

COMMITTEE REPORT
SENATE

FURTHER:

2/13/86

Date 3/25/86

Mr. President

The Committee on FINANCE considered SB 402
relating to ice 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 CS for SB 402 (FIN)
- new title
- same title and recommends "DO PASS"
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
e Rev
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

~~J. H. ...~~
Rich Haldord
Carl Erick
William
John ...

MEMBERS HAVING
OTHER RECOMMENDATIONS

~~Rich Haldord~~

Co - Jan ...
 Chairman
do pass
 Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 2/18/86

REQUEST
Bill/Resolution No: SB 402
Title: An Act relating to ice classics

Sponsor: Sackett
Requestor: Senate Finance
Date of Request: 2/14/86

FISCAL DETAIL
Agency Affected: Revenue
BRU: Public Services

Components: Public Services Operating

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	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared by: *Sally Smith*
 Division: Public Services

Phone: 465-2392
 Date: February 18, 1986

Approved by: *Mary A. Sundale*
 Commissioner:
 Agency: Revenue

Date: 2/21/86

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management & Budget
 Impacted Agency(ies)

Introduced: 2/13/86
Referred: Finance

THE FINANCE COMMITTEE
BY SACKETT

1 IN THE SENATE

2

CS SENATE BILL NO. 402 (FIN)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to ice classics."

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

8 * Section 1. AS 05.15.210(12) is amended to read:

9 (12) "ice classic" means a game of chance where a prize of
10 money is awarded for the closest guess of the time the ice moves in a
11 body of water or watercourse in the state and is limited to the Nenana
12 and Chena Ice Pools in the same manner as they were conducted in 1959
13 and previous years, [AND] a Kuskokwim Ice Classic to be operated and
14 administered by Bethel Social Services, Inc., and a Yukon River Ice
15 Classic, to be operated and administered by the City of Fort Yukon,

AMENDMENT ADOPTED BY SFC 3/25/86

Line 15

After "Classic" INSERT "o" and DELETE remaining language.

ANALYSIS FOR SENATE BILL 402

An Act relating to ice classics

Under current law, an ice classic is a game of chance where a monetary prize is awarded for the closest guess of when the ice moves from a predetermined point. These classics are limited to the Nenana, Chena and Kuskowkwim Rivers. This bill would allow for the establishment of the Yukon River Ice Classic which would be administered by the City of Fort Yukon.

There is no fiscal impact.

SENATE FINANCE COMMITTEE

M E M O R A N D U M

DATE: March 25, 1986

TO: Lynn Barnes
Legal Services

FROM: Vicki (4935)
Cap Bldg Rm 413

RE: CS for SB 402 (Finance)

Please prepare a Finance Committee Substitute for SB 402 reflecting the amendment adopted by the Senate Finance Committee.

CS SB 402 (Fin) was reported out at the Committee meeting this morning and read across at the 11:00 a.m. Senate floor session.

Please return to me asap.

THANX!

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. 11

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

Senator Faiks
Page 2
March 24, 1986

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

Alaska State Legislature

SENATOR

John C. Sackett

CO-CHAIRMAN
SENATE FINANCE COMMITTEE

MEMBER
LABOR & COMMERCE COMMITTEE
BUDGET & AUDIT COMMITTEE
SENATE ADVISORY COUNCIL
COMMITTEE ON COMMITTEES



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MEMORANDUM

Date: March 20, 1986

To: Members, Senate Finance Committee

From: Senator John C. Sackett

Subj: SB-402, Yukon Ice Classic

SB-402, creating a Yukon Ice Classic, is at the request of the City of Fort Yukon. In early January, the Fort Yukon City Council discussed and approved the idea of creating an "ice classic" to be conducted in much the same fashion as the Nenana Ice Classic. SB-402, amends the current statute (AS 05.15.210(12)) by adding a Yukon River Ice Classic to the list of classics permitted by the Department of Revenue.

The Fort Yukon City Council views the creation of an ice classic as a way to generate revenues for locally operated public services. Creation of the classic and revenues generated from ticket sales is seen as a way to offset anticipated revenue losses to the City as the State's revenues decline.