

SB2007

SENATE FINANCE COMMITTEE REPORT

DATE: 5/9/92

FURTHER:

DATE TURNED INTO OFFICE: _____

The Finance Committee considered CS FOR SENATE BILL NO. 207 (L&C)
GAMES OF CHANCE; LICENSED OPERATORS

DIED

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____
 attaches amendment(s)

- same title
 new title
 technical title change
(HB only)

- adopts _____ Letter of Intent
 further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

DO PASS:

1. _____

Co-Chair: Signature/Recommendation

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

OTHER RECOMMENDATIONS:

2. _____

Co-Chair: Signature/Recommendation

STATE OF ALASKA

FISCAL NOTE

No. 2

Bill Version: CSSB 207(a+c)

1992 LEGISLATIVE SESSION

(S) Publish Date: 4-30-92

Revision Date: _____ Department Affected: Commerce & Economic Development
 Title: An Act relating to multiple-beneficiary BRU: Occupational Licensing
permitting of charitable gaming... Component: Administration
 Sponsor: Senator Zharoff
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	155.3	155.3	155.3	155.3	155.3	155.3
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	45.0	45.0	45.0	45.0	45.0	45.0
SUPPLIES	5.0	5.0	5.0	5.0	5.0	5.0
EQUIPMENT	30.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	245.3	215.3	215.3	215.3	215.3	215.3

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	245.3	215.3	215.3	215.3	215.3	215.3
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER - GF/PR	245.3	215.3	215.3	215.3	215.3	215.3
TOTAL	245.3	215.3	215.3	215.3	215.3	215.3

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)
SEE ATTACHED

Changes in CSSB 207 (SUD) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
2/9/92 date CSB Comte Aide (initial)

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 04/29/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Commerce & Economic Development Date: 4.29.92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

**FISCAL NOTE ANALYSIS
CSSB 207(L&C)**

OPERATING EXPENDITURES

<u>Position</u>	<u>Range</u>	<u>Cost</u>	<u>Subtotal</u>
<u>Personal Services:</u>			
Investigator III	18	\$ 57.7	
Revenue Auditor III	18	\$ 57.7	
Occupational Licensing Examiner I	12	\$ 39.9	
			\$ 155.3
<u>Travel:</u>			
Investigator III		\$ 5.0	
Revenue Auditor III		\$ 5.0	
			\$ 10.0
<u>Contractual:</u>			
Office Lease Space		\$ 20.0	
Printing and Communications		\$ 25.0	
			\$ 45.0
<u>Supplies:</u>			
Daily operating supplies		\$ 2.0	
Investigator III		\$ 1.0	
Revenue Auditor III		\$ 1.0	
Occupational Licensing Examiner I		\$ 1.0	
			\$ 5.0
<u>Equipment:</u> (One-time costs)			
Investigator III		\$ 10.0	
Revenue Auditor III		\$ 10.0	
Occupational Licensing Examiner I		\$ 10.0	
			\$ 30.0
TOTAL COST			<u>\$ 245.3</u>

CS FOR SENATE BILL NO. 207 (JUDICIARY)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered: 5/9/92
Referred: Finance

Sponsor(s): SENATOR ZHAROFF

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to multiple-beneficiary permitting of charitable gaming and designation
2 of an applicant's member in charge; excluding persons and spouses of persons convicted
3 of felonies, crimes involving theft or dishonesty, or violations of municipal, state, or federal
4 gambling laws from participation in charitable gaming as permittees, licensees, or employees
5 of permittees or licensees; prohibiting contribution of net proceeds of bingo or pull-tab
6 activity to candidates for public office of the state or a political subdivision of the state;
7 requiring disbursement to permittees of at least 40 percent of adjusted gross income of
8 pull-tab activities and at least 15 percent of adjusted gross income of bingo activity;
9 defining 'managerial and supervisory capacity' and 'permittee'; requiring revocation of
10 charitable gaming permits issued to permittees, including multiple-beneficiary permittees, that
11 conduct bingo games and do not report a profit on the bingo games for each quarter;
12 and amending the definition of 'net proceeds' to include state, federal, and municipal taxes

1 paid or owed on account of the activity within the allowable expenses."

