ralph
Kimlinger, of the Department of Revenue. It was mutually agreed that
any changes of Alaska Law should reflect only the type of fund raising
activities currently conducted now by non-profit organizations
throughout the state.

The enclosed bill would accomplish the above and also require that:

1. Only organizations defined under AS 05.15 could conduct Monte Carlo
type activities.
2. Monte Carlo type activities would be limited to one (1) permit
night per year.
3. The Monte Carlo permit has to be approved by the responsible law
enforcement agency.

Monte Carlo Nite for Fur Rendezvous over the past 40 or so years has
grown to where it provides approximately \$50,000.00 in revenue for Rony
and it funds many of our non-income generating events.

The Fur Rendezvous "Monte Carlo Nite" uses over 400 volunteers to host the event for over 6,000 people who participate in the one night of fun and games. The size of our event is limited only to the size of a facility available.

We would like you to review the proposed bill and relay your comments to us.

Time is of the essence and we would also like you to consider being a sponsor of the bill to assure passage this year.

Sincerely,

A handwritten signature in black ink that reads "Wally". The signature is written in a cursive, slightly slanted style.

Wally Hopkins
Director & Governmental Affairs Liaison

Enclosures

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SA
JUNEAU, ALASKA 99811

March 18, 1983

RECEIVED

MAR 31 1983

Re: Authorized Games of Chance and Contests of Skill

Dear Permittee:

Anchorage Police Dept.

The Department of Revenue has never authorized Monte Carlo or Casino Night activities under permits issued for Games of Chance and Contests of Skill (Alaska Statute 05.15).

We were recently asked if a "grandfather right" existed if a qualified organization defined in the Statute had conducted these activities prior to January 1, 1959 (Alaska Statute 05.15.180(b)). We requested an opinion of the Attorney General on whether Monte Carlo or Casino Night activities could be authorized on a permit issued to a municipality or qualified organization under this Statute.

In the same request, we asked the Attorney General to review the action taken by the Alcoholic Beverage Control Board in excluding any area established for a Monte Carlo or Casino Night activity from authorized caterer's permit premises.

The Attorney General has determined that Monte Carlo and Casino Night activities cannot be authorized under Alaska Statute 05.15. These activities, if conducted, are subject to the provisions of Alaska Statute 11.66.200 - 280, dealing with illegal gambling.

The Attorney General has also ruled that the Alcoholic Beverage Control Board is correct in not licensing the area established for Monte Carlo or Casino Night activity as premises for distribution of alcoholic beverages under a caterers permit.

I have attached a copy of the opinion from the Attorney General and would suggest that, if your organization has sponsored Monte Carlo or Casino Night activities, and wish to continue to do so, you first obtain a change in the law by the Alaska Legislature. A copy of the Attorney General's opinion is also being sent to municipal law enforcement agencies throughout the state and to the Alaska Department of Public Safety.

Sincerely,



Phil Wall, Director
Public Services Division

Attachment

cc: Alaska Department of Public Safety
All Municipal Law Enforcement Agencies

MEMORANDUM

State of Alaska

TO: Robert D. Heath
Commissioner
Department of Revenue

DATE: March 3, 1983

FILE NO: 366-439-83

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Eligibility of Monte Carlo/Casino Night activities for a permit under AS 05.15

By: 
Diane T. Colvin
Assistant Attorney General

You have asked us two questions relating to the issuance of permits under AS 05.15, Games of Chance and Contests of Skill:

1. May the Department of Revenue issue a permit under AS 05.15.100 for Monte Carlo/Casino Night activities?

2. May the department issue a permit under AS 05.-15.180(b) if the Monte Carlo/Casino Night activities were conducted in the state prior to January 1, 1959?

You also asked if the Alcoholic Beverage Control Board may exclude the area used for Monte Carlo/Casino Night activities from a caterer's permit issued under AS 04.11.230. We answer the first two questions in the negative, finding no statutory authority for the department to issue permits for Monte Carlo activities. In response to the third question, we believe that the Alcoholic Beverage Control Board does have the authority to exclude an area in which Monte Carlo activities are conducted from a caterer's permit.

Issuance of Permits for Monte Carlo/Casino Night Activities

Under AS 05.15.100 the Commissioner of the Department of Revenue may issue a permit to a qualified organization for "the privilege of conducting bingo, raffles and lotteries, ice classics, rain classics, dog mushers' contests, fish derbies and contests of skill." You ask whether a permit may be issued under this statute for Monte Carlo/Casino Night activities.

In the memorandum accompanying your request, you describe a range of activities that might be conducted in connection with a Monte Carlo/Casino Night. The activities extend from games in which no money or prizes are involved to those in

which both money and prizes are involved. All of the games described include the use of cards, dice, roulette wheels or coin-operated devices. Without discussing each of the situations you describe, we will presume, for purposes of this memorandum, that if the elements of consideration, chance, and prize are present, in any form or to any degree, the activity constitutes gambling and if it is to be conducted at all within the state, a permit must be obtained under AS 05.15. State v. Pinball Machs., 404 P.2d 923 (Alaska 1965); Morrow v. State, 511 P.2d 127 (Alaska 1973).

Thus, the question is whether a permit can be issued for Monte Carlo activities under AS 05.15. AS 05.15.100 authorizes permits for 7 specific activities: bingo, raffles and lotteries, ice classics, rain classics, dog mushers' contests, fish derbies and contests of skill. Each of these activities is defined by AS 05.15.210. None of the definitions cover the activities described in your request and accompanying memorandum. Therefore, we conclude that the department may not issue a permit under AS 05.15.100 for Monte Carlo activities.

The plain language of AS 05.15.100 and 05.15.210 leads to this conclusion. Additional support is found in AS 05.15.-180(a). This subsection provides:

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. . . (emphasis added)

These types of devices are used in Monte Carlo activities as you describe them. Under section 180(a) the commissioner does not have the authority to issue a permit authorizing their use.

Thus, we can only conclude that a permit may not be issued for Monte Carlo activities under AS 05.15. You also ask whether an exemption might be provided by AS 05.15.180(b), which provides as follows:

With the exception of raffles, lotteries and rain classics, no activity may be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959.

