

HB

95

FISCAL NOTE

REQUEST

Revision Date: _____ Agency Affected: Public Safety
 Title: "An Act authorizing limited historical
gambling enterprises..." BRU: Alaska State Troopers
 Sponsor: Rep. Taylor Components: Criminal Investigation
 Requestor: House State Affairs Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JWR KCS
2/9/88

Prepared by: Francis C. Allan *G.C.A.*
 Division: Alaska State Troopers

Phone: 269-5691
 Date: 1/29/88

Approved by Commissioner: Arthur English *A.H.*
 Agency: Public Safety

Date: 1/29/88

Distribution: (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

P.O. Box 1683
Sitka, AK 99835
Feb. 19, 1988

Fran Ulmer
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Ak 99811

Dear Mrs Ulmer,
I am an eighth grade student
at Blatchley Middle School! I am
very interested in how our Government
works.

I would like you to support
HB 95. I think people coming to Alaska
would like to gamble if this bill is passed
it would bring more money to our
economy!

I would like to thank you for
your time! I hope this has influenced
you! Thank you again!

Sincerely,
Jason Shaffer

FISCAL NOTE

REQUEST _____

Revision Date: _____
Title: "An Act authorizing limited historical gambling enterprises..."
Sponsor: Rep. Taylor
Requestor: House State Affairs

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Criminal Investigation Bureau

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY88	FY89	FY90	FY91	FY92	FY93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JMR
2/9/88
KCS

Prepared by: Francis C. Allan
Division: Alaska State Troopers

Phone: 269-5691
Date: 1/29/88

Approved by Commissioner: Arthur English
Agency: Public Safety

Date: 1/29/88

Distribution: (by preparer):
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Legislative Sponsor
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Office of Management and Budget
Impacted Agency(ies)

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**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____
 Revision Date: _____
 Title: An Act authorizing limited
 historic gambling enterprises
 Sponsor: Taylor
 Requestor: _____

Bill Version: HB 95
 Publish Date: _____

Agency Affected: _____
 BRU: Local Government Assistance
 Components: Training & Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Doug Griffin, Deputy Director
 Division: Municipal & Regional Assistance

Phone: 465-4750
 Date: 2/17/87

Approved by Commissioner: David G. Hoffmann
 Agency: Community & Regional Affairs

Date: 2-17-87

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

3

Bill Version: HB95

Publish Date: _____

REQUEST

Revision Date: _____
Title: An act authorizing certain municipalities to conduct limited historic gambling enterprises & providing effective date
Sponsor: Taylor
Requestor: State Affairs, Comm. & Reg. Aff

Agency Affected: Revenue
BRU: Public Services
Components: Public Services Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	0	0	0	0	0	0

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 17, 1987

Approved by Commissioner: H. Milne
Agency: Revenue

Date: 2/17/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
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- Office of Management & Budget
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- Senate Secretary



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Girdwood, Alaska

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1959-1960

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1960-1962

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1962-1963

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1979-1980

ROLF KLUG
1980-1981

DAVE PALMER
1981-1982

CHRIS VON IMHOF
1982-1983

A RESOLUTION IN SUPPORT OF LIMITED HISTORIC GAMBLING IN ALASKA

Whereas, Alaska's Gold Rush History is an attractive and integral part of our tourism appeal; and,

Whereas, the colorful gambling halls and characters of the gold rush era continue to provide a spirited reminder of Alaska's history; and,

Whereas, the recreation of historic gambling in Alaska would enhance Alaska's tourism industry;

Be it therefore resolved that the Alaska Visitors Association supports legislation that would allow local option for municipally-controlled limited historic gambling in communities with a substantial history of gambling during Alaska's gold rush.

Passed by AVA Membership, October 6, 1983, Valdez, Alaska

DAWSON HAS A DIAMOND TOOTH GERTIE'S
WHY CAN'T WE?

Questions and Answers about HB 659 / SB 476

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WHY HISTORIC GAMBLING?

The colorful gold rush saloons and dance halls are an appealing aspect of our gold rush history. It is our history as well as our scenery that attracts visitors to Alaska. Diamond Tooth Gertie's, a restored dance hall which offers limited historic gambling in Dawson City, Yukon Territory, has greatly enhanced Dawson's visitor appeal as an exciting historic attraction.

WHAT WOULD HB 659 AND SB 476 DO?

This legislation would allow qualifying communities local option to implement limited, historic gambling enterprises.

WHO WOULD QUALIFY?

Communities with a "substantial" history of gambling during the Gold Rush era of 1890 to 1910, whose economies are substantially dependent on tourism and whose historic character would be enhanced by the gambling enterprise would qualify for the local option. The communities of Skagway, Fairbanks and Nome would qualify.

WHAT IS A SUBSTANTIAL HISTORY OF GAMBLING?

A substantial history of gambling is a popularly accepted history of casino or bar-room gambling during the period of 1890 to 1910. This does not include communities of admitted histories of back room gambling such as Juneau. Anchorage was founded after the Gold Rush era.

WOULD QUALIFYING MUNICIPALITIES AUTOMATICALLY GET GAMBLING UPON PASSAGE OF HB 659 / SB 476?

This legislation would provide local option to qualifying municipalities. Upon passage of the legislation, any municipality would have to adopt an ordinance outlining specifics in regard to location, hours of operation, limits on the amount of bets and the question of alcoholic beverages on the premises. This ordinance would then have to be ratified by the voters. Consequently, any gambling proposal would have to accommodate the concerns of the public.

It should be noted that since 1977, the City of Ketchikan has had the option to conduct a rain pool classic, similar to the Nenana Ice Classic. If a community had strong reservations about limited historic gambling, it would not need to exercise its option to conduct this activity.

WHO WOULD OPERATE AND CONTROL THE GAMBLING ENTERPRISE?

The essence of this legislation lies in local participation and involvement. Gambling enterprises would be administered by the local governing authority with the city operating the dance hall or casino and with all proceeds going to the city.

WHAT DOES LIMITED HISTORIC GAMBLING MEAN?

The people of the community shall vote on a gambling ordinance that will establish limits on the:

- 1) location of the gambling enterprise
- 2) types of games allowed
- 3) hours of operation
- 4) limits on the amounts of bets
- 5) question of alcoholic beverage on the premises.

HOW WILL THE ECONOMIES OF QUALIFYING COMMUNITIES BENEFIT FROM LIMITED HISTORIC GAMBLING?

Limited historic gambling will attract more visitors, particularly during the "off" seasons of fall, winter and spring. The extra attraction will encourage visitors to stay in town longer. This will have immediate benefits for hotels, food services, gift shops and other related industries.

HOW WILL GAMBLING AFFECT EMPLOYMENT IN QUALIFYING COMMUNITIES?

The gambling enterprise in itself will create jobs. Diamond Tooth Gertie's employs 84 people. In addition, increased visitation from the added attraction creates employment opportunities in all visitor service industries.

HOW MUCH CAN LOCAL GOVERNMENTS EXPECT TO RECEIVE FROM AN HISTORIC GAMBLING ENTERPRISE?

Limited historic gambling should not be viewed as a way to inflate local coffers but as a means to enhance local economies. However, research indicates that a black jack table will generate \$70 per seat per 8-hour shift at a \$5 bet limit. Overhead costs for black jack operation amount to approximately 55% of earnings. Therefore, a black jack table with seven seats would generate \$490 per shift and would cost \$270 to operate, leaving \$220 per shift for the city. A dance hall with 12 tables operating 8 hours per day would generate \$2,640 per day for the city.

WHAT COULD LIMITED HISTORIC GAMBLING LOOK LIKE?

The legislation stipulates that the gambling enterprise be situated within an established historic district or park created to preserve or recreate the historic fabric of the community. For example, in Fairbanks, gambling would only be allowed at Alaskaland. The following is the proposal currently being discussed in Skagway.

Location: Arctic Brotherhood Hall, built in 1899 and owned
by the municipality
Types of Games: Black Jack, roulette
Alcohol Served: No
Entertainment: Small floor show due to lack of space
Bet limit: \$5

WOULD LIMITED HISTORIC GAMBLING RESULT IN INCREASED RATES OF CRIME IN THE QUALIFYING COMMUNITIES?

Dawson City takes great pride in the lack of crime in their community and attributes this to the active involvement of the people of Dawson in the operation and control of Diamond Tooth Gertie's. With the types of limits imposed by Skagway on their proposed gambling program, there is little likelihood that undesirable elements would be attracted to the community.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

6

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

February 16, 1987

MEMORANDUM

TO: Representative Robin Taylor

ATTN: Elsa Demeksa

FROM: Penelope Weyhrauch
Legislative Analyst

RE: Historical Gambling in Alaska
Research Request 87.135

You requested information on the type of gambling that historically occurred in Alaska communities. For a general overview of historical gambling in Alaska, I contacted Bob DeArmond, a leading Alaska historian. Mr. DeArmond is not aware of any research that exists on the types of gambling that occurred in the different communities in Alaska. He believes that most of the communities in Alaska had unregulated gambling at one time. Mr. DeArmond said that native Alaskans have long enjoyed their own form of traditional gambling and, even before the gold rush days, soldiers garrisoned in Sitka, Kodiak, Kenai and Wrangell were gambling. He said that virtually all types of gambling occurred in Alaska, but specifically mentioned: dice, card games (of all kinds), horse and dog racing, and ice classics.

Fairbanks

In the Fairbanks area, I contacted Alaska Linck, who has lived in Alaska since 1918, Pam McLoughlin, proprietor of the Old F.E. Chataneka Lodge, and the City of Fairbanks. Ms. Linck said that gambling in Fairbanks primarily occurred in the backrooms of bathhouses and ice cream parlors. She recalls that card games were played and that slot machines were popular in some clubs. Ms. Linck does not recall any roulette wheels being used in Fairbanks. Ms. McLoughlin, who has done some research on historical gambling in Fairbanks, said that most gambling occurred in the prostitution area of town. Gambling that occurred in Fairbanks, according to Ms. McLoughlin,

included: roulette wheels, dice, poker, pangini ("pan" - a card game), billiard tables and penny pitching. Helen Green, Deputy City Clerk with the City of Fairbanks, said that pinball, slot machines, and pinboards were used until the 1940s.

Juneau

I contacted retired Judge Tom Stewart, who has lived in Alaska for many years and is a noted historian. He recollected that gambling in Juneau historically occurred in poolhalls, and in clubs such as the Moose and the Elks. He believes that gambling in Juneau was unregulated for a short time before it became a licensed activity. He recalled that gambling that occurred in Juneau included: pangini, punch cards and poker.

Nome

According to Leo Rasmussen, former Mayor of Nome, Nome was at one time a "wide open" gambling town. Gambling in the city was unregulated until permits began to be required in an effort to control thievery that was occurring by gambling facility proprietors. Forms of gambling that were enjoyed in Nome include: roulette wheels, faro (a card game), blackjack and other card games. During Nome's gambling heyday, a number of infamous characters could be seen around town, including Wyatt Earp.

Skagway

According to Bob Ward, Director of Tourism for the city of Skagway and Glenda Chuate, a local historian, 1896-99 appeared to be the peak of Skagway's gambling activity. Mr. Ward said that the gambling that occurred in Skagway included: roulette, craps, and card games such as three-card monte, blackjack, poker and faro. Ms. Choate said that machines (such as slot machines) were not a part of Skagway's gambling history. Skagway is well known for the shenanigans of Soapy Smith, who ran Jeff's Place, a saloon and gambling house.

Representative Taylor
February 16, 1987
Page 3

Other Alaska Communities

Several other communities were cited as having gambling activities as a part of their history. Ms. Linck, of Fairbanks, recalls that Anchorage and Wasilla both had gambling tents where poker was played. Circle City was also cited by one writer as having gambling activities.

* * * *

I hope this information is useful to you. In addition to the contacts mentioned in this memorandum, I also contacted the State Library, the Historical library, the Alaska State Museum, and the Juneau-Douglas library. None of these sources was able to provide me with any information on communities in Alaska which historically had gambling. I also attempted, unsuccessfully, to contact a local historian in Wrangell. I have attached a copy of a 1913 Alaska territorial law which makes gambling a misdemeanor. If you have any questions or would like additional information, please contact our agency.

Attachment

seven, and two thousand and twenty-eight general reputation shall be received in evidence to establish the character of any building as an opium den, and proof that any person frequents such den shall be prima facie evidence that such person frequents such den for the purpose of smoking opium.