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

3 * Section 1. AS 05.15.020(a) is amended to read:

4 (a) A municipality or qualified organization may conduct an activity permitted under this
5 chapter, if the municipality or qualified organization pays the appropriate permit fee and receives
6 an annual permit issued by the department. The annual permit fee is

- 7 (1) \$20 for an applicant that did not hold a permit during the preceding year;
8 (2) \$20 for an applicant that had gross receipts of less than \$20,000 from
9 activities conducted under this chapter during the preceding year;
10 (3) \$50 for an applicant that had gross receipts of \$20,000 or more but not
11 exceeding \$100,000 from activities conducted under this chapter during the preceding year; [OR]
12 (4) \$100 for an applicant that had gross receipts exceeding \$100,000 from
13 activities conducted under this chapter during the preceding year; or
14 (5) \$250 for an applicant for a multiple-beneficiary permit under
15 AS 05.15.100(d).

16 * Sec. 2. AS 05.15.060 is amended to read:

17 Sec. 05.15.060. REGULATIONS. The department shall adopt regulations under the
18 Administrative Procedure Act (AS 44.62) necessary to carry out this chapter covering, but not
19 limited to,

- 20 (1) the issuance, renewal, and revocation of permits and licenses;
21 (2) a method of ascertaining net proceeds, the determination of items of expense
22 that may be incurred or paid, and the limitation of the amount of the items of expense to prevent
23 the proceeds from the activity permitted from being diverted to noncharitable, noneducational,
24 nonreligious, or profit-making organizations, individuals, or groups;
25 (3) the immediate revocation of permits and licenses authorized under this chapter
26 if this chapter or regulations adopted under it are violated;
27 (4) the requiring of detailed, sworn, financial reports of operations from permittees
28 and licensees including detailed statements of receipts and payments;
29 (5) the investigation of permittees, licensees, and their employees, including the
30 fingerprinting of those permittees, licensees, and employees whom the commissioner considers
31 it advisable to fingerprint;

1 (6) exclusion from participation as a permittee, licensee, or employee of a
2 permittee or licensee, of a person or the spouse of a person convicted of [, IN PRISON FOR,
3 OR ON PAROLE FOR] a felony, [WITHIN THE PRECEDING FIVE YEARS, OR
4 CONVICTED OF] a crime involving theft or dishonesty, or [OF] a violation of a municipal,
5 state, or federal gambling law;

6 (7) the method and manner of conducting authorized activities and awarding of
7 prizes or awards, and the equipment that may be used;

8 (8) the number of activities that may be held, operated, or conducted under a
9 permit during a specified period; however, the department may not allow more than 14 bingo
10 sessions a month and 35 bingo games a session to be conducted under a permit; the holders of
11 a multiple-beneficiary permit under AS 05.15.100(d) may hold, operate, or conduct the
12 number of sessions and games a month equal to the number allowed an individual permittee
13 per month multiplied by the number of holders of the multiple-beneficiary permit;

14 (9) a method of accounting for receipts and disbursements by operators, including
15 the keeping of records and requirements for the deposit of all receipts in a bank;

16 (10) the disposition of funds in possession of a permittee or a person,
17 municipality, or qualified organization that possesses an operator's license at the time a permit
18 or a license is surrendered, revoked, or invalidated;

19 (11) restrictions on the participation by employees of the Department of Fish and
20 Game in salmon classics and in king salmon classics, and by employees of Douglas Island Pink
21 and Chum in king salmon classics;

22 (12) other matters the commissioner considers necessary to carry out this chapter
23 or protect the best interest of the public.

24 * Sec. 3. AS 05.15.100 is amended by adding new subsections to read:

25 (d) The commissioner may issue a multiple-beneficiary permit to two to six
26 municipalities or qualified organizations or to a combination of two to six municipalities and
27 qualified organizations that apply jointly for a permit. The permit gives the permit holders the
28 privilege of jointly conducting the activities specified in (a) and (b) of this section, subject to the
29 restrictions set out in (b) of this section.

30 (e) The department shall revoke the permit of a permittee, including a multiple-
31 beneficiary permittee, that conducts bingo games and does not report a profit on the bingo games

1 for each quarter.