To qualify under this subsection, a Monte Carlo activity would have to meet the definition of raffle, lottery or rain

classic or meet the prior existence requirement in the main clause. It is clear from the definitions of raffle and lottery and rain classic in AS 05.15.210(16) and (20) that a Monte Carlo activity is not a raffle, lottery or rain classic. Thus, in order to qualify, a Monte Carlo night would have had to have been in existence prior to 1959 and it would have had to have been conducted in substantially the same manner. Thus, upon proof that an activity did exist in the state prior to 1959 and was conducted in a nearly identical manner before that time, a permit could be issued by the department. However, in regard to Monte Carlo activities, AS 05.15.180(b) must be interpreted in conjunction with AS 05.15.180(a), set forth above. This subsection places a flat prohibition on activities which include 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." According to the descriptions you provided, these devices are commonly used in Monte Carlo activities. The commissioner is not authorized to issue a permit for activities in which these devices are used. Subsection (b) does not provide an exception to this prohibition, but rather provides an additional qualification. The commissioner may issue a permit for an activity other than raffles, lotteries, and rain classics if it meets the 1959 requirement of AS 05.15.180(b) and if it does not include the use of playing cards, dice, roulette wheels, and other devices prohibited by AS 05.15.180(a). A statute "should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant. . . ." 2 A.C. Sands, Statutes and Statutory Construction § 46.06 (4th ed. 1973). See Libby v. City of Dillingham, 612 P.2d 33, 39 (Alaska 1980). If section 180(b) were interpreted to allow activities involving roulette wheels and similar devices on the basis that they existed before 1959, subsection (a) would be rendered superfluous and irrelevant. This does not appear to be the intent of the legislature.

Therefore, we conclude that AS 05.15.180(b) does not provide an exemption for Monte Carlo activities even if they existed and were conducted in substantially the same manner prior to 1959.

Exclusion of Area in which Monte Carlo Activities are Conducted from Caterer's Permit issued by Alcoholic Beverage Control Board

Under AS 04.11.230, the Alcoholic Beverage Control Board is authorized to issue a caterer's permit which authorizes the holder of the permit to sell or dispense alcoholic beverages at events such as conventions and sporting events. In your request, you state that the board in the past has issued these

permits to organizations conducting Monte Carlo activities, but has excluded the area in which the activities are conducted from the caterer's permit. You ask whether the Board is authorized to limit the permit in this manner.

We believe the Board has the authority to limit a caterer's permit in the manner described. First, AS 04.11.230 states that the permit "may only be issued for designated premises", granting the Board the authority to specify the premises where beverages may be served under a permit. Second, AS 04.06.100(b)(3) authorizes the Board to adopt regulations on the terms and conditions of permit issued. The Board has adopted 15 AAC 104.675, requiring the applicant for a permit to submit with an application a description of the proposed premises and a drawing designating which areas are for storage, service and consumption. The Board has the authority to approve or disapprove the areas submitted. Finally, AS 04.06.090(c) provides as follows:

When considering an application, the board may reduce the area to be designated the licensed premises below the area applied for when, in the judgment of the board, a reduction in area is necessary to insure control over the sale and consumption of alcoholic beverages on the premises or is otherwise in the best interests of the public.

Technically, this applies only to licensed premises, but it is reasonable to assume that the Board should have similar authority in regard to areas in which liquor is served under a caterer's permit.

It should also be noted that there is no prohibition against minors engaging in activities for which permits are issued under AS 05.15. Thus, it is reasonable for the board to prevent liquor from being served in areas in which these activities are conducted and to carefully scrutinize applications for caterer's permits when it is known that minors may be participating in the games of chance allowed (or disallowed) under AS 05.15.

Thus, we conclude that the Alcoholic Beverage Control Board is authorized to exclude and is acting reasonably when it excludes areas in which Monte Carlo activities are conducted from a caterer's permit.

We hope this information is of assistance to you. We understand that the conclusions reached here may have a negative

Robert D. Heath, Commissioner
Department of Revenue

March 3, 1983
Page 5

effect on certain organizations that have conducted Monte Carlo activities in the past. These groups should be advised to seek legislative change if they wish to continue sponsoring these activities.

If you wish further information, please contact us.

DTC:eja

Alaska State Legislature



Senate

LEGISLATIVE ADDRESS

POUCH V - STATE CAPITOL

JUNEAU, ALASKA 99811

907/465-3473

SENATOR
FRITZ PETTYJOHN
SRA BOX 2385 M
ANCHORAGE, ALASKA 99510
907/345-5174

TO: All Senators
FROM: Senator Fritz Pettyjohn
DATE: April 14, 1983
Re: An Act Relating to Permits Issued for Games
of Chance and Contests of Skill

I am introducing the attached piece of legislation.
Please advise if you would like to be a co-sponsor.

Attachment

cc: Senator Bennett
Senator Eliason
Senator Fahrenkamp
Senator Faiks
Senator Ferguson
Senator Paul Fischer
Senator Vic Fischer
Senator Gilman
Senator Halford
Senator Josephson
Senator Kelly
Senator Kerttula
Senator Moss
Senator Mulcahy
Senator Ray
Senator Rodey
Senator Sackett
Senator Sturgulewski
Senator Ziegler

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SA
JUNEAU, ALASKA 99811

March 18, 1983

RECEIVED

MAR 31 1983

Re: Authorized Games of Chance and Contests of Skill

Anchorage Police Dept.

Dear Permittee:

The Department of Revenue has never authorized Monte Carlo or Casino Night activities under permits issued for Games of Chance and Contests of Skill (Alaska Statute 05.15).

We were recently asked if a "grandfather right" existed if a qualified organization defined in the Statute had conducted these activities prior to January 1, 1959 (Alaska Statute 05.15.180(b)). We requested an opinion of the Attorney General on whether Monte Carlo or Casino Night activities could be authorized on a permit issued to a municipality or qualified organization under this Statute.

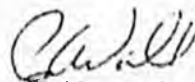
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The Attorney General has also ruled that the Alcoholic Beverage Control Board is correct in not licensing the area established for Monte Carlo or Casino Night activity as premises for distribution of alcoholic beverages under a caterers permit.

I have attached a copy of the opinion from the Attorney General and would suggest that, if your organization has sponsored Monte Carlo or Casino Night activities, and wish to continue to do so, you first obtain a change in the law by the Alaska Legislature. A copy of the Attorney General's opinion is also being sent to municipal law enforcement agencies throughout the state and to the Alaska Department of Public Safety.

