

COMMITTEE REPORT  
SENATE

FURTHER:

3/26/85

Date 3/25/86

Mr. President

The Committee on FINANCE considered HB 208  
authorizing salmon classics.

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

do pass

do pass with attached amendment(s)

replace with/or adopt SCS for HB 208 (Fin)  
new title  
 same title and recommends "DO PASS"

and attached a "LETTER OF INTENT"  NEW FISCAL NOTE  
 SFC

reports it back without recommendation

recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature]  
[Signature] NO REC  
Paul Smith. NO REC  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
Co - Chairman  
no rec  
Chairman recommendation

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

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Mr. President

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authorizing salmon classics.

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- new title
- same title and recommends "DO PASS"
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE  
P- SFC
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
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John Dickett  
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Robt. H. ...  
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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : SCS HR 208 (Fin)  
 Title : Authorizing salmon classics

Sponsor : Rep Cato  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Revenue  
 BRU : Games of Chance/Licensing

Components : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0

CAPITAL		0	0	0	0	0
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REVENUE		0	0	0	0	0
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman Phone : 465-4523  
 Division : Senate Finance Committee Date : 3/25/86

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SCS HB 208 (Fin)

Section 1(11), p 2, lines 12-14

Language adopted by SFC "to restrict participation by employees of the Department of Fish and Game in the salmon classics."

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

MEMORANDUM

March 24, 1986

SUBJECT: Draft SCS HB 208(Fin)  
TO: Senator Jan Faiks  
FROM: George Utermohle *GU*  
Legislative Counsel

The draft SCS HB 208(Fin) contains the amendments that were requested. However I must inform you that the prohibition against the use of the proceeds from a salmon classic for lobbying activities may violate the free speech and equal protection rights of any organization that receives a salmon classic permit. The prohibition against lobbying may have a chilling effect on the free speech of organizations that have salmon classic permits and may unfairly treat these organization differently from other organizations that operate ice classics, rain classics, etc.

In the time available there has not been an opportunity to research the constitutional implications of a prohibition against lobbying funded by a salmon classic. Please contact me if you want to pursue this issue further.

GU:mkr  
m4/040

Enclosure

WORK DRAFT

WORK DRAFT

WORK DRAFT

Utermohle

3/24/86-

Original sponsors: Cato, Grussendorf and  
Marrou by request

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 208 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing salmon classics."

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

8 \* Section 1. AS 05.15.060 is amended to read:

9 Sec. 05.15.060. REGULATIONS. In accordance with the Administra-  
10 tive Procedure Act (AS 44.62), the commissioner of revenue shall  
11 adopt [, NO LATER THAN SEPTEMBER 7, 1960,] regulations necessary to  
12 carry out this chapter covering, but not limited to

13 (1) the issuance, renewal, and revocation of permits;

14 (2) a method of ascertaining net proceeds, the determina-  
15 tion of items of expense that may be incurred or paid and the limita-  
16 tion of the amount of the items of expense to prevent the proceeds  
17 from the activity permitted from being diverted to noncharitable,  
18 noneducational, nonreligious, or profit-making organizations, indivi-  
19 duals or groups;

20 (3) the immediate revocation of permits if this chapter or  
21 regulations issued under it are violated;

22 (4) the requiring of detailed, sworn, financial reports of  
23 operations from permittees including detailed statements of receipts  
24 and payments;

25 (5) the investigation of permittees and their employees,  
26 including the fingerprinting of those permittees and employees whom  
27 the commissioner considers it advisable to fingerprint;

28 (6) exclusion from participation as a permittee or employee  
29 of a permittee of any person convicted of a felony, a crime involving

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moral turpitude, or violation of a municipal, state, or federal gambling law;

(7) the method and manner of conducting activity and awarding of prizes or awards, and the equipment that may be used;

(8) the number of activities that may be held, operated, or conducted under a permit during a specified period;

(9) a method of accounting for receipts and disbursements including the keeping of records and requirements for the separate banking of all receipts, and payments by check only;

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

(11) restrictions on the participation by public employees in the salmon classics permitted under AS 05.15.100(a) as necessary to prevent conflicts of interest;

(12) other matters the commissioner considers necessary to carry out this chapter or protect the best interest of the public.

*Restrict participation by F&G employees*

\* Sec. 2. AS 05.15.100(a) is amended to read:

(a) The commissioner of revenue may issue a permit to a municipality or qualified organization. The permit gives the municipality or organization the privilege of conducting bingo, raffles and lotteries, ice classics, rain classics, salmon classics, dog mushers' contests, fish derbies and contests of skill.

\* Sec. 3. AS 05.15.150 is amended by adding a new subsection to read:

(c) The net proceeds derived from a salmon classic may not be used to conduct activities regulated under AS 24.25.

\* Sec. 4. AS 05.15.180(b) is amended to read:

(b) With the exception of raffles, lotteries, rain classics, salmon classics, and other activities authorized under AS 05.15.100-

(b), an (NO) activity may not be licensed under this chapter unless it

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existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959.