2 * Sec. 4. AS 05.15.112(a) is amended to read:

3 (a) Each municipality or qualified organization that applies for [RECEIVES] a permit
4 under this chapter shall designate a member in charge. Municipalities and qualified
5 organizations that jointly apply for a multiple-beneficiary permit under AS 05.15.145 shall
6 establish a board consisting of one member from each municipality and qualified
7 organization, and the board shall designate one of its members as the member in charge for
8 the multiple-beneficiary permittee.

9 * Sec. 5. AS 05.15.112(b) is amended to read:

10 (b) The member in charge is responsible for preparation, maintenance, and transmittal
11 of all records and reports required of the permittee. The member in charge shall be a member
12 of the qualified organization or the board of directors of the qualified organization or an
13 employee of the municipality. In the case of a multiple-beneficiary permit, the member in
14 charge and the alternate members in charge shall be members of one or more of the
15 qualified organizations or the board of directors of one or more of the qualified
16 organizations or employees of one or more of the municipalities.

17 * Sec. 6. AS 05.15.112(d) is amended to read:

18 (d) The municipality or qualified organization, or the holders of a multiple-beneficiary
19 permit, shall designate alternate members in charge who are responsible for the duties of the
20 member in charge in the absence of the member in charge.

21 * Sec. 7. AS 05.15.122(c) is amended to read:

22 (c) The department may not issue an operator's license to an applicant if the applicant,
23 the spouse of the applicant, or a person employed by the applicant in a managerial or
24 supervisory capacity, has been convicted of [, IN PRISON FOR, OR ON PAROLE FOR] a
25 felony₁ [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF] a crime involving
26 theft or dishonesty₁ or [OF] a violation of a municipal, state, or federal gambling law.

27 * Sec. 8. AS 05.15.122(d) is amended to read:

28 (d) A licensee may not employ a person in a managerial or supervisory capacity if the
29 person or the spouse of the person has been convicted of [, IN PRISON FOR, OR ON
30 PAROLE FOR] a felony₁ [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF]
31 a crime involving theft or dishonesty₁ or [OF] a violation of a municipal, state, or federal

1 gambling law.

2 * Sec. 9. AS 05.15.140(b) is amended to read:

3 (b) In an application for a permit, a municipality or qualified organization shall disclose
4 the name and address of each person responsible for the operation of the activity and whether
5 any person named or the person's spouse (1) has been convicted of [, IN PRISON FOR, OR
6 ON PAROLE FOR] a felony₂ [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED
7 OF] a crime involving theft or dishonesty₂ or [OF] a violation of a municipal, state, or federal
8 gambling law; or (2) has a prohibited financial interest, as defined in regulations adopted by the
9 commissioner, in the operation of the activity. In this subsection, "person responsible for the
10 operation of the activity" means a person who acts in a managerial or supervisory capacity
11 with regard to the activity.

12 * Sec. 10. AS 05.15.140(c) is amended to read:

13 (c) The commissioner may not issue a permit for an activity operated by a person or the
14 spouse of a person who has been convicted of [, IN PRISON FOR, OR ON PAROLE FOR] a
15 felony₂ [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF] a crime involving
16 theft or dishonesty₂ or [OF] a violation of a municipal, state, or federal gambling law.

17 * Sec. 11. AS 05.15 is amended by adding a new section to read:

18 Sec. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (a) Two to six municipalities
19 or qualified organizations, or a combination of two to six municipalities and qualified
20 organizations, may jointly apply for a multiple-beneficiary permit under AS 05.15.100(d). The
21 commissioner may not issue or renew a permit except upon satisfactory proof that each joint
22 applicant is a municipality or qualified organization, the activity may be permitted under this
23 chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon
24 request of the commissioner, the joint applicants shall prove conclusively each of these
25 requirements before a permit may be issued or renewed.

26 (b) The provisions of AS 05.15.140(b) - (d) apply to multiple-beneficiary permits and
27 applications for them.

28 (c) A municipality or qualified organization that is among the holders of a multiple-
29 beneficiary permit may not hold another permit under this chapter.