Sincerely,



Phil Wall, Director
Public Services Division

Attachment

cc: Alaska Department of Public Safety
All Municipal Law Enforcement Agencies

MEMORANDUM

State of Alaska

TO: Robert D. Heath
Commissioner
Department of Revenue

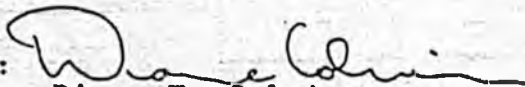
DATE: March 3, 1983

FILE NO: 366-439-83

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Eligibility of Monte Carlo/Casino Night activities for a permit under AS 05.15

By: 
Diane T. Colvin
Assistant Attorney General

You have asked us two questions relating to the issuance of permits under AS 05.15, Games of Chance and Contests of Skill:

1. May the Department of Revenue issue a permit under AS 05.15.100 for Monte Carlo/Casino Night activities?
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You also asked if the Alcoholic Beverage Control Board may exclude the area used for Monte Carlo/Casino Night activities from a caterer's permit issued under AS 04.11.230. We answer the first two questions in the negative, finding no statutory authority for the department to issue permits for Monte Carlo activities. In response to the third question, we believe that the Alcoholic Beverage Control Board does have the authority to exclude an area in which Monte Carlo activities are conducted from a caterer's permit.

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In the memorandum accompanying your request, you describe a range of activities that might be conducted in connection with a Monte Carlo/Casino Night. The activities extend from games in which no money or prizes are involved to those in

which both money and prizes are involved. All of the games described include the use of cards, dice, roulette wheels or coin-operated devices. Without discussing each of the situations you describe, we will presume, for purposes of this memorandum, that if the elements of consideration, chance, and prize are present, in any form or to any degree, the activity constitutes gambling and if it is to be conducted at all within the state, a permit must be obtained under AS 05.15. State v. Pinball Machs., 404 P.2d 923 (Alaska 1965); Morrow v. State, 511 P.2d 127 (Alaska 1973).

Thus, the question is whether a permit can be issued for Monte Carlo activities under AS 05.15. AS 05.15.100 authorizes permits for 7 specific activities: bingo, raffles and lotteries, ice classics, rain classics, dog mushers' contests, fish derbies and contests of skill. Each of these activities is defined by AS 05.15.210. None of the definitions cover the activities described in your request and accompanying memorandum. Therefore, we conclude that the department may not issue a permit under AS 05.15.100 for Monte Carlo activities.

The plain language of AS 05.15.100 and 05.15.210 leads to this conclusion. Additional support is found in AS 05.15.-180(a). This subsection provides:

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. . . (emphasis added)

These types of devices are used in Monte Carlo activities as you describe them. Under section 180(a) the commissioner does not have the authority to issue a permit authorizing their use.

Thus, we can only conclude that a permit may not be issued for Monte Carlo activities under AS 05.15. You also ask whether an exemption might be provided by AS 05.15.180(b), which provides as follows:

With the exception of raffles, lotteries and rain classics, no activity may be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959.

To qualify under this subsection, a Monte Carlo activity would have to meet the definition of raffle, lottery or rain

classic or meet the prior existence requirement in the main clause. It is clear from the definitions of raffle and lottery and rain classic in AS 05.15.210(16) and (20) that a Monte Carlo activity is not a raffle, lottery or rain classic. Thus, in order to qualify, a Monte Carlo night would have had to have been in existence prior to 1959 and it would have had to have been conducted in substantially the same manner. Thus, upon proof that an activity did exist in the state prior to 1959 and was conducted in a nearly identical manner before that time, a permit could be issued by the department. However, in regard to Monte Carlo activities, AS 05.15.180(b) must be interpreted in conjunction with AS 05.15.180(a), set forth above. This subsection places a flat prohibition on activities which include 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." According to the descriptions you provided, these devices are commonly used in Monte Carlo activities. The commissioner is not authorized to issue a permit for activities in which these devices are used. Subsection (b) does not provide an exception to this prohibition, but rather provides an additional qualification. The commissioner may issue a permit for an activity other than raffles, lotteries, and rain classics if it meets the 1959 requirement of AS 05.15.180(b) and if it does not include the use of playing cards, dice, roulette wheels, and other devices prohibited by AS 05.15.180(a). A statute "should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void or insignificant. . . ." 2 A.C. Sands, Statutes and Statutory Construction § 46.06 (4th ed. 1973). See Libby v. City of Dillingham, 612 P.2d 33, 39 (Alaska 1980). If section 180(b) were interpreted to allow activities involving roulette wheels and similar devices on the basis that they existed before 1959, subsection (a) would be rendered superfluous and irrelevant. This does not appear to be the intent of the legislature.

Therefore, we conclude that AS 05.15.180(b) does not provide an exemption for Monte Carlo activities even if they existed and were conducted in substantially the same manner prior to 1959.

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permits to organizations conducting Monte Carlo activities, but has excluded the area in which the activities are conducted from the caterer's permit. You ask whether the Board is authorized to limit the permit in this manner.

We believe the Board has the authority to limit a caterer's permit in the manner described. First, AS 04.11.230 states that the permit "may only be issued for designated premises", granting the Board the authority to specify the premises where beverages may be served under a permit. Second, AS 04.06.100(b)(3) authorizes the Board to adopt regulations on the terms and conditions of permits issued. The Board has adopted 15 AAC 104.675, requiring the applicant for a permit to submit with an application a description of the proposed premises and a drawing designating which areas are for storage, service and consumption. The Board has the authority to approve or disapprove the areas submitted. Finally, AS 04.06.090(c) provides as follows:

When considering an application, the board may reduce the area to be designated the licensed premises below the area applied for when, in the judgment of the board, a reduction in area is necessary to insure control over the sale and consumption of alcoholic beverages on the premises or is otherwise in the best interests of the public.

Technically, this applies only to licensed premises, but it is reasonable to assume that the Board should have similar authority in regard to areas in which liquor is served under a caterer's permit.

It should also be noted that there is no prohibition against minors engaging in activities for which permits are issued under AS 05.15. Thus, it is reasonable for the board to prevent liquor from being served in areas in which these activities are conducted and to carefully scrutinize applications for caterer's permits when it is known that minors may be participating in the games of chance allowed (or disallowed) under AS 05.15.

Thus, we conclude that the Alcoholic Beverage Control Board is authorized to exclude and is acting reasonably when it excludes areas in which Monte Carlo activities are conducted from a caterer's permit.

