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**11**

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of <sup>24hr</sup> ~~5-DAY~~ NOTICE 5/4/89  
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

\*\*FISCAL NOTE(S) MUST BE ATTACHED  
IN ACCORDANCE WITH AS 24.08.035

4/28/89

DATE TURNED INTO OFFICE 5/6/89

Mr. President:

Labor & Commerce

Committee considered SR 11

Requesting the Governor to direct the Department of Revenue to delay implementation of charitable gaming regulations

and recommended:

- replace with CS \_\_\_\_\_  same title
- attached amendment(s) and  new title
- \_\_\_\_\_ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

FISCAL NOTE(S) attached <sup>DC+ED 5/6/89</sup>  zero  
 appropriation no FN attached

fiscal impact  
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

*[Handwritten signatures]*

OTHER RECOMMENDATIONS

*[Handwritten signature: Jan Fisk No Rec]*

*[Handwritten signature]*  
Chair: signature and recommendation

Committee backup attached

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSSR 11 (L&C)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ Dev  
Title: Requesting Gov. to direct DOR & DCED to include additional public participation during development of charitable gaming BRU: Occupational Licencing  
Sponsor: Rodey et al. Components: Administration /regulations  
Requester: Senate Labor & Commerce

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The cost of any additional public hearings is expected to be absorbed in the division's FY 90 operating budget for the program.

Prepared by: Linda Wild Phone: 465-2500  
Division: Commissioner's Office Date: 5-6-89  
Approved by Commissioner: Larry Merculieff Phone: 465-2500  
Agency: Department of Commerce & Economic Development Date: 5-6-89

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

**FISCAL NOTE**

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

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TOTAL	0	0	0	0	0	0

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*This fiscal note is appropriate for the original resolution.*

page 1 of 1

*Annela Peterson*  
 Senate Labor & Commerce Committee

To:

Richard Eliason and Ben Grussendorf

Dear Dick,

On behalf of The American Legion, Sitka Post 13, we ask your support of Senate Resolution No. 11, introduced 4/26/89 and referred to Dept of Labor and Commerce. We feel that all the additional paper work and rules included in the Dept of Revenue proposed regulations will mean an increased hardship on all small non-profit organizations and will mean that the Dept in charge of regulating these additional rules will have to hire additional people, give more training sessions and even force some organizations to feel that maybe it wouldn't even be worth all the bother to use pull-tabs, raffles & etc. The way it is now, the organizations have had to spend twice the amount of time on just the last set of regulations and now they give us more. We realize that in some of the larger towns there is a problem but these regulations are like cutting off your nose to spite your face.

Would appreciate your support on behalf of rules and regulations that will allow our organization to continue to support projects that we feel benefit our entire community and children. We support baseball and softball, boys & girls state, scholarships to both Sitka and Mt. Edgecumbe schools, and assist our veterans and their families when needed.

American Legion & Auxiliary  
Ray & Lucille Perkins  
Box 13  
Sitka AK 99835

Adopted

Original sponsors: Donley, Boyer,  
Brown, et al.

1 IN THE HOUSE

2 CS FOR HOUSE RESOLUTION NO. <sup>SR</sup> 71( )  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Requesting the Governor to direct the  
6 Department of Revenue and the Department  
7 of Commerce and Economic Development to  
8 include additional public participation  
9 during their development of charitable  
10 gaming regulations.

1 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

2 WHEREAS in 1988 the Fifteenth Alaska State Legislature adopted compre-  
3 hensive legislation governing games of chance and contests of skill in the  
4 form of the Alaska Gaming Reform Act; and

5 WHEREAS the Department of Revenue is currently responsible for adopt-  
6 ing regulations implementing the Alaska Gaming Reform Act; and

7 WHEREAS responsibility for regulating charitable gaming activities in  
8 the state will be transferred from the Department of Revenue to the Depart-  
9 ment of Commerce and Economic Development July 1, 1989; and

10 WHEREAS the Department of Revenue released draft regulations on  
11 April 4, 1989, with the stated intent of implementing the regulations  
12 before the transfer of responsibility for regulating charitable gaming  
13 activities to the Department of Commerce and Economic Development; and

14 WHEREAS the Department of Revenue and the Department of Commerce and  
15 Economic Development have agreed to jointly conduct public hearings on the  
16 proposed regulations and have agreed that the regulations will not be  
17 implemented until after the Department of Commerce and Economic Development  
18 assumes regulatory responsibility; and

19 WHEREAS the limited time frame and the extensive and complex nature of

1 the draft regulations will make it difficult for charitable gaming orga-  
2 nizations to adequately review and reasonably participate in public hear-  
3 ings on the draft regulations; and

4 WHEREAS it may be necessary for the Department of Commerce and Eco-  
5 nomic Development to extend the public comment period in order for charita-  
6 ble gaming organizations to more fully participate in the review process;  
7 and

8 WHEREAS it is anticipated that it will be several months before the  
9 draft regulations will be implemented after the public comment period  
10 closes; and

11 WHEREAS the primary purposes of the 1988 Act were to encourage char-  
12 itable gaming organizations to manage their own gaming permits, to estab-  
13 lish strict licensing guidelines and accountability for operators that  
14 charitable organizations choose to engage, to establish strict regulation  
15 for all charitable gaming activities to provide protection to charitable  
16 organizations, and to establish procedures for efficient regulation by the  
17 department; and

18 WHEREAS current practices of the Department of Revenue and the draft  
19 regulations may not adequately implement the intent of the legislature in  
20 adopting the 1988 Act and may not extend the protections to charitable  
21 organizations provided for under the Act; and

22 WHEREAS current practice of the Department of Revenue has permitted  
23 certain entities to operate charitable gaming activities in a manner not  
24 envisioned by the legislature in adopting the 1988 Act; and

25 WHEREAS the state's charitable gaming organizations provide essential  
26 services to the state and to communities and are entitled to the full  
27 protection of the law and assistance from agencies responsible for their  
28 regulation and should, to the fullest extent possible, participate in  
29 developing guidelines under which they will be regulated;

1 BE IT RESOLVED that the House of Representatives respectfully requests  
2 the Governor to direct the commissioner of commerce and economic develop-  
3 ment to hold additional public hearings after the July 1 transfer of re-  
4 sponsibility for regulating charitable gaming activities, and to extend  
5 the public comment period if necessary to assure reasonable and informed  
6 participation by charitable gaming organizations; and be it

7 FURTHER RESOLVED that the Governor direct the commissioner of commerce  
8 and economic development to work closely with charitable gaming organiza-  
9 tions and members of the public to develop comprehensive regulations that  
10 reflect both the letter and intent of the law adopted by the legislature so  
11 that charitable organizations are adequately protected and that persons  
12 working in charitable gaming activities are adequately regulated.