Carter Code, sec. 150; Charlton Code, sec. 150.

SEC. 2031. That all idle or dissolute persons who have no visible means of living, or lawful occupation or employment by which to earn a living; all able-bodied persons who shall be found begging the means of support in public places, or from house to house, or who shall procure a child or children so to do; all persons who live in houses of ill repute shall be deemed vagrants, and upon conviction thereof shall be fined not less than twenty dollars nor more than two hundred and fifty dollars, or by imprisonment in the county jail not less than ten nor more than twenty-five days, or both, in the discretion of the court.

Definition and punishment of vagrancy.

Carter Code, sec. 151; Charlton Code, sec. 151.

SEC. 2032. That each and every person who shall deal, play, or carry on, open or cause to be opened, or who shall conduct, either as owner, proprietor or employee, whether for hire or not, any game of faro, monte, roulette, rouge-et-noir, lansquenet, rondo, vingt-un, twenty-one, poker, draw poker, brag, bluff, thaw, craps, or any banking or other game played with cards, dice, or any other device, whether the same shall be played for money, checks, credit, or any other representative of value, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five hundred dollars, and shall be imprisoned in the county jail until such fine and costs are paid: *Provided*, That such person so convicted shall be imprisoned one day for every two dollars of such fine and costs: *And provided further*, That such imprisonment shall not exceed one year.

Gambling.

Prorisor. Imprisonment one day for every two dollars fine. Limit of imprisonment.

Carter Code, sec. 152; Charlton Code, sec. 152.

McGinley v. Cleary (2 Alaska Rep., 209). In this case the plaintiff was the proprietor of a saloon. He gambled with defendant therein with dice, and lost \$1,500. To pay his loss he conveyed the premises in dispute. Upon a suit in equity to recover, the court held that equity will not assist a gambler to recover losses at his own game."

Hornstein v. U. S. (155 Fed. Rep., 48; 83 C. C. A., 614; 3 Alaska Rep., 731). State v. Gitt Lee (6 Or. Rep., 426). State v. Mau (2 Or. Rep., 233). State v. Light (21 Pac. Rep., 132). State v. McDaniel (26 Pac. Rep., 837). State v. Adams (26 Pac. Rep. 837).

CHAPTER NINE.

OFFENSES AGAINST PUBLIC CONVENIENCE.

Sec. 2033. Throwing ballast into navigable stream.

Sec. 2034. Injuring buoys or beacons. Sec. 2035. Tearing down posted notices.

SEC. 2033. That if any person, whether he be an officer of a vessel or not, shall discharge the ballast of any vessel into the navigable portions or channels of any of the bays, harbors, or rivers of said District, or within the jurisdiction of said District, so as to injuriously affect such portions or channels of such bays, harbors, or rivers, or to obstruct the navigation thereof, such person, upon conviction thereof,

Mar. 3, 1899. 30 Stat. L., 1275-1276. Throwing ballast into navigable stream.

ROBERTSON, MONAGLE, EASTAUG:

W. C. ROBERTSON
F. O. EASTAUG
J. B. BRADLEY
WILLIAM G. RUSSEY
JAMES F. CLARR
PAUL M. WOFFMAN
J. P. TANDER
HAROLD E. SNOW JR.
D. ELIZABETH QUADRA
PAMELA L. FINLEY
STEVEN W. SILVER
JAMES H. SHINE

A PROFESSIONAL CORPORATION
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April 5, 1983

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I also notice someone is trying to - alter changing the statutes of games of chance. See SB 265 & HB 360. Wonder what it means(?) 4/20 E. Quade

Mr. Skip Elliott
City Manager
City of Skagway
P. O. Box 415
Skagway, Alaska 99840

Re: The Casino Question.

Dear Skip:

This will give you written confirmation of the advice I gave you orally (March 17) in response to your question on what type of State legislation would be required (and would be permissible under the Alaska Constitution) to allow the City of Skagway to own and operate a gaming casino patterned on types of gambling that took place in Skagway during gold rush days. In particular, you were concerned about how to structure any amendments of Alaska Statutes so as to avoid the problem of "local or special" legislation.

The pertinent resources for answering this question are as follows: Article II, Section 19 of the Alaska Constitution (and cases thereunder); Alaska Statutes at AS 05.15. (Games of Chance and Contests of Skill) together with regulations and any case law thereunder; and any opinions of the Alaska Attorney General under either of the foregoing constitutional and statutory provisions.

Article II, Section 19 of the Alaska Constitution provides as follows:

Section 19. Local or Special Acts. 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. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision.

copy

Alaska Supreme Court cases under this constitutional provision tell us that it is permissible for a State statute to have local effect, provided the statute is of statewide interest. The legislation need not operate evenly in all parts of the state to avoid being classified as local or special. For example, a three-way exchange of land between the State of Alaska, the United States Government, and the Cook Inlet Region, Inc. (and the authorizing Alaska statute) was upheld as not violative of State constitutional prohibitions against enactment of local and special legislation. State v. Lewis, 559 P.2d 630 (Alaska 1977). I would surmise, therefore, that such statutes as that which established the Chilkat Eagle Preserve near Haines, although it certainly has local effect, would be lawful because of having statewide interest. On the other hand, a statute especially authorizing formation of the Eagle River-Chugiak Borough was struck down by the Alaska Supreme Court as being local or special legislation, primarily because there was already general legislation which could be made applicable to the formation of the Borough. Abrams v. State, 534 P.2d 91 (Alaska 1975).

Under AS 05.15, the Alaska Department of Revenue issues permits for the operation of games of chance to certain types of organizations, and provided the funds will be used for certain purposes. Since the 1982 amendments, municipalities are among the organizations which can obtain such permits. AS 05.15.140. The problem arises, however, from the statutory prohibition of the very types of historic gambling Shagway would wish to operate. This prohibition appears in AS 05.15.180(a):

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

My recommendation is that the City of Shagway seek statutory amendments that would specifically authorize municipalities to establish and operate casinos offering gambling games that were historically operated during the period of history being reproduced, and that this authorization be limited to areas of the municipality which have been established as historic districts under the Alaska Historic Preservation Act, AS 41.25. If I understand your facts correctly, Shagway already has such a historic

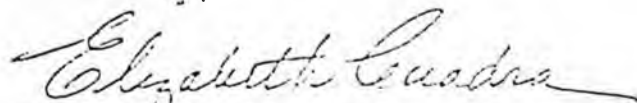
Mr. Skip Elliott
April 5, 1983
Page Three

district established, and a statutory limitation of this type would not inhibit your plans.

I believe statutory amendments of the type recommended above would survive challenge under the "local or special" legislation provision in the Alaska Constitution, Article II, Section 19. On the other hand, a statutory amendment which specifically named Skagway, to the exclusion of all other municipalities, probably would not. If you have a ready sponsor in Senator Kerttula, and his preference is a statutory amendment that names Skagway specifically, then I suggest that you ask Senator Kerttula to have the Division of Legal Services in the Legislative Affairs Agency research the same question that you have put to me, before they assist the Senator by structuring the proposed legislation. The only type of legislation specifically naming Skagway which I can believe might pass muster under the "local or special" legislation provision would be the establishment of some type of State historic park in Skagway (analogous to the Chilkat Eagle Preserve), which specifically provides for a Skagway-owned casino in that State historic park. Such a structure might survive on the basis of being a State historic park of statewide interest and thus not being "local or special" legislation.

Please let me know if you wish to see a copy of any of the Alaska Supreme Court opinions I have cited.

Sincerely,



D. Elizabeth Cuadra

DFC/rh
Enclosure

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 412 SKAGWAY, ALASKA 99840

J

A PROPOSAL
FOR
A LIMITED FORM OF GAMBLING
IN
SKAGWAY, ALASKA
(REVISED)

BY THE SKAGWAY CONVENTION AND VISITORS BUREAU

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THE DAYS OF '98

"Life itself was a gamble. Settlers crossing the plains faced death from indians, starvation, thirst, and cholera, as well as each other. Everyday chores - prospecting, mining,...hunting - were likely to injure or accidentally kill a person. Violent changes of fortune, for better or for worse, were part of the...experience."

Richard Erdoes - Saloons of
the Old West

SUBSTITUTE THE PASSES FOR THE PLAINS, AVALANCHES FOR INDIANS, FREEZING BLIZZARDS FOR THIRST, SPINAL MENINGITIS FOR CHOLERA, AND YOU HAVE SKAGWAY AND THE KLONDIKE IN 1898.

THE THRILL OF FORTUNES WON AND LOST WAS JUST AS GREAT ON BROADWAY, IN SKAGWAY, AS IT WAS ON ELDORADO CREEK IN THE YUKON. THIS DISCOVERY OF A NEW, ROUGH AND READY FRONTIER, LONG AFTER THE WESTERN FRONTIER HAD FADED INTO SETTLED TRANQUILITY, LURED THOUSANDS OF PEOPLE NORTHWARD IN THE "LAST GREAT ADVENTURE".

THE EVER-PRESENT SHELL GAME, FARO, POKER, DICE, AND THREE CARD MONTE WERE DIVERSIONS FROM THE GREATER GAMBLE OF LIVES AND FORTUNES IN THE BLOWING SNOWS OF THE PASSES AND THE FROZEN MUCK OF THE GOLD FIELDS. THE SALOONS AND GAMING PARLORS OF SKAGWAY WERE AN EQUAL PART OF AN IMAGE THAT WAS BEING REKINDLED THROUGHOUT THE WORLD. IT WAS THE IMAGE OF A FALSE FRONTED TOWN ON THE EDGE OF THE WILDERNESS WHERE MEN LIVED BY THEIR WITS. IT WAS AN IMAGE ROMANTICIZED BY ROBERT SERVICE AND JACK LONDON, WHERE ONLY THE FIT SURVIVED. IT WAS A CHANCE FOR MEN TO PIT THEMSELVES AGAINST THE WORST AND TOUGHEST THAT MANKIND AND NATURE COULD MUSTER, AND SEE WHO WON. IT WAS THE IMAGE THAT HAD DRAWN CIVILIZATIONS ACROSS UNCHARTED OCEANS, THROUGH HOSTILE

FORESTS, OVER SCORCHED DESERTS, AND FINALLY, IN THIS LAST GREAT
GOLD RUSH, TO THE FROZEN NORTH. IT WAS THE KLONDIKE.

WHAT ABOUT DAWSON'S GAMBLING?

WITH THE DISCOVERY OF GOLD ON THE BEACHES OF NOME IN 1899, DAWSON SOON BECAME A VIRTUAL GHOST TOWN. OVER THE YEARS THE ABANDONED BUILDINGS FELL INTO DISREPAIR. DAWSON, AT THE SAME TIME BEGAN TO REALIZE IT'S HISTORICAL POTENTIAL AS A TOURIST ATTRACTION. DAWSON ALSO DISCOVERED THAT THE DETERIORATION OF THE BUILDINGS AND THEIR REMOTE LOCATION WERE MAJOR HANDICAPS TO THE DEVELOPMENT OF A VIABLE TOURISM INDUSTRY.

IN ORDER TO AID IN THE RESOLUTION OF BOTH OF THESE CONCERNS, IN 1971 THE CANADIAN FEDERAL GOVERNMENT PASSED A WAIVER TO EXISTING LEGISLATION THAT ALLOWED THE KLONDIKE VISITORS ASSOCIATION TO RUN A GAMBLING OPERATION IN A CENTRAL LOCATION - DIAMOND TOOTH GERTIE'S. THE PROCEEDS FROM THIS OPERATION WERE TO GO TO THE ENHANCEMENT OF DAWSON'S TOURISM INDUSTRY.

DIAMOND TOOTH GERTIE'S IS THE ONLY ESTABLISHMENT IN CANADA THAT HAS GAMBLING, LIQUOR, AND ENTERTAINMENT UNDER ONE ROOF, AND HAS BECOME THE MAINSTAY OF THE DAWSON ECONOMY. HOWEVER, GERTIE'S WAS NOT WITHOUT PROBLEMS IN HER FIRST YEAR. INEXPERIENCE IN RUNNING A GAMING OPERATION, ON THE PART OF THE K.V.A., AND A LOSS OF BUSINESS TO LOCAL BARS AS PATRONS FLOCKED TO THE CASINO RESULTED IN A NET LOSS FOR SEVERAL BUSINESSES, INCLUDING THE K.V.A..