We hope this information is of assistance to you. We understand that the conclusion reached here may have a negative

Robert D. Heath, Commissioner
Department of Revenue

March 3, 1983
Page 5

effect on certain organizations that have conducted Monte Carlo activities in the past. These groups should be advised to seek legislative change if they wish to continue sponsoring these activities.

If you wish further information, please contact us.

DTC:eja

Senator Vic Fischer
Sectional Analysis CSSB 265 (SA)

ok
Sec. 1 - Adds a requirement that a municipality or a qualified organization must notify and receive written approval from a local law enforcement agency before a permit for a game of chance or contest of skill may be issued by the Department of Revenue.

sec 2 is also in the section which authorizes the games
Sec. 2 - Limits the number of permissible events to one activity per year. An "activity" may last no more than three consecutive days.

ok
Sec. 3 - Adds a requirement that a municipality or qualified organization must disclose the name and address of each person responsible for the operation of the activity and whether any person named 1) has ever been convicted of a felony or a gambling misdemeanor or 2) has a prohibited financial interest, as defined by regulation, in the operation of the activity. A permit may not be issued for an activity operated by a person convicted of a felony or gambling misdemeanor.

ok
Sec. 4 - Repeals and reenacts the section authorizing the payment of expenses related to conducting a game of chance or contest of skill. Authorized expenses are limited to 1) goods necessary for operation of the activity, 2) personal services not involved in the operation of the activity [e.g. a plumber or maintenance person] and, 3) personal services performed by an employee or consultant of a municipality or qualified organization provided that the compensation is not related to the receipts from the activity.

ok
Sec. 5 - Amends a limitation on authorized activities to allow the use of cards, roulette wheels, etc. in conjunction with "monte carlo night" type activities. Also exempts "monte carlo night" type activities from a prohibition against these activities unless they existed before January 1, 1959.

ok
Sec. 6 - Limits the use of cash in permitted activities. No cash prizes may be awarded. Chips or script must be used in lieu of cash and can only be exchanged for prizes. Additional limitations may be established by regulation.

ok
Sec. 7 - Changes the existing penalty provision to conform to classification under the new criminal code and adds a penalty for lying on an application for a permit.

ok
Sec. 8 - Adds a definition of "numbers wheel."

Sec. 9 - Excludes "monte carlo night" type activities which are authorized by the Commissioner of Revenue from the definition of "gambling" in the criminal code.

Sec 9 excludes all AS OS. IS games of chance & skill from the definition of gambling

D2

MEMO TO: SEN. VIC FISCHER, GINGER BAIM

FROM: Bill Kelder, ext. 4739

Date: May 10, 1983

SUBJECT: Bills & Releases

In looking over the Finance Committee schedule for the week of May 16 through 19, I notice that you have responsibility for two bills. It seems to me that passage out of the committee presents a good opportunity to get some press. According to the committee schedule, the bills are as follows:

Wednesday, May 18 ... CSSB 265: Games of Chance

Thursday, May 19 ... CSSB 55: Collective Bargaining

D2
PLS DISCUSS
w/ BILLK THIS
WEEK FOR PR.

If you would like a release on each of these bills, let me know and I will read them over to familiarize myself with their contents. Also, I will need to know if there are any areas in the bills which you specifically want to highlight in a release (assuming the committee doesn't amend them before passage).

GB

If this idea appeals to you, please let me know by Monday, May 16; this will give me the requisite time for research.

Thanks very much for your time and trouble,

Bill

Great idea
- Thanks
Vic

D2-
For leg. file?

NB

May 10, 1983

Will Hepburn
341 Fireweed
Anchorage, Alaska 99508

Dear Mr. Hepburn:

Thank you for your message regarding the legislation of "monte carlo" nights.

Please be advised that the Senate State Affairs Committee has passed a committee substitute version of SB 265 which allows all municipalities and certain qualified organizations to hold this type of fund raising event without any "grandfather" preference.

If you have any further questions, please feel free to contact me or David Dye of my staff.

Best regards,

Senator Vic Fischer

ok on
078.

May 10, 1983

Will Elder
8571 Pioneer Drive
Anchorage, AK 99504

Dear Mr. Elder:

Thank you for your message regarding the legislation of "monte carlo" nights.

ok on org.

Please be advised that the Senate State Affairs Committee has passed a committee substitute version of SB 265 which allows all municipalities and certain qualified organizations to hold this type of fund raising event without any "grandfather" preference.

If you have any further questions, please feel free to contact me or David Dye of my staff.

Best regards,

Senator Vic Fischer

CG 83-00013574 PRY 1 04/29/83 18:37:17 ORIG: LA02 IN= 0021 OUT= 0171
FROM: NINA, ANC LIO TO: JNU LIO
TARGET: LJHL SUBJ: POM

ALL MEMBERS OF THE LEGISLATURE

FROM: SANDRA JONES 1707 RUSSIAN JACK #4 ANC., AK. 99504 HM. 338-1414
WK. 277-1564
CORNEAL PRATT 900 MEDFRA #4 ANC., AK. 99501 HM. 278-2840 WK. 277-4564
SANDRA COLE 6904 METEOR CT. ANC., AK. 99504 HM. 233-7361
PHALECIAN HILL 4412 AMES AVE. ANC., AK. 99504 HM. 333-8680
JOHN MATTHEWS 928 W. 80TH ANC., AK. 99502 HM. 344-9486 WK. 278-3678
JAMES H. WASHINGTON 2010 FARMER PL. #4 ANC., AK. 99504 HM. 337-4494
WK. 271-5380
ANCHORAGE CIVIC OPERA/JOYCE LOOK P.O. BOX 10316 ANC., AK. 99501
WK. 276-8688

WE SUPPORT THE SUMMER YOUTH EMPLOYMENT PROGRAM OUTLINED IN THE GOVERNOR'S BUDGET
THE YOUNG PEOPLE IN ALASKA DESPERATELY NEED EMPLOYMENT.

CG 83-00013564 PRY 1 04/29/83 18:01:39 ORIG: LA02 IN= 0017 OUT= 0162
FROM: NINA, ANC LIO TO: JNU LIO
TARGET: LJHL SUBJ: POM

TO: ALL MEMBERS OF THE LEGISLATURE

FROM: WILL ELDER 8571 PIONEER DR. ANC., AK. 99504 HM. 337-5087 WK. 264-4878
C HB360 & SB035

WE SUPPORT THIS LEGISLATION TO MAKE CASINO RIGHTS LEGAL FOR NON-PROFITS, BUT
THAT THE "GRANDFATHER CLAUSE" BE DELETED.

