

**S B**

**429**

SENATE COMMITTEE REPORT  
FIRST COMMITTEE OF REFERRAL

DATE: 2/1/90

FURTHER: Finance

Date of 5-Day Notice: 2/22/90  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/12/90

Labor and Commerce Committee considered

SB 429

"An Act relating to a surety fund fee and the bond for licensure as an operator of a game of chance or contest of skill; creating the charitable gaming surety fund; and providing for an effective date."

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_  same title
- attached amendment(s)  new title
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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

\_\_\_\_\_  
*Do Not Pass*  
\_\_\_\_\_  
*Fateh Fodley*  
*no rec.*  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*[Signature]*  
Chair: Signature and Recommendation

# CNG

---

Coalition  
for  
Non-profit  
Gaming

## Position Paper # 1

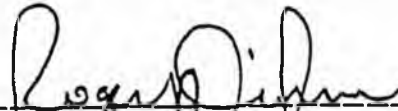
*The Coalition for Non-profit Gaming, CNG, after careful deliberation by its Steering Committee, and ratification by its general membership, takes the following position(s) on issues concerning future direction of gaming regulation and legislation:*

1. That an *Agent* license class be created by the legislature which establishes accountability between the *Agent* and the Operator or Permittee with whom the *Agent* conducts pull-tab activities.
2. That each *Agent* be required to register with the state each location (physical address) where pull-tab activities are conducted.
3. That Operators and/or Permittees be required to complete an *Agent Registration* form provided by the Department of Commerce and Economic Development on behalf of each agent location.
4. That, in addition to the annual registration, each entity, i.e: Sole Proprietor, Partnership, Joint Venture, or Corporation, acting as an *Agent*, shall post into a *Surety Fund* established by the state, \$100 annually *until the fund is fully established.*

page 2. Position Paper #1

5. That the amount of the *surety fund* deposited by each Agent shall be adjusted annually based on the prior year's history of claims against the fund.
6. That AS 05.15.122 (b) (5), bonding remain in effect in its current form, as a requirement for an Operator's license.
7. That self-directed Permittees *who do not engage an operator* shall not be required to bond against their own losses.
8. That *Agents* of Operators shall be supplied pull-tabs by their Operator who, in turn, purchases from a Licensed Distributor.
9. That *Agents* of a Permittee shall be supplied pull-tabs by the Permittee's Member-in-Charge who, in turn, purchases from a Licensed Distributor.
10. That a ceiling limit be established for agent compensation.
11. That neither Operators nor Permittees be limited as to the number of *Agents* with whom they conduct pull-tab activity.
12. That current statutes adequately limit each permittee's annual activity (AS 05.15.180 (g)) and therefore, no further limit should be placed on the number of *Agents* engaged by a permittee (nor on an operator on behalf of a permittee).

*I certify that the foregoing represents the consensus of CNG members who met on November 8, 1989 to amend and ratify this position paper.*

  
-----  
Roger Cunningham  
Interim Chairman

K P N A

KENAI PENINSULA

NON-PROFIT ASSOCIATION

P.O. Box 2621  
Kenai, Alaska 99611

Linda

January 3, 1990

STATE OF ALASKA  
DEPARTMENT OF COMMERCE  
& ECONOMIC DEVELOPMENT

JAN 8 1990

DIVISION OF  
OCCUPATIONAL LICENSING

Larry Mercurieff, Commissioner  
Department of Commerce & Economic Development  
P.O. Box D-LIC  
Juneau, Alaska 99811-0800

Dear Commisioner Mercurieff:

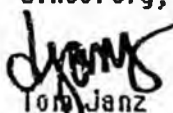
The Kenai Peninsula Non-Profit Association thanks you for attending the Soldotna Chamber luncheon yesterday. It was a pleasure to talk with you and I thank you on behalf of the KPHA for taking time to discuss some of the problems we're concerned about in the current charitable gaming regulations.

Our group supports legislation that will establish third-party vendors as a recognized entity and we will continue to lobby our legislators to address this issue. As you are aware, pull-tab sales through vendors is a productive method of generating revenue for many non-profit organizations who provide many needed community services. We support strict regulations for vendors and for the non-profit organizations who sell pull-tabs through vendors.

There is concern that some individuals are profiting from charitable gaming, and we will work closely with the Department of Commerce and our legislators to address the problems associated with multiple locations. The majority of our members agree that the vendor should be allowed to sell pull-tabs for only one permittee at a time, be required to return a guaranteed percentage to the non-profit, and that a limit be placed on the number of locations a non-profit organization may use their permit.