AFTER THE FIRST YEAR, THE R.C.M.P. SELECTED A PROFESSIONAL PIT BOSS TO MANAGE THE OPERATION AND THE K.V.A. ESTABLISHED A VOLUNTEER GAMBLING SQUAD TO OVERSEE GAMING AND TO REPORT ON ITS PROBLEMS AND BENEFITS. THE RESULT WAS A SMOOTHER, PROFITABLE OPERATION FOR ALL OF DAWSON.

GAMES PLAYED AT GERTIE'S ARE BLACK JACK, CROWN AND ANCHOR, ROULETTE, AND POKER. THE MAXIMUM BET IS \$5. THE K.V.A. EMPLOYS 45 PEOPLE TO RUN THE OPERATION WITH EMPHASIS PLACED ON MAINTAINING AN ATMOSPHERE OF FUN AS WELL AS PROFESSIONALISM. IN 1982 THE NET PROFITS TO THE K.V.A. WERE \$25,000.

FUTURE PLANS ARE TO EXPAND GERTIE'S TO ACCOMMODATE MORE VISITORS, AND TO RAISE THE BET LIMIT TO COVER INCREASED COSTS.

SOUNDS GOOD - BUT AREN'T THERE PROBLEMS ASSOCIATED WITH GAMBLING?

WHENEVER ONE MENTIONS GAMBLING, SEVERAL POTENTIAL SOCIAL PROBLEMS COME TO MIND. GIOVANNI CASTELLARIN OF DAWSON'S K.V.A. WAS QUESTIONED ABOUT THESE PROBLEMS. HIS RESPONSES ARE AS FOLLOWS:

GIOVANNI CASTELLARIN, PRESIDENT OF THE KLONDIKE VISITORS ASSOCIATION SAID THAT THERE HAVE BEEN A FEW PEOPLE WHO HAVE BECOME ADDICTED TO GAMBLING BUT THAT WELFARE PROVIDES A FACILITY FOR TREATMENT. CASTELLARIN FELT IT WAS A SMALL PROBLEM AND THAT IN A SMALL COMMUNITY THE SIZE OF DAWSON (400-500 PEOPLE), IT CAN BE PREVENTED BECAUSE PEOPLE KNOW EACH OTHER AND KNOW WHO IS HAVING A PROBLEM. REFUSING TO ACCEPT CHECKS OR GIVE PEOPLE CREDIT IS ONE OF THE WAYS OF KEEPING PEOPLE WITH A PROBLEM FROM SPENDING ALL OF THEIR MONEY. OVERALL, ONLY A VERY SMALL NUMBER OF LOCALS GAMBLE AT ALL; EVERYONE IS SO BUSY DURING THE BRIEF SUMMER SEASON. (GERTIE'S IS ONLY OPEN DURING THE SUMMER) CASTELLARIN SAID THAT MOST EVERYONE FEELS THAT THE POSITIVE EFFECT ON THE COMMUNITY IS 100 TIMES GREATER THAN THE NEGATIVE EFFECT. EVEN THE LOCAL PRIEST APPROVES OF GAMBLING, "IF IT IS CONTROLLED AND DONE RIGHT."

CASTELLARIN ALSO SAID, "WE DO NOT KNOW WHAT CRIME MEANS IN DAWSON."

SKAGWAY TODAY

ON THE AFTERNOON OF JANUARY 14, 1983, ECONOMIC DISASTER STRUCK SKAGWAY. ON THAT DATE THE WHITE PASS CORPORATION ANNOUNCED THAT THE WP&YR NARROW GAUGE "SCENIC RAILWAY OF THE WORLD" WOULD CEASE TO OPERATE UNTIL THE MINES IN THE YUKON REOPENED. THE EARLIEST THAT WHITE PASS COULD SPECULATE ON THE REOPENING OF THE RAILROAD WOULD BE THE SECOND QUARTER OF 1984. THE LOSS OF THE RAILROAD MEANT THE DEMISE OF SKAGWAY'S PRIMARY INDUSTRY. THIS LEFT THE TOWN TOTALLY DEPENDENT UPON ITS SECOND INDUSTRY, TOURISM, FOR AT LEAST THE NEAR FUTURE. THE SITUATION IS NOT DISSIMILAR TO THAT OF DAWSON.

WHAT IS DIFFERENT IS THE ADVANTAGE THAT SKAGWAY ALREADY HAS AS A WELL KNOWN POPULAR TOURIST DESTINATION. THE KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK, THE CHILKOOT TRAIL, BROADWAY, SOAPY SMITH, A.B. HALL, THE GOLDEN NORTH HOTEL, THE PACK TRAIN, THE RED ONION SALOON, AND ALL THE OTHER AUTHENTIC ATTRACTIONS THAT SKAGWAY OFFERS CONJURE UP THAT GOLD RUSH IMAGE OF THE ADVENTURE OF 1898. SKAGWAY OFFERS A GOLD RUSH EXPERIENCE UNEQUALLED ANYWHERE IN THE KLONDIKE REGION

TO ENHANCE THAT WELL KNOWN IMAGE, WHILE AT THE SAME TIME REAPING THE BENEFITS OF INCREASED VISITATION, INCREASED EMPLOYMENT, AND INCREASED REVENUES EXPERIENCED IN DAWSON, SKAGWAY NEEDS TO CONSIDER A LEGALIZED LIMITED FORM OF GAMBLING SCENARIO THAT WOULD INCORPORATE THE BEST ASPECTS OF THE DAWSON PROGRAM AND ACCOMMODATE LOCAL CONCERNS. WITH

STRICT HISTORIC GUIDELINES AND CITY OF SKAGWAY CONTROL, THE TOURISM INDUSTRY IN SKAGWAY CAN BE MAINTAINED AND EXPANDED TO GUARANTEE A STABLE SECOND INDUSTRY TO SEE THE CITY THROUGH CURRENT AND FUTURE ECONOMIC DIFFICULTY. A LIMITED FORM OF LEGALIZED GAMBLING WOULD ADD TO SKAGWAY'S PRE-EMINENCE AS THE KLONDIKE GOLD RUSH ATTRACTION OF ALASKA.

WHAT COULD LIMITED GAMBLING LOOK LIKE IN SKAGWAY?

OF THE UPMOST CONCERN TO THE CITY OF SKAGWAY IS THAT ANY GAMBLING IN SKAGWAY BE CONTROLLED BY THE CITY GOVERNMENT. THE CITY COUNCIL WOULD ESTABLISH REQUIREMENTS FOR THE OPERATION OF GAMING TABLES, THE TYPES OF GAMES ALLOWED, THE LIMITS PLACED UPON BETS, AND THE HISTORIC CRITERIA. PROCEEDS FROM GAMBLING WOULD GO TO THE CITY, WITH 50% OF THOSE PROCEEDS TO BE USED FOR HISTORIC PRESERVATION.

ANOTHER MAJOR CONCERN IS THAT ANY GAMBLING OPERATION MAINTAIN AN HISTORIC CHARACTER. THE INTENT IS TO RECREATE THE ADVENTURESOME ATMOSPHERE OF 1898, NOT TO CREATE THE GLITTER AND STYLE OF A MODERN DAY LAS VEGAS. MAINTAINING THE HISTORIC FLAVOR OF SKAGWAY, AND THE APPEAL OF HAVING FUN, IS IMPERATIVE FOR THE COMMUNITY AS WELL AS THE TOURISM INDUSTRY.

A FINAL CONCERN IS THAT GAMBLING IN SKAGWAY NOT BECOME THE MAJOR ATTRACTION FOR THE COMMUNITY, BUT SIMPLY ANOTHER ASPECT OF OUR HISTORIC ATMOSPHERE. WE DO NOT WANT TO BE VIEWED AS THE TOWN IN ALASKA WITH GAMBLING BUT AS THE GOLD RUSH ATTRACTION OF ALASKA THAT INCLUDES GAMBLING. THIS IS THE DIRECTION OF OUR TOURISM DEVELOPMENT AND BETTER MEETS THE CONCERNS OF THE COMMUNITY OF SKAGWAY.

WITH THESE CONCERNS IN MIND, THE CITY OF SKAGWAY WOULD OPERATE A SINGLE CASINO IN THE ARCTIC BROTHERHOOD HALL. THERE WOULD BE A LIMITED FLOOR SHOW TO ENHANCE THE HISTORIC FLAVOR, BUT NO LIQUOR LICENSE WOULD BE SOUGHT. THE AMOUNT OF BETS WOULD INITIALLY BE LIMITED TO \$5.00 TO MAINTAIN THE SOCIAL, ENTERTAINMENT GAMBLING ATMOSPHERE.

THE AB HALL WOULD ACCOMMODATE ABOUT 64 PEOPLE AT ANY GIVEN TIME. THIS IS A VERY SMALL PORTION OF THE VISITOR POPULATION ON MOST DAYS DURING THE SUMMER SEASON. THE REMAINING VISITORS WOULD BE ENJOYING THE OTHER HISTORIC ATTRACTIONS OF THE COMMUNITY.

INFORMATION PROVIDED BY THE PUBLIC GAMING RESEARCH INSTITUTE INDICATES THAT SUCH AN OPERATION WOULD EMPLOY 34 PERSONS PER 8 HOUR SHIFT WITH POTENTIAL GROSS REVENUES OF \$5,880 PER SHIFT. POTENTIAL NET REVENUE TO THE CITY COULD BE IN THE AREA OF \$200,000 FOR THE SEASON.

THIS LIMITED FORM OF GAMBLING WOULD ENHANCE OUR HISTORIC IMAGE WHILE MAINTAINING A STABLE SUPPORT INDUSTRY. IT WOULD PROVIDE VISITORS WITH THE OPPORTUNITY TO ENJOY A FUN AND EXCITING GLIMPSE OF LIFE IN THE "DAYS OF '98". WITH THESE LIMITATIONS AND CRITERIA, GAMBLING IN SKAGWAY COULD BE CONDUCTED WITH THE LEAST SOCIAL COST AND THE GREATEST ECONOMIC BENEFIT.

SPECIFIC RECOMMENDATIONS

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY CONTRACT WITH THE PUBLIC GAMING RESEARCH INSTITUTE TO ANALYZE OUR PROPOSAL IN TERMS OF SOCIAL IMPACTS, OPERATIONAL PROBLEMS, AND POTENTIAL REVENUES.
- . RECOMMENDATION - ANY OR ALL GAMBLING ESTABLISHMENTS BE LICENSED AND OPERATED BY THE CITY.
 - CRITERIA FOR THE NUMBER AND LOCATION OF GAMES, TYPES OF GAMES, HOURS, LIMITS OF BETS AND PROMOTION SHOULD BE SET BY THE CITY COUNCIL.
 - PROCEEDS FROM THE GAMBLING GO DIRECTLY AND EXCLUSIVELY TO THE CITY OF SKAGWAY, WITH 50% OF THOSE FUNDS GOING TO HISTORIC PRESERVATION.
 - THAT A LOCAL GAMING COMMISSION BE ESTABLISHED TO MONITOR THE THE GAMING OPERATION.
- . RECOMMENDATION - THAT A LIMITED NUMBER OF HISTORIC GAMES BE ALLOWED.
- . RECOMMENDATION - THAT THE ALASKA STATE DEPARTMENT OF REVENUE REVIEW SKAGWAY'S OPERATION ON AN ANNUAL BASIS AND REPORT THOSE FINDINGS TO THE STATE LEGISLATURE.
- . RECOMMENDATION - THAT GAMBLING ONLY BE CONDUCTED DURING THE SUMMER, WITH POSSIBLE LIMITED WINTER OPERATION.
- . RECOMMENDATION - THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON THIS PROPOSAL.
- . RECOMMENDATION - THAT THE PROPOSED LEGISLATION NOT EFFECT THE

LAW OFFICES

BROWN, MICHAEL & FROELICH

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609 344-6445

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REPLY TO Atlantic City Office

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GATEWAY I
NEWARK, NEW JERSEY 07102
201 623-7441

April 20, 1983

SUITE 1500
FIRST NATIONAL BANK TOWER
2 PEACHTREE STREET
ATLANTA, GEORGIA 30383
404 659-7105

Mr. Robert W. Ward, Jr., Director
Skagway Convention & Visitors Bureau
City of Skagway
7th & Spring Streets
P. O. Box 415
Skagway, AK 99840

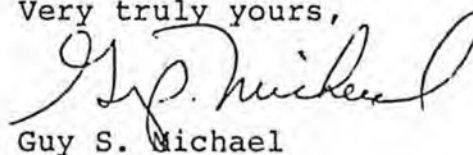
Re: Casino Gambling

Dear Mr. Ward:

Enclosed please find an analysis of the casino proposal prepared by the Skagway Convention and Visitors Bureau, with particular emphasis on the seven questions you posed. This analysis was performed by this firm in conjunction with Duane Burke and the Public Gaming Research Institute.