CG 83-00013487 PRY 1 04/29/83 16:32:15 ORIG: LA02 IN= 0011 OUT= 0124
FROM: NINA, ANC LIO TO: JNU LIO
TARGET: LJHL SUBJ: POM

TO: ALL MEMBERS OF THE LEGISLATURE

FROM: LARRY WILLIAMS 7940 MADINE ST. ANC., AK. 99507 HM. 344-2104
WK. 349-1211

PERSONALLY DISAGREE WITH THE ESSENCE OF SJR1.

MCG 83-00014398 PRY 1 05/03/83 16:30:20 ORIG LAD2 IN= 0004 OUT= 0173
FROM: JEAN, ANCH LIO TO: JUNEAU POMS
TARGET: LINDA SUBJ: POMS

5/3/83 JEAN, ANCH LIO #14398

TO: ALL MEMBERS OF THE ALASKA STATE LEGISLATURE

FROM: CHARLES G. MULL
PRA BOX 371-X (RESIDENCE) FLORAL LANE
ANCHORAGE, AK 99507

THE PROJECTS OF THE ALASKA ARTS COUNCIL ARE TOO IMPORTANT TO BE OUT.
PLEASE WORK TO MAINTAIN FUNDING AT CURRENT LEVELS.

TO: ALL LEGISLATORS

FROM: WILL HEBURN *Fireweed*
341 FIREWEED
ANCHORAGE 99504 374-1991 (MAY)

YOU ARE CONSIDERING A BILL TO LEGALIZE "MONTE CARLO" NIGHTS. GREAT!
HOWEVER, THE GRANDFATHER RESTRICTIONS WILL PUT MANY CHARITABLE
"MONTE CARLO" NIGHTS OUT OF BUSINESS. THE 15 DAY. PLEASE SUPPORT
CHARITABLE "MONTE CARLO" NIGHTS, NOT JUST 15 DAYS. SEE MY LETTER
TO THE EDITOR IN 5/3 DAILY NEWS.

* Section 4. AS 05.15.140 is amended by adding new subsections to read:

(b) In an application for a permit, a municipality or qualified organization shall disclose the name and address of each person responsible for or involved in the operation of the activity and whether any person disclosed

(1) has ever been convicted of a felony or gambling misdemeanor; or

²
(2) has any ~~direct or indirect~~ ^{conflict of} financial interest, as defined in regulations adopted by the commissioner, in the operation of the activity.

(c) The commissioner of revenue shall not issue a permit for an activity involving a person who has been convicted of a felony or gambling misdemeanor or who has a conflict of interest.

* Section X. AS 11.66.280(2) is amended to read:

(2) "gambling" means that a person stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under his control or influence, upon an agreement or understanding that he or someone else will receive something of value in the event of a certain outcome; "gambling" does not include

(A) bona fide business transactions valid under the law of contracts for the purchase or sale at a future date of securities or commodities and agreements to compensate for loss caused by the happening of chance, including contracts of indemnity or guaranty and life, health, or accident insurance ~~or~~;

(B) playing an amusement device that

(i) confers only an immediate right of replay not exchangeable for something of value other than the privilege of immediate replay; and

(ii) does not contain a method or device by which the privilege of immediate replay may be cancelled or revoked; or

~~(iii)~~ ^(c) activities authorized by the commissioner of revenue pursuant to AS 05.15.010 - 05.15.210.

VICTOR:

YOU HAVE 2 RESOLUTIONS AND ONE BILL ON THE FLOOR FOR INTRODUCTION TODAY (Tuesday, 4/20/83)

SB 265 - An act relating to permits issued for games of chance and contests of skill.

1. The AG issued an opinion that Monte Carlo-Casino Nite fund raising activities were not authorized for a permit under AS 05.15.

2. SB 265 would:

- A. Authorize Monte Carlo Nite activities
- B. Authorize these kinds of activities only for organizations defined under AS 05.15 (non-profits & community fund raisers)
- C. Only one Monte Carlo type activity could be held per group/per year.
- D. A permit for the activity must be approved by the responsible law enforcement agency.

(additional material is attached for your information - a press release is coming.)



PHONE 277-8615 ● P.O. BOX 773 ● ANCHORAGE, ALASKA 99510
● LOCATION: 737 WEST 5TH AVENUE

A NON-PROFIT CIVIC ORGANIZATION

April 13, 1983

The Honorable Vic Fischer
Pouch V
Juneau, AK 99811

Ref: Monte Carlo Nite Activities by
non-profit organizations under
AS 05.15

Dear Senator Fischer:

The Attorney General recently issued an opinion that Monte Carlo - Casino Nite fund raising activities were not authorized for a permit under AS 05.15 (copy enclosed).

Since Monday, April 11, I have met with Ben Harding of the Governor's office, Diane Colvin, of the Attorney General's office, and Ralph Kimlinger, of the Department of Revenue. It was mutually agreed that any changes of Alaska Law should reflect only the type of fund raising activities currently conducted now by non-profit organizations throughout the state.

The enclosed bill would accomplish the above and also require that:

1. Only organizations defined under AS 05.15 could conduct Monte Carlo type activities.
2. Monte Carlo type activities would be limited to one (1) permit night per year.
3. The Monte Carlo permit has to be approved by the responsible law enforcement agency.

Monte Carlo Nite for Fur Rendezvous over the past 40 or so years has grown to where it provides approximately \$50,000.00 in revenue for Rondy and it funds many of our non-income generating events.

The Fur Rendezvous "Mont: Carlo Nite" uses over 400 volunteers to host the event for over 6,000 people who participate in the one night of fun and games. The size of our event is limited only to the size of a facility available.

We would like you to review the proposed bill and relay your comments to us.

Time is of the essence and we would also like you to consider being a sponsor of the bill to assure passage this year.

Sincerely,

Wally

Wally Hopkins
Director & Governmental Affairs Liaison

Enclosures

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH SA
JUNEAU, ALASKA 99811

March 18, 1983

RECEIVED

MAR 21 1983

Re: Authorized Games of Chance and Contests of Skill

Dear Permittee:

Anchorage Police Dept.

The Department of Revenue has never authorized Monte Carlo or Casino Night activities under permits issued for Games of Chance and Contests of Skill (Alaska Statute 05.15).