\* Sec. 5. AS 05.15.210 is amended by adding a new paragraph to read:

(24) "salmon classic" means a game of chance in which a prize of money is awarded for the closest guess of the total number of salmon harvested commercially statewide, as determined by the Department of Fish and Game, during a certain period of time.

Introduced: 2/18/85  
Referred: House Special Committee on  
Fisheries, Resources and Finance

BY CATO AND GRUSSENDORF  
BY REQUEST

1 IN THE HOUSE

2

HOUSE BILL NO. 208

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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14

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20

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

21

(24) "salmon classic" means a game of chance in which a  
^2 prize of money is awarded for the closest guess of the total number of  
23 salmon harvested commercially statewide during a certain period of  
24 time.

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

ci  
#1

Revision Date \_\_\_\_\_

REQUEST

Bill/Resolution No: HB208  
Title: An Act authorizing  
Salmon Classics  
Sponsor: CATO  
Requestor: Finance Committee  
Date of Request: 2/20/85

FISCAL DETAIL

Agency Affected: Revenue  
Program Category Affected: Games of  
Chance/Licensing  
BRU, Program or Subprogram(s) Affected:  
Public Services BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	0	0	0	0	0
<u>CAPITAL</u>	-	0	0	0	0	0
<u>REVENUE</u>	-	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	0	0	0	0	0

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis.

Prepared By: Sally Smith  
Division: Public Services

Phone: 465-2392  
Date: 2/20/85

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 2/21/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

March 24, 1986

SUBJECT:           Constitutionality of various bills relating  
                    to games of chance

TO:                 Senator Jan Faiks

FROM:              George Utermohle *GU*  
                    Legislative Counsel

You have asked whether HB 208, SB 402, and SB 339 are "local or special legislation" and thus unconstitutional.

Article II, section 19 of the Alaska Constitution provides in part:

The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination.

The test employed by the Alaska Supreme Court for Article II, section 19 is substantially the same as that applied to equal protection analysis. Upon examining the legislative goals and the means used to advance them, the court determines whether the legislation bears a fair and substantial relationship to legitimate purposes. (State v. Lewis, 559 P.2d 630, 643 (Alaska 1977)) To satisfy the fair and substantial relationship standard, the classifications must be tailored to the purpose of the legislation. A classification created by the legislation must be neither overinclusive nor underinclusive. (Isakson v. Rickey, 550 P.2d 350, 362 (Alaska 1976)) If the "fair and substantial relationship" standard is met, the bill will not be invalidated because of incidental local or private advantages. (Lewis, 559 P.2d at 643)

Permits for games of chance are given to municipalities and qualified organizations so that they can raise money for

political, educational, civic, public, charitable, patriotic, or religious projects. (AS 05.15.150(a)) Allowing municipalities and qualified non-profit organizations to raise money for projects that promote the public health, welfare, and morals is a legitimate state purpose. Legislation creating games of chance violate Article II, section 19 of the Alaska Constitution if the legislation does not bear a fair and substantial relationship to the purpose of allowing municipalities and qualified organizations to raise money for their beneficial projects.

HB 208 authorizes a new game of chance, salmon classic, for which permits can be issued. The bill creates no classifications among municipalities and qualified organizations, so there is no issues of under or over-inclusiveness. Therefore the bill's means bears a fair and substantial relationship to the legislative purpose of raising funds for beneficial organizations. HB 208 is constitutional under the local or special legislation provision of the Alaska Constitution.

SB 339 authorizes a new game of chance, mercury classic, for which permits can be issued and gives the Greater Fairbanks Chamber of Commerce sole authority to operate mercury classics. The bill creates a special class of qualified organization permitted to operate a mercury classic. Absent a valid legislative purpose for creating a class of qualified organizations consisting solely of the Greater Fairbanks Chamber of Commerce, the bill is local and special legislation. There is nothing in the bill itself or in the bill's history to suggest a purpose for the legislation other than the general purpose behind all permits for games of chance. The bill is local and special interest legislation because there is not a fair and substantial relationship between the provisions of the bill and the purpose of the bill. Also the local or private advantages conferred on the Greater Fairbanks Chamber of Commerce are not incidental effect of the bill but are the whole effect of the bill.

SB 402 authorizes a new ice classic, the Yukon River Ice Classic, and grants an exclusive franchise to the City of Fort Yukon to operate it. Absent a rational basis for giving sole authority to operate an a Yukon River ice classic to the City of Fort Yukon, the bill is local and special legislation. There is nothing in the bill or the bill's legislative history to suggest a special purpose or goal for the bill. Therefore the bill can be assumed to promote the

Senator Faiks  
Page 3  
March 24, 1986

same general purpose behind all permits for the games of chance. For the same reasons as explained for SB 339, above, SB 402 is local or special interest legislation and is unconstitutional.

Please contact me if I can provide further assistance.