We and Mr. Burke stand ready to provide any further assistance you may need in this connection or respond to any further inquiries you may have. Thank you.

Very truly yours,



Guy S. Michael

GSM/cp

Enclosures

cc: Mr. Duane Burke

1. What would our personnel requirements be to accommodate 300 gamblers, dispersed among the six sites, at the hours listed on the fact sheet?

It is assumed that the purpose of this inquiry is to determine necessary staffing levels for casino games as they might be necessary in a casino proposal for Skagway. In particular, in connection with staffing levels, it is assumed issues of cost and recruitment are critical. In this connection, there is an assumption implicit in the phrasing of the question which might be misleading and might not best be the way to approach the matter. This assumption is that staffing levels should be geared to any specifically anticipated number of gamblers. Although patron size is a factor, staffing levels are best developed by ratio to the number of games offered. It is the determination of the number of games to offer which is contingent on the estimate of anticipated patron demand.

Given this method of personnel calculation, the following is offered as a sound beginning point from which to estimate potential staffing needs.

Any blackjack table would require, at all times while in operation, one dealer. In addition, at the first level of supervision, there must be one floor person for, at least, every four blackjack tables. That first level supervisor should be required to oversee no more than that number. The

second level supervisor, or pit boss, may be assigned the handling of no more than 12 blackjack tables.

These ratios are based on staffing levels utilized in casino operations of some size. Given the dimensions of the operations proposed on your Fact Sheet, those ratios can be slightly modified. In particular, the tables proposed for the Red Onion Saloon, Moe's Frontier Bar, and the Golden North Hotel could be efficiently staffed with one dealer per table and one supervisor overseeing those two dealers. This assumes, in addition, that there would be overall management, such as a casino manager, to whom the blackjack supervisor would report. In the case of the Golden North Hotel, the single supervisor could handle all four tables.

With respect to the Klondike Hotel, its six tables would probably require, in the ideal, a single dealer at each table, two first level supervisors for each set of three tables and one overall supervisor. Application of similar ratios to the Eagle Hall would require a dealer at each table, three first level supervisors, and one second level supervisor. Finally, at A.B. Hall, there would need to be employed one dealer for each table, three first level supervisors and one second level supervisor.

To reiterate, the levels of supervision and the staffing noted here are required to be in place during all operational periods. Obviously, no single dealer can man a table for the entire proposed gaming day. Dealers typically are on the floor for forty minutes out of each hour. Accordingly, the facilities with two tables would require staffing for thirty-six man/hours of dealer time, or, approximately five dealers working 8-hour shifts per day, or, 252 man-hours per seven day week. A similar formula can be applied to the proposed table configurations at the other facilities. This means 504 man-hours per 7 day week at the Golden North Hotel; 756 man-hours at the Klondike Hotel; 1,260 man-hours at the Eagle's Hall; and, with 12 tables for 8-hour days at the A.B. Hall, 1,008 man-hours.

These calculations and estimates have been done on the basis of utilization of the game of blackjack. Obviously, as different games are utilized, the personnel requirements would change. Blackjack has been used here since that is the game you have proposed on your fact sheet. As different games are proposed, we will be happy to supply you with personnel estimates for each.

In addition, for your review and analysis, we attach a typical staffing chart outline for dealers and supervision in the games of Craps, Roulette, Baccarat and Big Six Wheel as well as Blackjack.

RELIEF FACTORS

PIT BOSSES RELIEF FACTOR

BJ	1 PIT BOSS/12 TABLES	1.25
CRAPS	1 PIT BOSS/8 TABLES	1.25
RO	1 PIT BOSS/12 TABLES	1.25
BAC	1 PIT BOSS/12 TABLES	1.25
BIG SIX	1 PIT BOSS/12 TABLES	1.25

FLOORPERSONS

BJ	1 FLOOR/4 TABLES	1.25
*CRAPS	1 FLOOR/2 TABLES	1.25
RO	1 FLOOR/4 TABLES	1.25
BAC	1 FLOOR/1 TABLE	1.25
BIG SIX	1 FLOOR/4 TABLES	1.25

BOXPERSONS

*CRAPS	1 BOX/1 TABLE	1.25
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DEALERS

BJ	1.33
CRAPS	4.00
BAC	4.00
RO	2.67
BIG SIX	2.67

* 2 supervisors required per 1 craps table (box or floor)

Craps - Box - 1 per table

Floor - 1 per every 2 tables

Plus

(usually) half the number of craps tables

ex: 12 craps tables=
6 box stations plus
3 floor stations + 3 supers. = 6

2. What should an organizational chart of these personnel look like to insure the greatest degree of control and audit capability?

As stated in the response to Question 1, and also, in part, in the response to Question 3, levels of supervision and organization of casino operations are essential components in the control of the casino games. Organizational charts in large casinos look very similar to the kinds of tables of organization one might see in any large corporation. They include, for example, critical elements of function segregation to insure that incompatible duties are not performed by individuals within the same or similar departments. This eliminates, as far as practicable, the possibility that an employee is in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties.

Departments typically found within a large scale casino operation would include:

1. A Surveillance Department, whose responsibility it would be to conduct clandestine surveillance of the operation and conduct of the casino. This department would report directly to the Board of Directors.
2. An Internal Audit Department, whose responsibility it would be to review and appraise the adequacy of internal controls. This department would also report directly to a Board of Directors.

3. A Casino Department who would be responsible to a Director of Casino Operations and, in turn, to a Chief Executive Officer. This department would be responsible for the operation and the conduct of the games.
4. A Slot Department, supervised by a Slot Department Manager, who would report to the Director of Casino Operations and, in turn, to the Chief Executive Officer. This department would be responsible for the operation of the slot machines.
5. A Credit Department, supervised by a Credit Manager, responsible to the Director of Casino Operations. This department would handle the credit function including verification of credit references and the establishment of patron credit limits.
6. A Security Department, supervised by a Director of Security, and responsible to the Chief Executive Officer. This department would perform physical safety functions.
7. A Casino Accounting Department, supervised by a Casino Controller and responsible, in turn, to the Chief Financial Officer. This department would handle all recordation of casino transactions.

Clearly, casino operations of the size contemplated in Skagway would not require the elaborate kinds of casino organization outlined above. Some variation of that organization would be necessary in order to insure that the

games in question are properly run. The level and extent of that organization would depend, in large measure, on not only the size of the operation but also the types of games offered and the method of play. For example, no credit department and a more limited accounting department and function would be required if credit were forbidden. In addition, elaborate systems of surveillance, such as closed circuit television cameras and the like, would appear superfluous in a situation in which but two table games are allowed in a given facility.

Therefore, although it cannot be determined at present with specificity what particular levels of organization would be necessary in casino operations in Skagway, it can generally be said that the organizational structure should insure sufficient levels of supervision to permit of adequate control by segregation of function and sufficient diversity of organization to similarly segregate duties and responsibilities which arise from the operation of casino games.

3. What is the best means of hiring personnel, especially supervisory personnel, to assure professionalism and integrity?

Before any discussion of the methods for recruitment and hiring of personnel in a casino is undertaken, it is necessary to understand the critical importance of the identity of those personnel in the overall context of the security of the casino itself. In a casino, unlike the situation prevalent in virtually every other business of any kind, sales transactions are unrecorded. Although elaborate internal and accounting controls can be applied to exchanges of cash for chips and other representatives of value used in the course of casino games, there is no written account kept of the actual wagers themselves. As a result, the real business transaction of the casino is not reflected in any book or record.

For these reasons, the basic control that is used to make sure that casino business is run properly must rest with the integrity of the people involved. In ways which can be described in more detail as necessary, systems of supervision are utilized which insure that a variety of people must concur with the conduct of each individual casino transaction. Misconduct in the course of these transactions, therefore, requires collusion of a variety of employees. The more people involved in those transactions whose integrity can be reasonably insured, the more

confidence there can be that the transactions themselves are conducted in an honest fashion.

Choices in the hiring of personnel must be the result of a diligent screening process. That process must be undertaken in both the public and private sector. On the public side, a government agency should be provided the authority to issue licenses to casino personnel. All persons involved in any way in the conduct of the games or the supporting accounting functions involved in casino operations should be required to be licensed. In a casino business as small as that proposed in Skagway, the creation of a new agency to perform this function would seem unnecessary. An existing law enforcement agency could be given that authority. It is essential, however, that whatever agency is delegated the authority to conduct the licensing process, that agency be an authorized and credible law enforcement body. It will be expected that persons will attempt to become employed in Skagway casino operations from a variety of jurisdictions. In order to develop the most thorough and efficient summary of those persons' backgrounds, the investigating agency must be able to obtain information from law enforcement authorities literally throughout the world. The receipt of that information is greatly facilitated if the requesting agents have some established relationship with the bodies from whom the information is sought.

Statutory criteria should be established within which the licensing agency can evaluate the qualifications of each applicant for an employee license. Those criteria should be broad enough to permit the consideration of all relevant information, but they should also be specific enough to both survive any constitutional challenge and, of equal importance, establish certain specific qualifications about which the licensing agency has no discretion. For example, general standards of good character, honesty, financial responsibility and casino experience should be included. Information received in the course of the investigation of each applicant can be evaluated in accordance with these standards. In addition, the statutory criteria may provide that persons with a specific type of criminal history not be permitted licensure in any case.

No person should be permitted to work unless and until he has received an appropriate license.

On the private side, casino employers should exercise caution and responsibility in both the hiring and the retention of sensitive casino employees. The license screening process administered by the government serves one purpose, but maintenance of the integrity of the casino games must also come from a coupling of that process with private sector responsibility. Even a suspicion of cheating should be

cause for dismissal. Casino personnel should be sufficiently well paid to ensure that quality people are recruited and retained. Since increased employment in the area does not seem to a significant goal of the Skagway proposal, it seems unnecessary to implement any procedures which would give preference to local residents in casino employment. This would be advantageous in recruiting experienced people from other jurisdictions.

4. What types of games would have been common at the turn of the century, and which of these would be the best in terms of economic gain to the City of Skagway, ease of control and audit, and provide the greatest visitor appeal?

The question of the type of games to be offered in any authorized casino is, to be sure, an important one, and one on which we offer thoughts below. However, at the outset, it should be noted that specific designation of particular games is not necessarily essential at this stage of a casino proposal. What is a necessary component in this context in any beginning casino proposal is the recognition that only those games authorized by the regulatory authority empowered to control the casino operation will be allowed to be played in that casino operation. Once this power is established, the public can be assured that the games offered will be fair and in keeping with the general atmosphere intended by the enabling legislation. There is some significant value in leaving open the possibility to introduce new games or remove existing games from play as experience and time dictate success and failure.

For example, New Jersey found it necessary to amend its casino law to broaden the discretion vested in the regulatory authority to authorize new types of games as market demands demonstrated the necessity for modifications and as new games were developed and created. In recent legislation, authorizing casino gambling in Queensland, Australia, the nature and types

of games to be played was left to the discretion of the casino operator to propose and to the governmental apparatus to approve.

With respect to any particular games that might be contemplated and the advantages and disadvantages of them, the game which would probably prove the most popular and be in keeping with the historical ambiance intended is the game of Blackjack.

You appear to have contemplated the introduction of this game by virtue of your reference to it in your fac. sheet.

Blackjack is a game regularly played in casinos throughout the world, it is familiar to virtually all casino patrons and has proven successful and profitable as a general rule. Supervision and control of Blackjack has been explained, in part, in other sections of this report. There are other specific dealing rules and procedures which may be implemented which can further insure the integrity of the game. For example, Blackjack should be dealt from a dealing shoe and not out of the dealers' hand. Patrons should not be permitted to touch the cards which they are dealt. Specific shuffling and discard procedures should be followed and specific gaming rules can be implemented which can counteract card counters who might otherwise gain the edge in the probabilities of the game.