We were recently asked if a "grandfather right" existed if a qualified organization defined in the Statute had conducted these activities prior to January 1, 1959 (Alaska Statute 05.15.180(b)). We requested an opinion of the Attorney General on whether Monte Carlo or Casino Night activities could be authorized on a permit issued to a municipality or qualified organization under this Statute.

In the same request, we asked the Attorney General to review the action taken by the Alcoholic Beverage Control Board in excluding any area established for a Monte Carlo or Casino Night activity from authorized caterer's permit premises.

The Attorney General has determined that Monte Carlo and Casino Night activities cannot be authorized under Alaska Statute 05.15. These activities, if conducted, are subject to the provisions of Alaska Statute 11.66.200 - 280, dealing with illegal gambling.

The Attorney General has also ruled that the Alcoholic Beverage Control Board is correct in not licensing the area established for Monte Carlo or Casino Night activity as premises for distribution of alcoholic beverages under a caterers permit.

I have attached a copy of the opinion from the Attorney General and would suggest that, if your organization has sponsored Monte Carlo or Casino Night activities, and wish to continue to do so, you first obtain a change in the law by the Alaska Legislature. A copy of the Attorney General's opinion is also being sent to municipal law enforcement agencies throughout the state and to the Alaska Department of Public Safety.

Sincerely,



Phil Wall, Director
Public Services Division

Attachment

cc: Alaska Department of Public Safety
All Municipal Law Enforcement Agencies



Official Business

Alaska State Legislature

Senate

Office of the President

Pouch V
State Capitol
Juneau, Alaska 99811

April 21, 1983

Mr. Wally Hopkins
Director & Government Affairs Liaison
Anchorage Fur Rendezvous
P. O. Box 773
Anchorage, Alaska 99510


Dear Mr. Hopkins:

Thank you for your recent letter regarding Monte Carlo Elite Activities. I appreciate your letting me know of its status in relationship to AS 05.15

I've sent copies of the material to Anchorage Senators Jan Faiks, Joe Josephson, and Vic Fischer. I'll do what I can to be of assistance to them in this matter.

Again, thank you for contacting me. If I can be of further assistance, please let me know.

Sincerely,


Senator Jay Kerttula
Senate President

ja/jl

cc: Senator Faiks
Senator Josephson
Senator Fischer

Offered:
Referred:

Original sponsors: V. Fischer, Faiks,
Josephson, Sturgulewski,
Pettyjohn and P. Fischer

IN THE SENATE

CS FOR SENATE BILL NO. 265 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to permits for certain games using
playing cards, dice, and numbers wheels, and providing
for an effective date."

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

unnecessary

* Section 1. LEGISLATIVE INTENT. (a) ~~The legislature finds that the use
of playing cards, dice and roulette wheels have not been authorized for use in
Alaska since 1960 under the provisions of AS 05.15.010 - 05.15.210.~~

(b) ~~In spite of the fact that playing cards, dice and roulette wheels
have not been previously authorized, certain qualified organizations, as de-
fined in AS 05.15.210, have held events, sometimes known as "Monte Carlo
Nights", which have involved the use playing cards, dice and numbers wheels.~~

(c) The legislature finds that the authorization of the use of playing
cards, dice and numbers wheels in activities dedicating a substantial portion
of the gross receipts for political, educational, civic, public, charitable,
patriotic or religious purposes is justified providing that the activities are
closely controlled and operated with the primary and overriding purpose of
fundraising for the above purposes.

(d) The passage of the Act does not evidence support for the general legalization of gambling in the state. The Act also discourages the professional operation of the authorized activities by limiting those authorized to conduct the activities.

(e) This Act will make unlawful the participation in the operation or conduct of activities involving the use of playing cards, dice and numbers wheels by persons having a direct or indirect financial interest in the activities.

(f) This Act shall be narrowly and strictly construed against the municipalities and qualified organizations receiving permits from the commissioner of revenue. The commissioner of revenue shall strictly enforce the provisions of AS 05.15.010 - 05.15.210 to keep qualified organizations from operating games of chance and contests of skill in ways and means not within the nature and spirit of the laws authorizing such games and contests.

* Section 2. AS 05.15.030 is amended by adding a new subsection to read:

(b) In addition to the requirements of (a) of this section, an applicant for a permit to conduct an activity under AS 05.15.100(b) shall notify the law enforcement agency having jurisdiction over the location of the proposed activity. The commissioner of revenue shall not issue a permit for a proposed activity unless the application for the permit is accompanied by the written approval of the law enforcement agency referred to in this subsection.

* Section 3. AS 05.15.100 1. amended by adding a new subsection to read:

(b) The commissioner of revenue also may issue a permit giving a municipality or qualified organization the privilege of conducting an

activity involving the use of playing cards, dice, and numbers wheels. A municipality or qualified organization may apply for a permit for only one activity per year. For the purpose of this subsection, one activity means a single event in a single 24 hour period.

* Section 4. AS 05.15.130 is repealed and reenacted to read:

Sec. 05.15.130. PROHIBITION ON CONFLICTS OF INTEREST AND ADDITIONAL REQUIREMENTS FOR ELIGIBILITY. (a) No member of a qualified organization conducting an activity under AS 05.15.010 - 05.15.210 shall have, either directly or indirectly, a financial interest in the operation or receipts from the activities. For the purposes of this subsection, a "financial interest" includes but is not limited to the receipt of consideration for conducting, managing or otherwise being involved in the operation of the activity, receipt of consideration for the use of the facility where the activities are conducted, or selling, renting or otherwise providing for consideration equipment, supplies or other materials to the qualified organization which are used in the operation or conduct of authorized activities. This subsection does not prohibit members of the qualified organization from participating in the authorized activity as players, contestants or participants providing the members who participate receive no greater benefit or likelihood of winning than any other player, contestant or participant.

(b) Only persons who are members of the qualified organization issued a permit by the commissioner or volunteers having no conflict of interest in the activities, as described in subsection (a) of this section, shall conduct or be involved in the operation of the games and contests authorized under the provisions of AS 05.15.010 - 05.15.210.

(c) The commissioner of revenue may adopt regulations providing for a determination in advance of the issuance of a permit of possible conflicts of interest by members of an organization or volunteers involved in the operation or conduct of the activities covered under AS 05.15.010 - 05.15.210. The commissioner may also supplement the definitions of qualified organizations and activities by rules and regulations adding to the definitions additional requirements which the commissioner considers necessary for the best interests of the public or for the proper administration of AS 05.15.010 - 05.15.210.