30 (d) A municipality or qualified organization that is among the holders of a multiple-
31 beneficiary permit may withdraw from the permit by giving written notice of intent to withdraw

1 to the department and to the other holders of the permit. The effective date of the withdrawal
2 is 30 days after the department receives written notice of intent. A municipality or qualified
3 organization that withdraws from a multiple-beneficiary permit may apply for a permit under
4 AS 05.15.100(a), but the total of its share of the prizes awarded under the multiple-beneficiary
5 permit and the prizes it awards under its own permit are subject to the maximums established in
6 AS 05.15.180(g).

7 (e) The holders of a multiple-beneficiary permit shall jointly file reports with the
8 department that comply with the reporting requirements imposed on operators under
9 AS 05.15.083.

10 (f) The department shall revoke a multiple-beneficiary permit if the permittee does not

11 (1) meet the requirements of AS 05.15.100(e); or

12 (2) pay each quarter to each holder of the multiple-beneficiary permit an equal
13 share of the amount of the adjusted gross income remaining after expenses are deducted; if a
14 holder withdraws from the multiple-beneficiary permit during a quarter, that holder is entitled to
15 a pro rata share based on the percentage of the quarter that the withdrawing entity was a holder.

16 (g) No more than six municipalities, qualified organizations, or a combination of
17 municipalities and qualified organizations may be holders of a multiple-beneficiary permit during
18 the year for which the permit is issued.

19 * Sec. 12. AS 05.15.150(a) is amended to read:

20 (a) The authority to conduct the activity authorized by this chapter is contingent upon
21 the dedication of the net proceeds of the raffles or contests to the awarding of prizes to
22 contestants or participants and to political, educational, civic, public, charitable, patriotic or
23 religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious
24 uses" means uses benefiting persons either by bringing them under the influence of education or
25 religion or relieving them from disease, suffering, or constraint, or by assisting them in
26 establishing themselves in life, or by providing for the promotion of the welfare and well-being
27 of the membership of the organization within their own community, or through aiding candidates
28 for public office or groups that support candidates for public office, or by erecting or maintaining
29 public buildings or works, or lessening the burden on government, but does not include

30 (1) contribution of net proceeds of bingo or pull-tab activity to a candidate
31 for a public office of the state or a political subdivision of the state; or

1 (2) the erection, acquisition, improvement, maintenance, or repair of real,
2 personal, or mixed property unless it is used exclusively for one or more of the uses stated.

3 * Sec. 13. AS 05.15.160 is amended by adding new subsections to read:

4 (c) The total amount of authorized expenses that may be incurred under (a) of this
5 section in connection with a pull-tab activity may not exceed 60 percent of the adjusted gross
6 income from that pull-tab activity.

7 (d) The total amount of authorized expenses that may be incurred under (a) of this
8 section in connection with a bingo activity may not exceed 85 percent of the adjusted gross
9 income from that bingo activity.

10 * Sec. 14. AS 05.15.180(d) is amended to read:

11 (d) The total value of door prizes offered or awarded under authority of a permit issued
12 to a municipality or qualified organization under this chapter or under authority of a multiple-
13 beneficiary permit may not exceed \$20,000 a month or \$240,000 a year.

14 * Sec. 15. AS 05.15.180(g) is amended to read:

15 (g) A municipality or a qualified organization may award a maximum of \$1,000,000 in
16 prizes each year in activities authorized under this chapter. The holders of a multiple-
17 beneficiary permit under AS 05.15.145 may award a maximum in prizes each calendar year
18 of \$1,000,000 times the number of holders of the permit for activities authorized under this
19 chapter; however, if a municipality or a qualified organization contracts with an operator to
20 conduct on its behalf activities authorized under this chapter, the municipality or qualified
21 organization may award a maximum of \$500,000 in prizes each year. In this subsection
22 "activities authorized under this chapter" means all activities subject to this chapter other than
23 bingo.