Another game that might be considered is the game of poker.

Although poker provides an increased possibility for patron cheating, by virtue of the players' handling of their own cards and their playing against one another, poker also presents a virtual certain profit for the house since the casinos' win comes as a price for dealing the game. The house does not gamble at all in casino poker.

A third game for consideration is the game of craps. This is a very American game which would probably be well known to those who would patronize the Skagway facilities. Craps fits well into the barroom sort of atmosphere which Skagway would be creating. It generates a great deal of player interest and excitement in the course of its play. The house advantage in craps depends on the type of wager placed, but, overall it can be expected that the casino would win between 15% and 20% of all chips purchased at the table.

To reiterate, the listed games above are provided only as suggestions. As also noted above, the initial proposal can include discretionary authority to identify, modify, and eliminate authorized games.

5. What would be an initial cost for equipment and operation to get the program started?

Costs of development are, obviously, a function of the nature of the development itself. The Skagway Proposal eliminates what, in other jurisdictions, has been the most expensive element of casino industry development - construction. The Skagway Proposal, as we understand it, intends to place casino games within existing facilities. As a result, capital costs would be limited to whatever minor alterations to the facility might be necessary for aesthetic, logistic reasons. It is premature to speculate at this point on what types of internal rearrangement might be necessary within any existing facility and, accordingly, the cost of that rearrangement must wait for another day.

However, what can be surmised within some general range is the cost of equipment. We have included in our report for this purpose a brochure prepared by the Paul-Son Dice and Card Company. This brochure is intended for your review as an example of the types of expense that could be anticipated in the purchase of casino equipment.

As one can see from a perusal of the brochure, these costs are not small. In addition, there must be included costs of the equipment which might not typically be realized. For example,

for the game of Blackjack, one must not only purchase the table itself, but the felt layout which covers the table, the locking tray and cover which secures the chip inventory, the drop boxes into which cash received for the purchase of chips is placed, and other similar ancillary apparatus.

One should also carefully consider the significance of items like chips and cards and their associated costs. One takes for granted that chips and cards are an essential element of any casino operation. However, it must be understood that the security over and the integrity of each of those items is critical to the overall honesty of the casino game. Therefore, chips which, in effect, serve as money in a casino, must be specially manufactured to prevent, as far as possible, counterfeiting. In addition, cards must be carefully designed to avoid patterns which lend themselves to easy marking. Cards, and to a lesser degree, dice as well, are regularly destroyed and replaced when they have developed any sign of use or wear that might compromise the integrity of that piece of equipment.

6. What kind of revenue could the city expect to receive?

Speculation on projected revenue is just as difficult in the casino field as it is in any other area, and probably more so. A wide variety of factors must be considered before any specific figure could be deduced. Typically, an analysis of general economic conditions is undertaken as is an analysis of site, location, and supply and demand. Without that kind of information available at the present time, the best projections we might be able to offer can be based in the general experience of existing jurisdictions.

In this connection, we offer you the following experience from Atlantic City, New Jersey. The industry there has estimated that the game of Blackjack typically generates income as follows:

1. A table with a \$2 minimum bet will win (gross profit) between \$68 and \$80 per seat per day.
2. A table with a \$5 minimum bet will win (gross profit) between \$170 to \$200 per seat per day.
3. A table with a \$25 minimum bet will win (gross profit) between \$850 and \$1,000 per seat per day.
4. A table with a \$100 minimum bet will win between \$3,400 and \$4,000 per seat per day.

As another means of comparison, during February of 1983 in Atlantic City, a casino of average performance won approximately \$2,500 per day per craps table, \$1,700 per day per roulette table, \$2,500 per day per big six wheel, and \$6,000 per day per baccarat table.

As has been said previously during the course of this report, the experience of any one jurisdiction will not necessarily coincide with the experience of another. The casino performance figures of Atlantic City provided herein are not those on which Skagway should rely or expect in its situation. There were 21,000,000 visitors to Atlantic City last year. Skagway will experience no such influx. The above figures are provided only so that you have some point of comparison into which you should calculate the variable factors of geography, size, scope, market and the like. As those factors are studied, a clearer picture of expected profitability in Skagway will take shape.

7. Under this proposal, what kind of social problems should we expect?

One lesson we have learned in the course of our having viewed various existing and proposed casino jurisdictions is that each casino environment is distinct. It is impossible to transpose any casino situation from one geographical area to another and assume that precisely the same set of circumstances will apply to each. The economic, sociological and demographic features of a particular region dictate the affect of the introduction of casinos into that region just as surely as they dictate the social effect of any other phenomenon that that region may experience. There are, however, two general categories of lessons which can be learned from the experience of other jurisdictions. On the one hand, certain social impacts can be expected as a general rule, and anticipation of these impacts can greatly enhance the value of the introduction of the casino experience. Secondly, there is a host of misinformation and mythology which surrounds the casino industry and which can be dispelled by a review of what has happened in other parts of the world.

First of all, the most frequent social effect mentioned in connection with the introduction of casinos is the growth of crime in the area. As a general proposition, it can be said that the introduction of casinos on any large scale has, in the past, increased crime rates. However, what must be

clearly understood about this observation is that the associated increase in the crime rate is, in very large measure, not the result of the introduction of casinos per se, but, rather, the result of the resultant enormous increase in the numbers of visitors to the area. For example, the increase in the crime rate in Atlantic City, New Jersey, after the introduction of casinos to that area was no greater and, to some extent, less than the increase in the crime rate in Orlando, Florida which resulted from the introduction of Disney World to that city.

To be sure, there are certain crimes which have typically been linked to casinos themselves. Prostitution and loan sharking are frequently mentioned in this category. However, what must be understood in evaluating the Skagway proposal in this context is the scale of casino operation therein proposed. The kinds of prostitution and loan sharking activity which may tend to arise in 30,000 to 100,000 square foot, million dollar a day casino operations in Las Vegas or Atlantic City will simply not be spawned in the infinitely more subdued and limited casino atmosphere contained in your proposal. For example, one casino activity which has caused some of the most severe law enforcement and social problems in large scale casino operations has been the area of credit. Questions of untaxed casino proceeds, patron fraud, and compulsive

gambling have arisen from the issuance of credit to gamblers. However, in casino enterprises of the size you propose, it would be both unnecessary and inappropriate for credit to be available. This factor alone eliminates many of the social effects which have been criticized in other jurisdictions.

Another issue often linked with casinos, as mentioned briefly above, is compulsive gambling. The specter of the food money being gambled away at the tables haunts those who propose and support casino legalization. Again, there is an element of validity to this fear. Certainly, the availability of casino gambling, or any form of gambling for that matter, increases the possibility that persons will succumb to whatever psychological factors create the compulsive personality where they might not otherwise succumb if the opportunity to gamble had not been made readily accessible. However, here, too, this problem must be viewed in terms of scope and scale. The more limited the opportunity, the more limited the problem.

Other jurisdictions have dealt with this social effect in different ways. For example, in Great Britain, all casino gambling is conducted in facilities in the nature of private clubs. Patron access is limited to members. One may not become a member, or gamble in the facility, for a forty-eight hour period following application. This

Finally, there is the axiom that where casinos go, organized crime will follow. Clearly, this impression arises from a combination of both historical fact and media reinforcement. The origins of casino gambling in the United States did have connections with organized criminal activity. The State of Nevada would be the first to admit that the first major casino in Las Vegas, the Flamingo, was owned and operated by Bugsy Siegel, a gangster of significant notoriety.

But history, after all, is history. There is nothing inherent in the conduct of a casino game that makes any association between it and organized crime inevitable. Careful review and oversight in the gaming area can, for all intents and purposes virtually eliminate organized crime infiltration in the ownership and the operation of casino enterprises. This is especially so under the circumstances you propose. Again, one must look first to the size and scope of the casinos envisioned. Skagway is not intended to be Las Vegas; it is not intended to be Atlantic City. Rather, Skagway as we understand it, intends to offer a small, quaint casino atmosphere with limited play and limited patronage. These are not circumstances ripe for any substantial criminal incursion.

practice is in keeping with the overall British policy that gaming not exist to meet any but unstimulated demand. Another practice in keeping with this policy is the prohibition of advertising by any English casino.

In the Bahamas, they have taken the policy a few steps further. In that country, no member of the local population is permitted to gamble. This clearly limits patron categories to visitors and tourists and severely limits any economic effects which may accrue to Bahamians as a result of the existence of casinos in their country.

Finally, in Malaysia, Malaysian citizens are required to deposit \$200 Malaysian (approximately \$85 American dollars) with a cashier on entering the casino. They are given a receipt for the money. When they leave the casino, on showing their receipt, their money is returned to them. This practice insures that, first of all, persons of some means are those who are gambling and, second of all, no one can gamble away their last dollar.

We do not mention these practices to suggest your adoption of all or any of them. We only note them for your consideration in evaluating the methods which can be utilized to limit what might be perceived as negative social impacts which result from casino gambling.

OF THE UPMOST CONCERN TO THE CITY OF SKAGWAY IS THAT ANY GAMBLING IN SKAGWAY BE CONTROLLED BY THE CITY GOVERNMENT. THE CITY COUNCIL WOULD ESTABLISH REQUIREMENTS FOR THE OPERATION OF GAMING TABLES, THE TYPES OF GAMES ALLOWED, THE LIMITS PLACED UPON BETS, AND THE HISTORIC CRITERIA. PROCEEDS FROM GAMBLING WOULD GO TO THE CITY, WITH 50% OF THOSE PROCEEDS TO BE USED FOR HISTORIC PRESERVATION.

ANOTHER MAJOR CONCERN IS THAT ANY GAMBLING OPERATION MAINTAIN AN HISTORIC CHARACTER. THE INTENT IS TO RECREATE THE ADVENTURESOME ATMOSPHERE OF 1898, NOT TO CREATE THE GLITTER AND STYLE OF A MODERN DAY LAS VEGAS. MAINTAINING THE HISTORIC FLAVOR OF SKAGWAY, AND THE APPEAL OF HAVING FUN, IS IMPERATIVE FOR THE COMMUNITY AS WELL AS THE TOURISM INDUSTRY.

A FINAL CONCERN IS THAT GAMBLING IN SKAGWAY NOT BECOME THE MAJOR ATTRACTION FOR THE COMMUNITY, BUT SIMPLY ANOTHER ASPECT OF OUR HISTORIC ATMOSPHERE. WE DO NOT WANT TO BE VIEWED AS THE TOWN IN ALASKA WITH GAMBLING BUT AS THE GOLD RUSH ATTRACTION OF ALASKA THAT INCLUDES GAMBLING. THIS IS THE DIRECTION OF OUR TOURISM DEVELOPMENT AND BETTER MEETS THE CONCERNS OF THE COMMUNITY OF SKAGWAY.

WITH THESE CONCERNS IN MIND, THE CITY OF SKAGWAY WOULD OPERATE A SINGLE CASINO IN THE ARCTIC BROTHERHOOD HALL. THERE WOULD BE A LIMITED FLOOR SHOW TO ENHANCE THE HISTORIC FLAVOR, BUT NO LIQUOR LICENSE WOULD BE SOUGHT. THE AMOUNT OF BETS WOULD INITIALLY BE LIMITED TO \$5.00 TO MAINTAIN THE SOCIAL, ENTERTAINMENT GAMBLING ATMOSPHERE.

THE AB HALL WOULD ACCOMMODATE ABOUT 84 PEOPLE AT ANY GIVEN TIME. THIS IS A VERY SMALL PORTION OF THE VISITOR POPULATION ON MOST DAYS DURING THE SUMMER SEASON. THE REMAINING VISITORS WOULD BE ENJOYING THE OTHER HISTORIC ATTRACTIONS OF THE COMMUNITY.

INFORMATION PROVIDED BY THE PUBLIC GAMING RESEARCH INSTITUTE INDICATES THAT SUCH AN OPERATION WOULD EMPLOY 34 PERSONS PER 3 HOUR SHIFT WITH POTENTIAL GROSS REVENUES OF \$5,880 PER SHIFT. POTENTIAL NET REVENUE TO THE CITY COULD BE IN THE AREA OF \$200,000 FOR THE SEASON.

