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FINANCE COMMITTEE REPORT

2/8

(11)
Date Referred: January 25, 1989

FURTHER REFERRALS: Rules

Date of Committee Action: 2/7/89

The FINANCE Committee recommends that: EO 74

EXECUTIVE ORDER NO. 74

Transferring the function of regulating games of chance and contests of skill from the Department of Revenue to the Department of Commerce and Economic Development.

[] be replaced with _____ [] the same title
[] a new title

[] have attached amendment(s)

- do ~~pass~~ ^{Approve} ~~Recommend~~
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- (2) zero fiscal notes(s) published: 1/9/89-CED, Rev.

SIGNING DO-PASS:

Approve

Hoffman [Signature] Do Pass

Larson [Signature] " "

[Signature]

[Signature] Do Pass

[Signature]

[Signature]

[Signature]

SIGNING OTHER THAN DO-PASS:
(Do Not Pass, No Recommendation, Amend)

do not approve

[Signature] No Rec

[Signature] Wait

[Signature]

[Signature]

[Signature]

CO- [Signature]
Chairman's signature

CO- [Signature]

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: EXECUTIVE ORDER 7
PUBLISH DATE: HOUSE 1/9/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
Title: Trans. of games of chance and contests BRU: Occupational Licensing
of skill from Revenue to UCED
Sponsor: Rules Committee Components: Administration
Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING						
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Funding for the transfer of this function will be submitted through the budget amendment process.

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144
Division: Occupational Licensing Date: December 22, 1988
Larry Mercurieff
Approved by Commissioner: Larry Mercurieff, Commissioner Date: 12/22/88
Agency: Dept. of Commerce & Economic Development

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

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: EXECUTIVE ORDER 74
PUBLISH DATE: HOUSE 179/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Transfer of Charitable
Gaming Program
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: Income and Excise Audit Division
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
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
LANDS & 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 FUND	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: See Attached.

Prepared By: Steven E. Kettel, Director *Steven E. Kettel* Phone: (907) 465-2320
Division: Income and Excise Audit Division Date: December 22, 1988

Approved by Commissioner: Hugh Malone *Hugh Malone* Date: 12/22/88
Agency: Department of Revenue

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

Prepared By: Steven E. Kettel
Income and Excise Audit Division
Department of Revenue
December 22, 1988

FISCAL NOTE ANALYSIS
TRANSFER OF CHARITABLE GAMING PROGRAM

The Charitable Gaming Program will transfer from the Department of Revenue to the Department of Commerce and Economic Development on July 1, 1989. The Gaming Program operates more as a regulatory section than a revenue agency. This transfer will enhance the efficiency of state government through consolidation in a department that already performs other similar regulatory functions. This transfer will allow the Department of Revenue to focus attention and resources on its primary responsibility of collection revenue due to state government.

This bill is necessary to amend the statutes which specify the department responsible for implementing AS 04.15.

The Department of Revenue will transfer the necessary resources; including seven positions, associated travel, contractual, and supply monies to enable the Department of Commerce and Economic Development to carry out the responsibilities of the program. Refer to Income and Excise Audit Division's FY 90 Budget Amendment for details.

Offered: 1/9/89
IN THE SENATE Labor & Commerce and
Finance
IN THE HOUSE Labor & Commerce and
Finance

EXECUTIVE ORDER NO. 74

1
2 Under the authority of art. III, sec. 23, of the Alaska Constitution,
3 and in accordance with AS 24.08.210, I order the following:

4 * Section 1. FINDINGS. As governor, I find that it would be in the
5 best interests of efficient administration to transfer the function of
6 regulating games of chance and contests of skill from the Department of
7 Revenue to the Department of Commerce and Economic Development.

8 * Sec. 2. AS 05.15.010 is amended to read:

9 Sec. 05.15.010. DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
10 [REVENUE] TO ADMINISTER CHAPTER. The Department of Commerce and
11 Economic Development [REVENUE] shall administer this chapter.

12 * Sec. 3. AS 05.15.140(a) is amended to read:

13 (a) The commissioner may not issue or renew a permit except upon
14 satisfactory proof that the applicant is a municipality or qualified
15 organization, the activity may be permitted under this chapter, and
16 the issuance of a permit is not detrimental to the best interests of
17 the public. Upon request of the commissioner [OF REVENUE], the appli-
18 cant shall prove conclusively each of these requirements before a
19 permit may be issued or renewed.

20 * Sec. 4. AS 05.15.210(6) is amended to read:

21 (6) "commissioner" means the commissioner of commerce and
22 economic development [REVENUE];

23 * Sec. 5. AS 05.15.210(8) is amended to read:

24 (8) "department" means the Department of Commerce and
25 Economic Development [REVENUE];

26 * Sec. 6. AS 11.66.280(2) is amended to read:

27 (2) "gambling" means that a person stakes or risks some-
28 thing of value upon the outcome of a contest of chance or a future
29 contingent event not under the person's control or influence, upon an

1 agreement or understanding that that person or someone else will
2 receive something of value in the event of a certain outcome;
3 "gambling" does not include

4 (A) bona fide business transactions valid under the law
5 of contracts for the purchase or sale at a future date of secu-
6 rities or commodities and agreements to compensate for loss
7 caused by the happening of chance, including contracts of indem-
8 nity or guaranty and life, health, or accident insurance; or

9 (B) playing an amusement device that

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

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

16 (C) an activity authorized by the commissioner of
17 commerce and economic development [REVENUE] under AS 05.15;

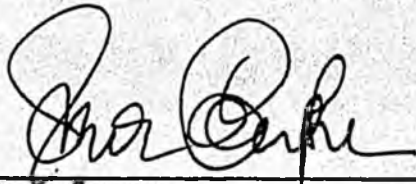
18 * Sec. 7. AS 44.33.020 is amended by adding a new paragraph to read:

19 (31) regulate games of chance and contests of skill under
20 AS 05.15.

21 * Sec. 8. TRANSITION. Regulations relating to games of chance and
22 contests of skill, adopted by the Department of Revenue under authority of
23 AS 05.15 before the effective date of this Order, remain in effect until
24 regulations relating to that function are adopted by the Department of
25 Commerce and Economic Development under AS 05.15 as amended by this Order,
26 and take effect. The Department of Commerce and Economic Development shall
27 administer those Department of Revenue regulations until its own take
28 effect.

29 * Sec. 9. This Order takes effect July 1, 1989.

DATED: 9 January 1989.



Steve Cowper
Governor

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STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

10
-70-74

January 9, 1989

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 74, transferring the function of regulating games of chance (charitable gaming) and contests of skill under AS 05.15 from the Department of Revenue to the Department of Commerce and Economic Development (DCED).

The transfer will enhance the efficiency of state government by consolidating this regulatory function in a department that already performs other similar regulatory functions. The transfer will enable the Department of Revenue to focus more of its attention and resources on its primary responsibility -- collecting revenue due to our state government.

Section 1 of the Order consists of my findings leading to the Order. Sections 2 -- 5 of the Order amend the provisions of AS 05.15 that specify the department responsible for implementing the chapter, simply to substitute one department for the other. Section 6 of the Order similarly amends AS 11.66.280(2)'s definition of gambling. Section 7 of the Order adds the transferred function to the list of duties of the Department of Commerce and Economic Development in AS 44.33.020. Section 8 sets out transition provisions regarding regulations relating to the transferred function, and sec. 9 provides for a July 1, 1989 effective date for the transfer.

No substantive changes, other than the transfer itself, are made by this Order.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper".

Steve Cowper
Governor