* Section 5. AS 05.15.140 is amended by adding a new subsection to read:

(b) When applying for a permit to conduct an activity under AS 05.15.100(b) the municipality or qualified organization shall disclose the names and addresses of the persons responsible for operation of the activity and whether or not each person has ever been convicted of a gambling misdemeanor or a felony. The commissioner of revenue shall not issue a permit for an activity in which a convicted felon or gambling misdemeanant is involved in the operation of the activity.

* Section 6. AS 05.15.160 is repealed and reenacted to read:

Sec. 05.15.160. AUTHORIZED EXPENSES. (a) Bona fide expenses in reasonable amount for goods, wares, and merchandise furnished, reasonably necessary for the holding, operating or conducting of the activity 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 AS 05.15.010 - 05.15.210.

(b) Bona fide expenses in reasonable amount for services rendered are allowed provided the services are not directly or indirectly involved

with the actual conduct or operation of the activity conducted under a license.

(c) Authorized expenses do not include Payments to persons having a conflict of interest pursuant to AS 05.15.130(a).

* Section 7. AS 05.15.170 is repealed and reenacted to read:

Sec. 05.15.170. SUSPENSION OF PERMIT. (a) 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 notice may be given by the delivery or handing 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 an order has been issued by the commissioner of revenue.

(b) A permittee may appeal the suspension of a permit by requesting a hearing before the commissioner of revenue within 30 days of the issuance of the notice of suspension. The hearing by the commissioner shall not be subject to the Administrative Procedure Act (AS 44.62) and shall be conducted following the procedures contained in AS 43.05.240 and the regulations thereunder.

(c) Following the hearing the commissioner of revenue may withdraw the suspension of the permit, suspend the issuance of a permit other than a permit issued pursuant to AS 05.15.100(b) for 2 years, or, in the case of a permit issued pursuant to AS 05.15.100(b), suspend the issuance of a permit for 4 years.

(d) Within 30 days after the issuance of the order by the commissioner of revenue, the permittee aggrieved by the decision may appeal to

the superior court in the judicial district in which the permittee resides. The permittee shall be given access to the file of the department in the matter for preparation of the appeal.

* Section 8. AS 05.15.180 is repealed and reenacted to read:

Sec. 05.15.180. LIMITATIONS ON AUTHORIZED ACTIVITY. (a) Except as provided in AS 05.15.100(b), 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, raffle classics, and other activities authorized under AS 05.15.100(b), 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.

(c) In addition to the other limitations imposed in this chapter, the following special limitations apply to activities conducted under a permit issued pursuant to AS 05.15.100(b):

(1) No cash prizes shall be awarded;

(2) Players must purchase or be provided money substitutes such as chips or scrip for use in the games conducted under the permit; only money substitutes shall be used in activities conducted under the permit;

(3) The money substitutes may only be exchanged for non-cash prizes and may not otherwise be exchanged, redeemed or sold;

(4) The commissioner of revenue may adopt regulations imposing additional limitations necessary to preserve the spirit and intent of the

legislature in authorizing the use of playing cards, dice and numbers wheels in AS 05.15.100(b).

* Section 9. AS 05.15.200 is repealed and reenacted to read:

Sec. 05.15.200. CRIMINAL PENALTIES. (a) A person who wilfully, but without fraud, violates or, with the intent to promote or facilitate a violation of the provisions of AS 05.15.010 - 05.15.210, who solicits another person to commit the violation, or who aids or abets another person in planning or committing the offense, is guilty of a violation for the first offense and a class B misdemeanor for the second and each subsequent offense.

(b) A person who fraudulently violates or, with the intent to promote or facilitate a violation of the provisions of AS 05.15.010 - 05.15.210, who solicits another person to commit the violation, or who aids or abets another person in planning or committing the offense, is guilty of a class C felony.

* Section 10. AS 05.15.210 is amended by adding a new definition to read:

(23) "numbers wheels" include any electrical, electronic, mechanical, or other device, with numbers or other figures which are selected randomly and used in a game of chance in which the outcome is determined by the number or figure selected by the device; "numbers wheels" do not include slot machines or other apparatus or devices which operate by means of insertion of a coin, token, or similar object and which by strict dependence upon the element of chance, may deliver or may entitle the person playing or operating the machine to receive a prize.

Original sponsors: V.Fischer, Faiks,
Josephson, et al

Levy
4/28/83

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 265 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to permits issued for games of
7 chance and contests of skill."

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

9 * Section 1. AS 05.15.030 is amended by adding a new subsection to
10 read:

11 (b) In addition to the requirements of (a) of this section, an
12 applicant for a permit to conduct an activity under AS 05.15.100(b)
13 shall notify the law enforcement agency having jurisdiction over the
14 location of the proposed activity. The commissioner of revenue may
15 not issue a permit for the proposed activity unless the application is
16 accompanied by the written approval of the law enforcement agency
17 having jurisdiction.

18 * Sec. 2. AS 05.15.100 is amended by adding a new subsection to read:

19 (b) The commissioner of revenue also may issue a permit giving a
20 municipality or qualified organization the privilege of conducting an
21 activity involving the use of playing cards, dice, and numbers wheels.
22 A municipality or qualified organization may apply for a permit for
23 only one activity a year under this subsection. For the purpose of
24 this subsection, "one activity" means a single event ^{lasting 72} ~~in a single~~ 24
25 ~~hour period.~~ *lasting no more than 72 hours*

26 * Sec. 3. AS 05.15.140 is amended by adding new subsections to read:

27 (b) In an application for a permit, a municipality or qualified
28 organization shall disclose the name and address of each person re-
29 sponsible for ~~or involved in~~ the operation of the activity and whether
delete

1 any person named

2 (1) has ever been convicted of a felony or gambling misde-
3 meanor; or

4 (2) has any ^{prohibited financial} ~~conflict of~~ interest, as defined in regulations
5 adopted by the commissioner, in the operation of the activity.

6 (c) The commissioner of revenue may not issue a permit for an
7 activity ^{conducted by} involving a person who has been convicted of a felony or a
8 gambling misdemeanor.

9 (d) Application forms for permits shall contain a notice that a
10 false statement in the application is punishable by law.