THIS LIMITED FORM OF GAMBLING WOULD ENHANCE OUR HISTORIC IMAGE WHILE MAINTAINING A STABLE SUPPORT INDUSTRY. IT WOULD PROVIDE VISITORS WITH THE OPPORTUNITY TO ENJOY A FUN AND EXCITING GLIMPSE OF LIFE IN THE "DAYS OF '98". WITH THESE LIMITATIONS AND CRITERIA, GAMBLING IN SKAGWAY COULD BE CONDUCTED WITH THE LEAST SOCIAL COST AND THE GREATEST ECONOMIC BENEFIT.

SPECIFIC RECOMMENDATIONS

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY CONTRACT WITH THE PUBLIC GAMING RESEARCH INSTITUTE TO ANALYZE OUR PROPOSAL IN TERMS OF SOCIAL IMPACTS, OPERATIONAL PROBLEMS, AND POTENTIAL REVENUES.

- . RECOMMENDATION - ANY OR ALL GAMBLING ESTABLISHMENTS BE LICENSED AND OPERATED BY THE CITY.
 - CRITERIA FOR THE NUMBER AND LOCATION OF GAMES, TYPES OF GAMES, HOURS, LIMITS OF BETS AND PROMOTION SHOULD BE SET BY THE CITY COUNCIL.
 - PROCEEDS FROM THE GAMBLING GO DIRECTLY AND EXCLUSIVELY TO THE CITY OF SKAGWAY, WITH 50% OF THOSE FUNDS GOING TO HISTORIC PRESERVATION.
 - THAT A LOCAL GAMING COMMISSION BE ESTABLISHED TO MONITOR THE GAMING OPERATION.

- . RECOMMENDATION - THAT A LIMITED NUMBER OF HISTORIC GAMES BE ALLOWED.
- . RECOMMENDATION - THAT THE ALASKA STATE DEPARTMENT OF REVENUE REVIEW SKAGWAY'S OPERATION ON AN ANNUAL BASIS AND REPORT THOSE FINDINGS TO THE STATE LEGISLATURE.

- . RECOMMENDATION - THAT GAMBLING ONLY BE CONDUCTED DURING THE SUMMER, WITH POSSIBLE LIMITED WINTER OPERATION.

- . RECOMMENDATION - THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON THIS PROPOSAL.

- . RECOMMENDATION - THAT THE PROPOSED LEGISLATION NOT EFFECT THE

STATUS OF ANY CURRENT LIQUOR LICENSE.

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY WRITE TO THE REGIONAL DIRECTOR OF THE NATIONAL PARK SERVICE REQUESTING AN OPINION ON THE LEGALITY OF GAMBLING WITHIN THE PARK.

REPRESENTATIVE
PETER GOLL



P O BOX
JUNEAU, ALASKA
(907) 465-45

//

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

February 18, 1987

The Honorable Fran Ulmer
Chair
House Committee on State Affairs
P.O. Box V
Juneau, Alaska 99811

Dear Chairman Ulmer:

During the past weeks I have received the attached letters from citizens of Skagway offering their opinion on HB 95, relating to limited historical gambling.

I am offering the committee copies of these letters, as testimony on the legislation which is before the committee today.

Thank you.

Respectfully,

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

Peter Goll



February 9, 1987

Representative Peter Goll
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Goll:

Attached is a copy of a resolution passed by the Skagway Chamber of Commerce on January 7, 1987. The resolution supports "limited historic gambling" and would give local residents the opportunity to vote on the issue. The members of the Skagway Chamber of Commerce join me in requesting your support for legislation that is compatible with this resolution.

Thank you very much.

Sincerely,

Mitch Erickson by gc

Mitch Erickson

President

Skagway Chamber of Commerce



A RESOLUTION IN SUPPORT
OF LIMITED HISTORIC GAMBLING
IN SKAGWAY

Whereas, Skagway's Gold Rush History is an attractive and integral part of the community's tourism appeal; and,

Whereas, colorfully restored gold rush era gambling halls continue to provide a spirited reminder of Skagway's history; and,

Whereas, the recreation of historic gambling in Skagway would enhance the tourism industry;

Be it therefore resolved that the Skagway Chamber of Commerce supports the Skagway Convention and Visitors Bureau's proposal for: 1) local option on limited historical gambling, 2) an elected commission to oversee the gambling, bet limits and location, and 3) revenues going to the city with a percentage also going to the state for enforcement.

The Skagway Chamber of Commerce urges the Skagway City Council to actively support legislation that would achieve this goal.

*Approved
Jan 7, 1987*



February 11, 1987

Representative Peter Goll
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Goll:

On January 7, 1987, the Skagway Chamber of Commerce passed a resolution supporting enabling legislation for "limited historical gambling". The Skagway Convention and Visitors Bureau has also made recommendations to the City Council in support of (1) local option for limited historical gambling; (2) an elected commission to oversee the gambling, bet limits and location; and (3) revenues going to the city with a percentage going to the state for enforcement.

As a resident of Skagway concerned with its quality of life and economic well-being, I would like to see the enabling legislation passed for ~~limited historical~~ gambling. If regulated properly the revenues from this activity could help offset the loss of state and federal monies to ~~the~~ ^{our} community. I would at least like the opportunity to vote on this issue personally. Voting in favor of ~~limited historical~~ gambling does not mean we will have gambling in Skagway or any other community. It does mean that we would have a choice.

Thank you for your consideration of this issue.

Sincerely,

[Handwritten signature]
ANITA KETTERTON



February 11, 1987

Representative Peter Goll
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Goll:

On January 7, 1987, the Skagway Chamber of Commerce passed a resolution supporting enabling legislation for "limited historical gambling". The Skagway Convention and Visitors Bureau has also made recommendations to the City Council in support of (1) local option for limited historical gambling; (2) an elected commission to oversee the gambling, bet limits and location; and (3) revenues going to the city with a percentage going to the state for enforcement.

As a resident of Skagway concerned with its quality of life and economic well-being, I would like to see the enabling legislation passed for limited historic gambling. If regulated properly the revenues from this activity could help offset the loss of state and federal monies to this community. I would at least like the opportunity to vote on this issue personally. Voting in favor of limited historical gambling does not mean we will have gambling in Skagway or any other community. It does mean that we would have a choice.

Thank you for your consideration of this issue.

Sincerely,

Handwritten signature: Neil & Lela Finney



U Finney Toys
Box 127
Skagway AK 99840

February 2, 1987

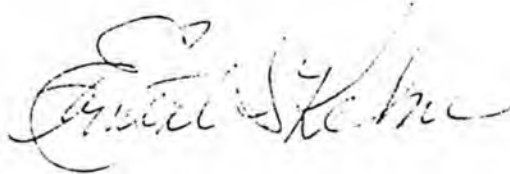
The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do ~~not~~ feel that gambling in any form ~~can~~^{will} add favorably to our community. I will appreciate you considering the probable ~~negative~~^{positive} aspects and voting ~~against~~^{for} any legislation which allows gambling in Skagway or in Alaska.

Yours truly,



February 2, 1987

FEBRUARY 5, 1987

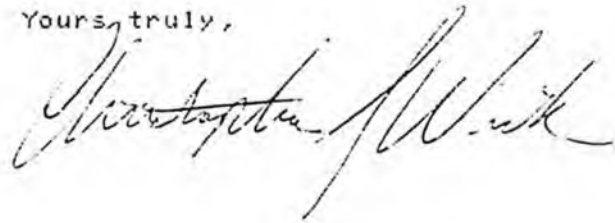
The Honorable Peter Goll
P. O. Box 4
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do ~~not~~ feel that gambling in ~~any~~^{historic} form can add favorably to our community. I will appreciate you considering the probable ~~negative~~^{POSITIVE} aspects and voting ~~against~~^{FOR} any legislation which allows gambling in Skagway or in Alaska.

Yours truly,



February 2, 1987

Thank you

The Honorable Peter Goll
P. O. Box 7
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do ~~not~~ feel that gambling in ^{HISTORIC} ~~any~~ form can add favorably to our community. I will appreciate you considering the probable ~~negative~~ ^{positive} aspects and voting ~~FOR~~ ^{AGAINST} any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

Tom Richards
July 29

Dear Peter

I'm enclosing the cover letter sent to all Skagway residents. See how this thing was presented. Please VOTE YES on gambling!

January 30, 1987

Dear Fellow Citizen of Skagway:

RANDALF

RESURRECT JEFFERSON DAVIS "SOAPY" SMITH? His infamous reign over the boom towns of the West and particularly over Skagway, is well documented. The law abiding citizens of Skagway rose against his intimidations and finally buried him. His story makes interesting copy for the tourist brochures. Local theater productions are much more colorful because of him...but would you want his counterpart actually living in our town today? I think not!

The issue of making gambling legal in Skagway is once again before us. Some would have us to believe that it would attract more tourist trade and thereby bring more money into our town. I for one would take a hard look at the facts.

It is fact that more often than not, the criminal element follows close behind the ^{Legislation!} legalizing of gambling. A spokesman for the Fargo, North Dakota police department answered one interviewer by saying, "We wish we had never had it. It's impossible to control." Law enforcement costs rise. Rather than realizing profit from this most dubious resource, many communities have found that they are "paying the cost" with citizens becoming addicted, social unrest, and increased criminal activities.

I would also ask who will pay the bill for establishing this so called "industry" in our town. I fear that in the final tally, we will discover that the tax-payers will shoulder the burden.

In any issue such as this, there are those on both sides who overstate their cases. Sometimes it is hard to separate truth from jealousy. My concern is that we not be the first victims of the gamble by having placed our community on the table as stakes. A few have voiced their wishes to have gambling in our town. Do these few really speak the mind of the citizens of Skagway? You are the only one to answer that question.

Our legislators will be acting upon this issue soon. Our Representative is Peter Goll, P. O. Box W, Juneau, AK 99811. His vote will be determined by our interests. Write a letter TODAY. If you wish you may simply sign the enclosed letter and mail it today. This is our town. Let us keep it that way.

ours in Skagway,

Don Hicks

ILLUSTRATE

Box 173
Skagway

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I ~~do not~~ feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable ~~negative~~ ^{positive} aspects and voting ~~against~~ ^{for} any legislation which allows gambling in Skagway or in Alaska.

Yours truly, *Edward W. Peterson*
Thomas A. Baeten

February 2, 1987

Mary's Bed & Breakfast
Box 72
Skagway, Alaska 99840
(907) 998-2875

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do ~~not~~ feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable ~~aspects~~ aspects and voting ~~FOR~~ ^{FOR} any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

Jerry Gentile

AMTA ISTIETON

F.S. We also feel that a state lottery would be a better way of increasing state revenues than would a state income tax. We are strongly opposed to any form of tax increase.

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do not feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable negative aspects and voting against any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

Virginia Cochran

Box 276
Skagway

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

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Yours truly,

Murray Lou Mac

P.S. For what it's worth, the year-round Klondike
highway opening was another close vote in town
every time it came up. Of course you know how
that went. Now the ones who made the most noise
to open it are screaming about the traffic &
inconvenience of the big trucks. Don't let that
happen with the gambling. Stop it before it gets
started. Good luck, God Bless, & thank you.
Murray, Murray Lou Mac

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

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Yours truly,

Mr. Alvin Wayne Love

February 2, 1987

The Honorable Peter Goll
P. O. Box 4
Juneau, AK 99811

Dear Mr. Goll:

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Please be advised by this letter that as a citizen of Skagway, I do not feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable negative aspects and voting against any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

Konda J. Self
P.O. Box 378
Skagway, Al.
99884

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

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Please be advised by this letter that as a citizen of Skagway, I do not feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable negative aspects and voting against any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

Guy W. Self

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

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Yours truly,

February 2, 1987

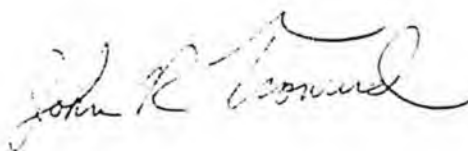
The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

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Yours truly,

A handwritten signature in cursive script, appearing to read "John R. Leonard". The signature is written in dark ink and is positioned to the right of the typed name "Yours truly,".

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

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Yours truly,

William L. Shaw
William L. Shaw

Box 110
Skagway

Mike

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do not feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable negative aspects and voting against any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

Carolee Miller

Carolee Miller

When this issue first came up before the people of Skagway, the town was being struck in need of some sort of economic stability. Unfortunately, gambling is an one of the ways ^{that} ~~to~~ a way out of the hard times we faced. I for one am totally against

February 2, 1987

The Honorable Peter Goll
P. O. Box 5
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

Please be advised by this letter that as a citizen of Skagway, I do not feel that gambling in any form can add favorably to our community. I will appreciate you considering the probable negative aspects and voting against any legislation which allows gambling in Skagway or in Alaska.