We are encouraged by the Department of Commerce's plans to offer educational workshops to those of us involved in charitable gaming, and feel that the newly formed State Advisory Board is a step in the right direction. Enforcement of the regulations is needed, and we encourage the State to divert money from the 3% state tax we pay on the ideal net of each game to pay for enforcement of the gaming regulations. Unless the laws are enforced, the best set of regulations are worthless.

Sincerely,



Tom Janz  
KPHA President

**Kenai Peninsula Non-Profit Association**

**POLICY STATEMENT 90-1**

**THIRD-PARTY VENDORS**

The issue of "Third-Party Vendors" must be addressed immediately by the Alaska State Legislation, and Legislation must be passed during the 1990 Legislative Session which establishes vendors as a legal and recognized entity, and establishes regulations for those who act in that capacity.

Because vendors sales offer an effective means of generating charitable gaming revenue for those non-profit organizations who do not have the money or man-power to operate a permanent gaming facility, and because the Kenai Peninsula Borough Assembly has banned professional operators from doing business in this borough and the area permit holders must engage in self-directed gaming, the Kenai Peninsula Non-Profit Association submits that there is indeed a need for a vendor classification to be established under the following guidelines.

**1. Clearly define "Third -Party Vendors":**

Define the vendor as "an agent of the non-profit permit holder who works on behalf of the permittee".

**2. Put a cap on the returns a permit holder may pay for the services provided by the vendor.**

Limit the amount a vendor may charge for his services / rental to 30% of the net proceeds. This eliminates "bidding" by permit holders and assures a fair amount of money is indeed returned to the non-profit organization.

**3. Require a contract between vendors and permittees.**

A uniform contract should be written and required to be used state-wide between vendors and the non-profit permittee they sell pull-tabs for.

**4. Require "Third -Party Vendor registration and registration fees.**

Vendors should be required to be registered by the State and a nominal vendor registration fee should be paid.

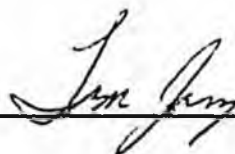
**5. Hold "Third-Party Vendors" accountable to the City, State , and Borough for their actions on behalf of the non-profit permit holder.**

The Kenai Peninsula Non-Profit Association submits this policy statement on the sixth day of February, 1990.

STATE OF ALASKA  
DEPARTMENT OF COMMERCE  
& ECONOMIC DEVELOPMENT

FEB 12 1990

DIVISION OF  
OCCUPATIONAL LICENSING



Tom Janz, President

1989 OPERATORS

OL89-0001  
 JOSEPH NYQUIST  
 PULL-TAB CITY  
 1255 AIRPORT WAY  
 FAIRBANKS AK 99701

OL89-0003  
 JAY H HUNISON JR  
 BINGO SAMS  
 2504 BIDE STREET #19  
 ANCHORAGE AK 99503

OL89-0005  
 ROBERT D THOMAS  
 LOTTERY ALASKA  
 430 C STREET SUITE 202  
 ANCHORAGE AK 99503

OL89-0007  
 SUE GRIFFIN  
 CAFRA/NORTHER LIGHTS BINGO  
 3707 WOODLAND DRIVE  
 ANCHORAGE AK 99517

OL89-0009  
 STEVE COOPER  
 RIPPY TOWN  
 BOX 90493  
 ANCHORAGE AK 99508

OL89-0011  
 KENNETH A DOLE  
 KING OF KINGS SALMON TOURNY  
 BOX 6440  
 KETCHIKAN AK 99901

OL90-0013  
 H. GREGORY OZKUS  
 BONANZA BINGO  
 PO BOX 203147  
 ANCHORAGE, AK 99520

OL89-0002  
 JOHN BLUMFIELD  
 FUND RAISING CONCEPTS  
 1525 N STREET  
 ANCHORAGE AK 99501

OL89-0004  
 EDWARD A DILLEY  
 THE POP SHOPPE  
 1705 CARR STREET  
 FAIRBANKS AK 99709

OL89-0006  
 PETER D KRAEMER  
 NORTH STAR BINGO  
 6510 LAKEWAY DRIVE  
 ANCHORAGE AK 99502

OL89-0008  
 DWIGHT A MCBRIDE  
 ALASKA INDOOR SPORTS  
 215 PLAZA PORT WEST  
 KETCHIKAN AK 99901

OL89-0010  
 LILLIAN (RUTH) SHANNON  
 EMERALD ISLE PULL-TABS  
 972 FARMERS LOOP ROAD  
 FAIRBANKS AK 99712

OL89-0012  
 SHIZUE RUEBEL  
 TAKE A CHANCE  
 1833 BRIDGEWATER DRIVE  
 FAIRBANKS AK 99709

OL90-0014  
 JAMES M. HERMAN  
 RIPPY WORLD  
 PO BOX 232091  
 ANCHORAGE, AK 99523

OPERATOR/wpdncs  
 01/24/90