11 * Sec. 4. AS 05.15.160 is repealed and reenacted to read:

12 Sec. 05.15.160. AUTHORIZED EXPENSES. No item of expense may be
13 incurred or paid in connection with the operation of an activity under
14 a permit issued under this chapter except for bona fide expenses
15 reasonably necessary for

16 (1) goods, wares, and merchandise necessary for the opera-
17 tion of the activity;

18 (2) ^{personal} services rendered that are not directly or indirectly
19 involved with the operation of the activity; or

20 (3) services involved with the operation of the activity
21 provided the services are performed by an employee of the municipal-
22 ity, qualified organization, or a consultant hired by the municipality
23 or qualified organization conducting the activity and the compensation
24 is not related to the receipts from the activity.

25 * Sec. 5. AS 05.15.180 is amended to read:

26 Sec. 05.15.180. LIMITATIONS ON AUTHORIZED ACTIVITY. (a) Except
27 as provided in AS 05.15.100(b), this [THIS] chapter does not authorize
28 the use of playing cards, dice, roulette wheels, coin-operated instru-
29 ments or machines, or other objects or instruments used, designed, or

1 intended primarily for gaming or gambling or any other method or
2 implement not expressly authorized by the commissioner.

3 (b) With the exception of raffles, lotteries, [AND] rain clas-
4 sics, and other activities authorized under AS 05.15.100(b), no activ-
5 ity may be licensed under this chapter unless it existed in the state
6 in substantially the same form and was conducted in substantially the
7 same manner before January 1, 1959.

8 * Sec. 6. AS 05.15.180 is amended by adding a new subsection to read:

9 (c) The operation of activities licensed under AS 05.15.100(b)
10 is limited as follows:

11 (1) no cash prizes may be awarded;

12 (2) only money substitutes such as chips or scrip may be
13 used by a player in the activity;

14 (3) the money substitutes may be exchanged only for prizes
15 other than money and may not be otherwise exchanged or sold; and

16 (4) additional limitations that may be established by the
17 commissioner of revenue under adopted regulations.

18 * Sec. 7. AS 05.15.200 is repealed and reenacted to read:

19 Sec. 05.15.200. PENALTIES. (a) A person who knowingly violates
20 or aids or solicits a person to violate this chapter is guilty of a
21 violation for the first offense and a class B misdemeanor for the
22 second and each subsequent offense.

23 (b) A person who, with the intent to mislead a public servant in
24 the performance of the public servant's duty, submits a false state-
25 ment in an application for a permit under this chapter, is guilty of
26 unsworn falsification.

27 * Sec. 8. AS 05.15.210 is amended by adding a new paragraph to read:

28 (23) "numbers wheel" means any electronic, mechanical, or
29 other device with numbers or other figures that are selected randomly

1 and used in a game of chance in which the outcome is determined by the
2 number or figure selected by the device; not including slot machines
3 or other devices that operate by insertion of a coin or other object
4 that may entitle the person operating the machine to receive a prize
5 by strict dependence on the element of chance.

6 * Sec. 9. AS 11.66.280(2) is amended by adding a new subparagraph to
7 read:

8 (C) an activity authorized by the commissioner of
9 revenue under AS 05.15.010 - 05.15.210;

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sec 2 ~~shall disclose~~ o.k.

sec 3 o.k.

sec 4 delete

sec 5 ~~shall disclose financial~~

add

(c) disclose financial interest

sec 6

^{add}
(b) exception for ~~selected~~ employees
of the organization or consultants
~~hired by~~ may be involved
provided that the compensation
is not tied to the receipts of
the activity

(c) delete

sec 7 delete

sec 8 ~~8~~

(4) delete "1-1-1-1"

I. REQUEST

Bill/Resolution No: SB 265
 Title: Act relating to permits issued for
games of chance and contests of skill
 Sponsor: State Affairs & Finance
 Requestor: Senators V. Fischer, Faiks, Josephson,
Sturgulewski, Petty John, and P. Fischer

II. FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Rev. Operations
 BRU, Program of Subprogram(s) Affected:
Public Svcs. & Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		43.0	46.0	49.0	56.0	60.0
200 TRAVEL		7.5	8.0	8.5	9.0	9.5
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES		4.5	5.0	5.5	6.0	6.5
500 EQUIPMENT		-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING		55.0	59.0	63.0	71.0	76.0
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND		55.0	59.0	63.0	71.0	76.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:

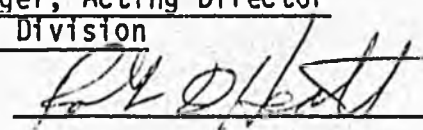
FULL-TIME		1.5	1.5	1.5	1.5	1.5
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-
		1.5	1.5	1.5	1.5	1.5

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Ralph Kimlinger, Acting Director
 Division: Public Services Division

Phone: 465-2392Date: 4-22-83

Approved by Commissioner: 
 Department: Revenue

Date: _____

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ANALYSIS

SB 265

1. Passage of SB 265 will require a full time, seasonal, Tax Examiner to handle a minimum of 150 applications. Each application and attendant Financial Statement requires 1.5 to 2.0 hours of processing and in addition clerical time of approximately one hour per application is required.

To insure equitable compliance with the law, a full time investigator will be needed and audit and investigation will require a minimum of eight field trips per year.

Supplies and commodities include new forms, mail outs and miscellaneous clerical supplies. All instruction and forms will require immediate revision and reprint.

New office equipment will be required for both requested positions.

I. REQUEST

Bill/Resolution No: SB 265
 Title: Act relating to permits issued for
games of chance and contests of skill
 Sponsor: State Affairs
 Requestor: V. Fischer

II. FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Rev. Operations
 BRU, Program of Subprogram(s) Affected:
Public Svcs. & Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-	29.5	31.5	34.0	36.5	39.5
200 TRAVEL	-	4.5	4.8	5.0	5.5	6.0
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	4.5	5.0	5.5	6.0	6.5
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
TOTAL OPERATING		38.5	41.3	44.5	48.0	52.0
CAPITAL	-	-	-	-	-	-

REVENUE

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	38.5	41.3	44.5	48.0	52.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	one	one	one	one	one
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Marcy RehfeldDivision: Commissioner's OfficePhone: 465-2300Date: 4/27/83Approved by Commissioner: *[Signature]*Department: RevenueDate: 4/28/83

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ANALYSIS ~~vs~~ SB 265

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