Yours truly,

A handwritten signature in cursive script, appearing to read "Bill Henry". The signature is written in dark ink and is positioned to the right of the typed name "Yours truly,".

February 2, 1987

The Honorable Peter Goll
P. O. Box V
Juneau, AK 99811

Dear Mr. Goll:

I understand that you will soon be voting on whether to make "historic" gambling legal in Skagway. I also am made to understand that the City Council and the Convention and Visitors Bureau have both passed resolutions backing such an issue.

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Yours truly,

Brian & Michelle Blanchard

12

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: HB 95
 Publish Date: _____
 Agency Affected: Public Safety
 BRU: Alaska State Troopers
 Components: _____

REQUEST
 Revision Date: _____
 Title: "An Act authorizing limited historical gambling enterprises..."
 Sponsor: Rep. Taylor
 Requestor: House State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact is anticipated.

JNR
2/19/87 Prepared by: Francis C. Allan Phone: 269-5691
 Division: Alaska State Troopers Date: 2/19/87

Approved by Commissioner: [Signature] Date: 2/19/87
 Agency: Public Safety

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

BILL NO: HB 95

DATE: 2/23/87

TITLE: "An Act authorizing limited
historical gambling enterprises"

CONTACT: James D. Vaden
Deputy Commissioner

DEPARTMENT OF
PUBLIC SAFETY

The purpose of this bill is to enhance tourism in a limited number of Alaskan communities that meet the stated requirements, by allowing the municipalities to operate gambling enterprises after voter approval.

Law enforcement functions would be the responsibility of the individual communities with support from Public Safety. Legalized gambling may attract some undesirables into a community.

Since this bill authorizes the municipality to conduct gambling upon a vote of the people, this agency would have little involvement.

The Department of Public Safety proposes the following amendments:

1. Make it clear that municipalities must operate the gambling establishments and cannot contract with others for those services.
2. If the intent of this bill is to increase tourism, gambling should be allowed only during the tourist season.
3. The Gaming Commission should be given the responsibility to establish regulations to license and control the gambling activities and to describe and require background checks on employees or individuals involved in the gambling operations.



William R. Nix
Acting Commissioner

BILL NO: HB 95

DATE: 2/23/87

TITLE: "An Act authorizing limited
historical gambling enterprises"

CONTACT: James D. Vaden
Deputy Commissioner

DEPARTMENT OF
PUBLIC SAFETY

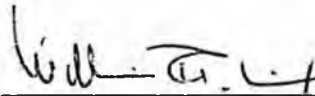
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William R. Nix
Acting Commissioner

HB 95 13

*Out in gambling
Bell file*

SEATTLE-VICTORIA EXCURSIONS

Activity will pick up on B.C. route in May

by Stanton H. Patty
Times assistant travel editor

VICTORIA, B.C. — The waterway between Seattle and Victoria will see new activity this spring and summer, not only in numbers of passengers but in style and action.

An old favorite on the run, the Princess Marguerite of the B.C. Steamship Co., will renew daily service in early May. The 300-passenger catamaran Victoria Clipper will offer two round trips daily instead of one, as in the winter season.

Joining them will be the Vancouver Island Princess, a former B.C. ferry that is being converted to an excursion ship for 1,100 passengers and that can carry 140 vehicles, including big tour buses.

B.C. Steamship carried 245,000 passengers last season with only the Princess Marguerite. The forecast is for a total of more than 300,000 passengers on the two vessels this season.

The new push is to carry additional vehicles, from tour buses and RVs to family cars, according to Frank A. Rhodes, the crown corporation's managing director.

Rhodes said the Princess Marguerite was limited to about 50 vehicles, "and always is sold out."

Both of B.C. Steamship's vessels will offer gambling — B.C.'s first government-owned, operated and controlled casinos. Both ships will have slot machines, but it has not been decided whether table games, such as blackjack and roulette, will be offered, too.

Rhodes said Princess Marguerite's interior is being made "more elegant" and will be slimmed down, so to speak, from a passenger capacity of 1,800 last season to about 1,400, for more passenger comfort. Princess Marguerite will have a coffee shop, a full-service dining room, two lounges and additional general seating.

The Vancouver Island Princess will include a coffee shop, full-service restaurant, cocktail lounge with a dance floor and a board room for seminars and corporate meetings, Rhodes said.

The firm is building a new terminal at Ogden Point, just outside Victoria's Inner Harbour, for the 440-foot Vancouver Island Princess. The smaller, 370-foot Princess Marguerite ties up in the Inner Harbour.

The Princess Marguerite may be tried soon on off-season service, with so-called "mystery cruises" in British Columbia waters that would keep its casino humming. Rhodes said such cruises, on an experimental basis, are being considered by the B.C. Ministry of Attorney General, which has jurisdiction over gambling in the province.

Casinos for charities are oper-

ating at several hotels in both Vancouver and Victoria, B.C., but are restricted, by law, to blackjack and roulette, with \$2-a-bet limits. The charities contract with professional casino operators.

Rhodes said B.C. Steamship Co. would operate its own casinos. Profits, he said, will help support the vessel service, although some of the revenue may be pledged to charities.

Gambling on the B.C. Steamship vessels will not be permitted while in Washington waters in order to comply with Washington laws.

Rhodes emphasized that Princess Marguerite and Vancouver Island Princess should not be viewed as gambling ships.

"The fundamental purpose of the company is to promote trade and commerce between Washington and British Columbia, not to operate gambling," he said. "Gambling will be merely another service or attraction available to tourists. We want the passengers to have fun."

Meanwhile, B.C. Steamship has opened discussions with a Swedish company, Rederi A-B Golland for nonstop San Francisco-Victoria voyages aboard Golland's

fast (20-knot cruising speed), 1,900-passenger, 800-foot vessel M/V Visby, now operating in Scandinavian waters. The new terminal at Ogden Point here could accommodate the Visby.

Visby's amenities include a casino. But most important, Rhodes said, is that Visby also can haul up to 500 vehicles, including tour buses and RVs.

Test marketing, Rhodes said, indicates that most of the passengers will cruise one way and drive the other, meaning that more tourism can be spread to other areas of British Columbia and Northwest states.

A decision on the Visby is to be made in the summer.

Here are details of the B.C. Steamship Co. 1987 season, May 9 - Oct 4, and the Victoria Clipper, May 1 through September:

■ **The schedule:** Princess Marguerite will leave Seattle at 8 a.m., arriving in Victoria about noon. It will depart Victoria at 5:30 p.m. and reach Seattle about 9:30 p.m. Vancouver Island Princess will leave Victoria at 8 a.m. and arrive in Seattle about noon. It will depart Seattle at 3 p.m. and arrive in Victoria about 7:15 p.m.

■ **Passenger fares:** Adult round trip, \$32 U.S. Adult one-way fare, \$22. Child's (age 5-11) round trip, \$16. Child's one way, \$11. Senior's (age 65

or more) round trip, \$28. Senior's one-way, \$19.

■ **Vehicle fares:** Automobile and driver one way, \$40. Motorcycle only one way, \$11. Bicycle only one way, \$3. For recreational vehicles (on Vancouver Island Princess only), \$40 one way for vehicle and driver with a vehicle less than 17 feet long, \$48 for vehicle and driver for vehicles between 17 and 20 feet, \$1.50 a foot more for vehicles measuring more than 20 feet. For trailers (again, on Vancouver Island Princess only), \$32 for trailers only measuring less than 17 feet long, \$40 for trailers 17-20 feet, and \$1.50 a foot more for trailers more than 20 feet long.

■ **General information:** Vehicle reservations are required. The auto/RV telephone number in Seattle now is 441-5560, during the season, 441-8200. The Victoria Auto/RV reservations number is 1-604-386-6731.

The Seattle terminal is at Pier 69 — 2700 Alaskan Way, Seattle 98121, phone 441-5560 for general information. The Victoria terminal is at 254 Belleville St., Victoria, B.C., Canada V8V 1W9; phone 1-604-386-1124 during the season, or 1-604-388-7397 off season.

■ **Victoria Clipper:** May 1 through September. Daily departures from Seattle at 8:30 a.m. and 3 p.m., arriving in Victoria at 11 a.m. and 5:30 p.m.; departures from Victoria will be 11:45 a.m. and 6:15 p.m., arriving in Seattle at 2:15 p.m. and 8:30 p.m. The vessel cruises at about 31 knots. Round-trip fare is \$59 U.S. Currently, there is once-a-day service. Information: phone 443-2567.

Robin



Official Business

Alaska State Legislature

House

14

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Fran Ulmer, Chairwoman
House State Affairs Committee

FROM: Rep. Henry Springer
Election District 23 *Springer*

SUBJECT: House Bill 95 - Historic Gambling Bill

DATE: March 13, 1987

Many constituents from Nome support this bill because it appears to be beneficial for the enhancement of our economic situation, especially in connection with tourism. It seems to me that this bill has only limited application statewide and since it contains a "local option" clause, I see no problem with the philosophical problem connected with gambling in general.

Needless to say, our economic situation in Nome is bleak and any immediate remedy would be most welcomed.

I would appreciate an effort to calendar this bill as soon as possible.

Thank you.



Skagway Assembly of God

P.O. Box 397
Skagway, Alaska 99840
(907) 983-2350

15

March 10, 1987

The Honorable Fran Ulmer
State Affairs Committee
P. O. Box V
Juneau, AK 99811

Dear Ms. Ulmer:

I understand that H.B. #95 dealing with Historical Gambling is to be before your committee soon. May I take this opportunity to ask your help in seeing the defeat of this bill?

The economic value to the state and to local communities is very questionable. Other places, including Atlantic City, have found the social and economic impact to be a liability rather than the expected asset. I feel that in the Skagway situation, the moneys brought into the community would simply be more concentrated to the hands of a few (money which would have been distributed to the gift and food establishments is likely to be spent at the gambling table.)

The moral issue is of importance for all of eternity. Any industry built on greed (I can only win if someone else loses) is contrary not only to Bible principles but also to human fair play.

Again, Ms. Ulmer, I urge you to do all possible to defeat this bill. Thank you for your help in keeping our state a decent place to live.

Yours truly,

Rev. Don Hicks

RECEIVED
MAY 12 1987

March 11, 1987

Rep. Fran Ulmer
P O Box V
Juneau, Ak 99811

Dear Rep. Ulmer:

I am opposed to HB # 95
concerning legalized gambling
in Alaska.

Please vote against HB # 95.

Sincerely,

Jann Berley
Box 164
Skagway, Ak 99840

Resident of Alaska for over 20 years.

RECEIVED MAR 18 1987

11 MARCH 1987

P. O. Box 418

SKAGWAY, ALASKA 99840

THE HONORABLE SENATOR ULMER
STATE AFFAIRS COMMITTEE
POUCH V
JUNEAU, ALASKA 99811

DEAR Honorable Senator Fran Ulmer.

Please help us deter the plan, HB95, that seems to be being planned for Skagway, referring to the legalizing of gambling.

That would surely cause Skagway to deteriorate, we believe.

It would cause those least able to afford gambling to use their meager income possibly to be squandered, thus preventing their families being supported.

This is urgent, as I understand next week there is a vote to that effect in the Alaskan Legislature.

Please help us offset this threat

Thank you.

Respectfully,

Mrs. Helen P. Godbey

MRS. HELEN P. GODBEY

RECEIVED MAR 17 1987

3/13/87

State Affairs Committee
Chairman person
Frank Ulmer
PO BOX V
Juneau, Ak. 99811

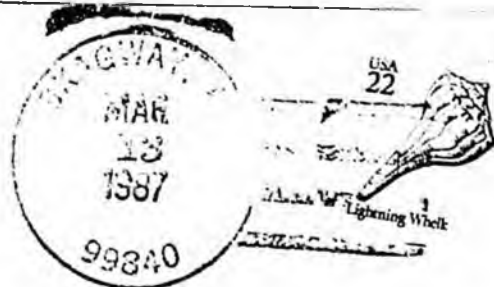
Dear Chairman:

I am writing to let you know
that I am opposed to House Bill # 95.