GU:csh  
c6/048

SUGGESTED

SUB

Introduced: 2/18/85  
Referred: House Special Committee on  
Fisheries, Resources and Finance

Jack Cadejan  
United Fishermen

1 IN THE HOUSE

BY CATO AND GRUSSENDORF  
BY REQUEST

2

HOUSE BILL NO. 208

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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19 in substantially the same manner before January 1, 1959.

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

21 (24) "salmon classic" means a game of chance in which a  
22 prize of money is awarded for the closest guess of the total number of  
23 <sup>certain</sup> salmon harvested <sup>in certain commercial fisheries</sup> ~~commercially~~ during a ce.tain period of  
24 time.

2/18/86

CODE	BUDGET ITEMS	Proposed Budget
101	Salaries & Wages	\$15,000.00
102	Taxes & Licenses	\$8,300.00
103	Advertising	\$5,000.00
104	Printing	\$10,000.00
105	Commisions	\$7,500.00
106	Dist. & Freight	\$2,000.00
107	Supplies & Equip.	\$4,000.00
108	Professional Fees	\$0.00
109	Contract Services	\$4,000.00
110	Rent of Office	\$0.00
111	Travel	\$5,000.00
113	Telephone	\$2,500.00
114	Repair & Maint.	\$500.00
115	Insurance	\$800.00
116	Bad Debts	\$1,000.00
117	Miscellaneous	\$3,000.00
	Sub Total	\$68,600.00
200	Winner Payoff	\$50,000.00
201	Contributions	\$41,400.00
204	Total Expenditures	\$160,000.00
300	Tickets Sales	\$160,000.00
301	Interest Income	\$500.00
302	Misc. Income	\$2,000.00
	Total Income	\$162,500.00
400	over Expenditures	\$2,500.00



# UNITED FISHERMEN OF ALASKA

Jack Cadigan  
Executive Director  
907-586-2820  
1-800-478-FISH

## SALMON CLASSIC

The proposed Salmon Classic would be a game of chance involving the award of money for the closest guess to the number of salmon commercially harvested. This number could be established in a number of ways. One type might be the Bristol Bay final fish-ticket total count as of a particular date. Another might be to derive a specific number of pink salmon caught and canned by using a pre-established equivalency of cans to fish. Tickets would be sold no earlier than April 1st, and no later than October 1st. Exact dates would have to be established appropriate to the structure of the fishery segment, or total of all salmon fisheries, which would provide the count. Obviously the winning number must be established in a manner that is beyond the control of an individual or individuals, and that does not require any specific effort on the part of the state Department of Fish and Game.

Attached is a planned first-year budget, which would envision reasonably modest sales, and would probably involve only the Bristol Bay fisheries since that is the one most readily adaptable to clear, exact and uncontrolled numbers of fish.

United Fishermen of Alaska is a non-profit organization which is fourteen years old. Funds not awarded as prizes nor used for administrative costs would revert to UFA. These funds would be used to promote non-political aims, such as advancing professional learning within the membership, furtherance of industry safety programs, youth scholarship, etc.



Official Business

# Alaska State Legislature

House of Representatives

Special Committee on Fisheries

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-4924

February 27, 1985

## SECTIONAL ANALYSIS OF HB 208 "An Act authorizing salmon classics."

Section One: Amends existing statutes to allow the commissioner of revenue to issue permits to municipalities or nonprofit organizations for "salmon classics."

Section Two: Adds "salmon classics" to the list of authorized games of chance that didn't exist prior to January 1, 1959.

Section Three: Defines "salmon classics" as a game of chance where prize money is awarded for the most accurate guess of the statewide commercial salmon harvest.



Official Business

# Alaska State Legislature

## House of Representatives

### Special Committee on Fisheries

Pouch V  
Juneau, Alaska 99811

Phone:  
(907) 465-4924

#### MEMORANDUM

February 28, 1985

TO: Members  
Special Committee on Fisheries

FROM: Representative Peter Goll *Peter*  
Chairman

SUBJECT: HB 208 (Salmon Classics)

The purpose of this memorandum is to clear up any confusion that might exist over whether the proposed Salmon Classics will be a contest of skill or a game of chance. The following figures show how the "experts" in the Alaska Department of Fish and Game's Division of Commercial Fisheries have fared in predicting statewide salmon harvests over the past 15 years.

<u>Year</u>	<u>Projected Harvest</u>	<u>Actual Harvest</u>	<u>Error</u>
1970	95,500,000	68,500,000	+39%
1971	41,500,000	47,500,000	-13%
1972	46,700,000	32,000,000	+46%
1973	30,000,000	22,300,000	+35%
1974	15,600,000	21,900,000	-29%
1975	19,900,000	26,200,000	-24%
1976	37,100,000	44,400,000	-16%
1977	34,700,000	50,800,000	-32%
1978	62,900,000	82,300,000	-24%
1979	72,000,000	88,800,000	-19%
1980	102,600,000	110,000,000	- 7%
1981	74,500,000	113,300,000	-34%
1982	135,000,000	109,100,000	+24%
1983	94,000,000	127,200,000	-26%
1984	103,560,000	132,505,000	-22%
1985	108,241,000		