I feel this would be like opening
a can of worms and promoting more
moral rot to our state & community.

Respectfully
Virginia Cochran
Shagany,

Cochran
Box 195
Shagany, AK.
99840



State Affairs Community

P.O. Box 494
RECEIVED MAR 12 1987
SHAGWAY, ALASKA
MARCH 12, 1987

STATE AFFAIRS COMMITTEE
PO BOX V
JUNEAU, ALASKA 99811

REP. FRANK BULMER
RE: HB. # 95

Dear Rep. Bulmer,

Firstly, I will say, I have not had the opportunity of meeting you, so I hope I'm not offending you with my approach. I don't have any facts, or statistics to use regarding the gambling issue. I only know we cannot let it get started in Shagway. I can't even explain it to myself. As I write this letter, it's not even really me except holding the pen. If you are one of the secular humanists I'm defeating my purpose in writing, but I hope you understand it's one of those things I have to do.

I was directed to the clearing of the temple; Matthew 21:12-19, + Mark 11:12-18 I don't want Shagway to end up like the fig tree because of a den of thieves, which the gambling would lead to, eventually or sooner. Here, I was directed to Isaiah 54:15-17; + several other passages, which I am going to skip because I feel rather foolish anyway, writing this kind of letter, especially to someone I don't know.

The people in favor of the gambling are thinking only of the big money they're going to make. That's what they were thinking of

7
RECEIVED MAR 1 1964
only, in opening our highway to trucking.

Now those same ones are having fits about all the problems with the big trucks in town. It didn't make everybody rich; but it's too late now to do anything about that. If we have to prevent the gambling before we have another problem we would certainly lose control of. Please do whatever you can, to prevent it.

I don't understand this either, but I know the gambling has to be prevented, to make a go of the railroad. The railroad will be good for us again. That will create jobs & boost our economy, without gambling.

Now if you want to send me guys with the long sleeved white jackets after me, I think I'll go willingly. That might give me a chance to figure some of this out.

I am only doing what I have to do, to be able to live with myself. Please help us to save Spagway.

I am sorry I couldn't type this for you.

Thank you,

Sincerely,

Mary Lou
Box 49
Spagway



Tourism
is everybody's
business.

ALASKA VISITORS ASSOCIATION

Please reply to:

Nome Chapter, AVA
Lois M. Wirtz, President

RECEIVED MAR 26 1987

EW
Copy to Allen SA Committee
acknowledged
receipt & send
a copy of the letter
I did send to Allen
MAR 19 1987

Alaska Visitors Association
Nome Chapter
Box 251
Nome, AK 99762

March 10, 1987

Alaska State House of Representatives
Representative Springer
Box V
Juneau, AK 99811

Dear Representative Springer,

The Nome Chapter of the Alaska Visitors Association would like to express its support of House Bill 95 regarding Historic Gambling. We ask that you also support this Bill and help in its passage. Please find an enclosed copy of a resolution passed by the Nome AVA.

We appreciate your assistance and your continued support of the tourist industry in Alaska.

Sincerely,

Lois M. Wirtz

Lois M. Wirtz
Nome Chapter AVA President



NOME

CONVENTION & VISITORS BUREAU

ALASKA VISITOR'S ASSOCIATION
NOME CHAPTER
RESOLUTION

A RESOLUTION SUPPORTING THE
PROPOSED HISTORIC GAMBLING BILL AS
CURRENTLY STATED.

WHEREAS, the Nome Chapter of the Alaska Visitor's Association seeks to cultivate innovative concepts and attractions to further develop the visitor industry in Nome, Alaska;

WHEREAS, the visitor industry is a primary resource vital to Nome's current and future economic development;

WHEREAS, the visitor industry introduces private money into the local economy which, in turn, promotes the community's independence from public resources;

WHEREAS, Tourism creates new employment opportunities and encourages private enterprise;

NOW, THEREFORE, BE IT RESOLVED that the Nome Chapter of the Alaska Visitors Association supports and encourages the passing of the HISTORIC GAMBLING BILL as it is currently stated.

SIGNED and DATED this fourth day of December, 1985.

Lois M. Wirtz

Lois Wirtz, President

'There's no place like Nome



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

COMMITTEE ON STATE AFFAIRS

April 24, 1987

Dr. Robert C. Larson
Executive Secretary of
Church Growth and Evangelism
5101 North Francisco Avenue
Chicago, IL 60625

Dear Dr. Larson:

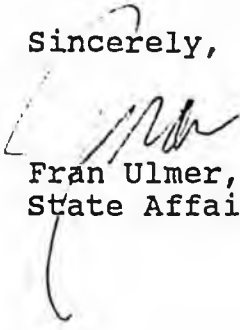
I have received a copy of Resolution 87-02 passed by the Evangelical Covenant Church of Alaska regarding historic gambling and paramutuel wagering.

The State Affairs Committee has held several hearings on both House Bill 32, relating to paramutuel wagering, and House Bill 95, relating to historic gambling. Compelling arguments, both pro and con, were presented for these bills. House Bill 32 was passed from committee and is currently in the House Finance Committee.

House Bill 95 is still in the House State Affairs committee. I cannot predict what the committee will do when it comes before us again, but I plan to vote no as I have not been convinced that the possible benefits outweigh the problems.

Thank you, again, for your resolution. A copy will be provided to all State Affairs Committee members.

Sincerely,


Fran Ulmer, Chair
State Affairs Committee

RECEIVED APR 21 1987

Scammon Bay Covenant Church

P.O. Box 109 Scammon Bay, AK 99662 (907) 558-5315
Nathan D. A. Toots, Pastor

April 9, 1987

Honorable Fran Ulmer:
State Representative
P. O. Box V
Juneau, Alaska 99811

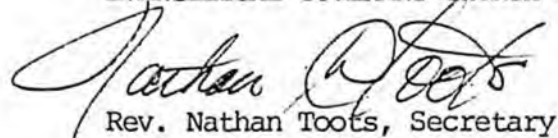
Dear Representative Ulmer:

The Evangelical Covenant Church of Alaska recently celebrated its centennial birthday at Unalakleet. Delegates from Anchorage, Fairbanks, Wassilla, Mekoryuk, Bethel, Hooper Bay, Scammon Bay, Mountain Village, Unalakleet, Shaktoolik, Koyuk, Elim, Golovin, White Mountain, and Nome met in a duly organized meeting and acted on the two attached resolutions (87-01 & 87-02).

We request you do all you can to support each resolution. We believe gambling and abusive use of intoxicants only enhances moral decay.

Sincerely yours,

EVANGELICAL COVENANT CHURCH OF ALASKA


Rev. Nathan Toots, Secretary

Attachments

ECCA Resolution 87-01
ECCA Resolution 87-02

Scammon Bay Covenant Church

P.O. Box 109 Scammon Bay, AK 99662 (907) 558-5315

Nathan D. A. Toots, Pastor

EVANGELICAL COVENANT CHURCH OF ALASKA RESOLUTION NO. 87-02

Whereas the Evangelical Covenant Church of Alaska recognizes the social problems already evident because of practice in local bingo games;

We, therefore, declare our opposition to gambling in historic places of Alaska and paid mutual gambling in the State of Alaska.

BOARD MEMBERS

Mr. David Hendrickson, Chairman
8201 Wisteria St.
Anchorage, AK 99502

Rev. Keith Fullerton, Vice-Chairman
First Evangelical Covenant Church
1145 C Street
Anchorage, AK 99501

Mr. Jerry Reynolds, Treasurer
P. O. Box 773527
Eagle River, AK 99577

Rev. Nathan Toots, Secretary
P. O. Box 109
Scammon Bay, AK 99662

Mrs. Chris Nagoruk
General Delivery
Elim, AK 99739

Mrs. Marilyn Thomas
Icy View
Nome, AK 99762

Mr. Albert Kimotoak
General Delivery
Koyuk, AK 99755

Dr. Ion Olson
AK Native Medical Center
3rd & Gambell
Anchorage, AK 99502

MEMBER CITIES & VILLAGES

Anchorage
Fairbanks
Wassilla
Mekoryuk
Bethel
Hooper Bay
Scammon Bay
Mtn. Village
Unalakleet
Shaktolik
Koyuk
Elim
Golovin
White Mountain
Nome

BOARD MEMBERS (CONT'D)

Mr. Herbert Ivanoff
Box 191
Unalakleet, AK 99664

EX-OFFICIO MEMBERS

Rev. Henry Pearson
Field Director, ECCAK
P. O. Box 772347
Eagle River, AK 99577

Dr. Robert C. Larson
Executive Secretary of
Church Growth & Evangelism
5101 North Francisco Avenue
Chicago, Illinois 60625

Sandra C. Straub
Box 986
Nome, AK 99762

April 24, 1987

Representative Fran Ulmer
P.O. Box V
Juneau, AK 99811

Dear Representative Ulmer,

The City of Nome has a 3% sales tax. Last year the people of Nome voted to sell bonds to help finance a new elementary school, and to pay for the bonds we also voted for another 1% in sales tax.

Sales in Nome have been so far down from previous years that not enough money was taken from the extra sales tax to make the bond payment, and so it was paid from general fund monies.

Now the Nome School District is asking the City of Nome for \$300,000.00, extra money for next years school budget because they feel that they have cut back all that they can and still provide a decent education for the kids in this area, and the State of Alaska cannot afford to help the school district with more money.

So the Nome City Council is working on a resolution to help the Nome School District. They will give the school district the \$300,000.00 if the people of Nome will vote in another 1% sales tax. This will leave the people of Nome paying a 5% sales tax. But the City of Nome only has \$65.00 left in it's election budget. So I don't know how they will even go about having the special election if the Nome City Council should pass the resolution calling for one.

And if they did have the special election, sales are so far down that judging from the first extra sales tax, the second extra sales tax wouldn't generate enough money to do any good.

Needless to say, the City of Nome is fast running out of money. This part of the State is going to have to find some way to make up for the less State money coming into the area.

You, State Legislature, have to allow the people in this area to work with the limited resources that we have here.



Official Business

Alaska State Legislature

House

P.O. BOX V
State Capitol
Juneau, Alaska 99811

COMMITTEE ON STATE AFFAIRS

May 1, 1987

Sandra C. Straub
Box 986
Nome, AK 99762

Dear Sandra:

Thank you for your letter regarding HE 95. It is calendared for another hearing before the State Affairs Committee next week, May 8 at 3:00 p.m.

I will share your letter with the other members of the committee for their consideration.

Sincerely,

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

Fran Ulmer, Chair
State Affairs Committee

cc: State Affairs Committee

Sandra C. Straub
Box 986
Nome, AK 99762

April 24, 1987

Representative Fran Ulmer
P.O. Box V
Juneau, AK 99811

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And if they did have the special election, sales are so far down that judging from the first extra sales tax, the second extra sales tax wouldn't generate enough money to do any good.

Needless to say, the City of Nome is fast running out of money. This part of the State is going to have to find some way to make up for the less State money coming into the area.

You, the State Legislature, have to allow the people in this area to go to work with the limited resources that we have here.

The only things we have going for us up here are tourism and mining. Mining is another story, I have written to the committees that SB98 and HB109 are in, trying to get them to pass those bills along before it gets to late in the session. SB94 which will cut down on duplicate paperwork did pass the Senate and is in the house.

The bill in your committee that would help us out is HB95. This bill will allow historic gambling. The City of Nome would not make too much money from the actual gambling, that goes without saying. But the idea of historic gambling would encourage more tourism.

The round trip airfare from Anchorage to Nome is about \$450.00. That is a major obstacle when it comes to selling a visit to Nome to the casual traveler. The airfare stops me from visiting family in Anchorage, so I can imagine how big a deterrent it is for someone who wouldn't have a special reason for visiting up here.

If Nome expects more tourist trade we have to have something to attract more people. This bill would help to do that. HB95 would not cost the State any money and it just might help those of us up here in a very remote part of the State to keep on making a living.

If you do pass this bill, it would only allow the people in Nome to vote on it. Your passage of the bill would still not guarantee that it would go into effect.

But if you don't pass HB95, then you don't even give us a chance to fight it out and decide among ourselves.

There is such a short time left in this session that some action must be taken soon or this bill won't have time to pass this year.

Please consider all of the people in this area that are going to be looking for work, and pass HB95 on to the Senate.

Sincerely,



Sandra C. Straub