24 * Sec. 16. AS 05.15.187(f) is amended to read:

25 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION] that had
26 gross receipts exceeding \$100,000 during the preceding year from activities conducted under this
27 chapter or that is required to report under AS 05.15.080(a), that conducts a pull-tab game shall
28 maintain records for two years of each prize of \$50 or more, the first day and last day that each
29 series was distributed, the serial number of each series, and the distributor from whom each series
30 was purchased. In this section, "permittee" includes municipalities and qualified
31 organizations that jointly hold a multiple-beneficiary permit.

1 * Sec. 17. AS 05.15.210(23) is amended to read:

2 (23) "net proceeds" means the gross receipts from an authorized activity less the
3 fee described in AS 05.15.020(b), the expenses authorized by AS 05.15.160, [AND] the prizes
4 awarded at the activity, and state, federal, and municipal taxes paid or owed on account of
5 the activity;

6 * Sec. 18. AS 05.15.210 is amended by adding new paragraphs to read:

7 (36) "managerial or supervisory capacity" means that the employee

8 (A) is responsible for gaming receipts;

9 (B) has the authority to hire employees or to dismiss or otherwise
10 discipline them;

11 (C) prepares financial reports required under this chapter;

12 (D) is responsible for keeping the accounts for activities under this
13 chapter;

14 (E) is responsible for conducting activities under this chapter, including
15 the arranging for locations at which those activities will occur; or

16 (F) is a fund-raiser or consultant;

17 (37) "permittee" means a municipality or a qualified organization that holds a
18 valid permit under AS 05.15.100, or a group of municipalities or qualified organizations that
19 holds a valid multiple-beneficiary permit under AS 05.15.145.

SENATE BILL NO. 207

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR ZHAROFF

Introduced: 3/15/91
Referred: L&C and Judiciary

A BILL

FOR AN ACT ENTITLED

1 "An Act prohibiting a licensed operator from conducting charitable gaming activity on
2 behalf of more than 10 permittees a year; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 05.15.122 is amended by adding a new subsection to read:

5 (e) A licensee under this section may not conduct charitable gaming activity on behalf
6 of more than 10 permittees in a calendar year.

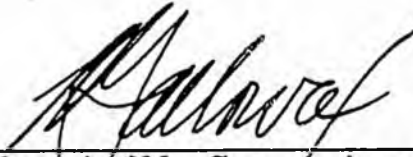
7 * Sec. 2. This Act takes effect January 1, 1992.

CSSB 207: "An Act relating to multiple-beneficiary permitting of charitable gaming and designation of an applicant's member in charge; excluding persons and spouses of persons convicted of felonies, crimes involving theft or dishonesty, or violations of municipal, state, or federal gambling laws from participation in charitable gaming as permittees, licensees, or employees of permittees or licensees; prohibiting contribution of net proceeds of bingo or pull-tab activity to candidates for public office of the state or a political subdivision of the state; requiring disbursement to permittees of at least 40 percent of adjusted gross income of pull-tab activities and at least 15 percent of adjusted gross income of bingo activity; defining 'managerial and supervisory capacity' and 'permittee'; requiring revocation of charitable gaming permits issued to permittees, including multiple-beneficiary permittees, that conduct bingo games and do not report a profit on the bingo games for each quarter; and amending the definition of 'net proceeds' to mean the gross receipts from an authorized activity less the fee described in AS 05.15.020(b), the expenses authorized by AS 05.15.160, the prizes awarded at the activity, and state, federal, and municipal taxes paid or owed on account of the activity."

The department strongly supports this bill. It contains language that would require a minimum return on bingo and pull-tabs and prohibit the use of net proceeds for political contributions. With these provisions, the net proceeds available for uses are expected to increase thereby benefitting more individuals and organizations throughout the state that use this as a method of fundraising.

Changes to current law would also further prohibit convicted felons and their spouses from conducting gaming activities.

The department has general comments addressed in our bill analysis. We have provided a fiscal note to reflect the minimum amount of administrative support to ensure compliance with the legislative provisions of this bill.



Glenn A. Olds, Commissioner
Date: 5.7.92

BILL ANALYSIS

Section 1: This section recognizes a new class of permittee, the Multiple Beneficiary Permittee (MBP) and establishes an annual permit fee.

The department supports the statutory recognition.

Section 2: This section directs the department to promulgate regulations to: (a) prohibit any felon and a spouse of a felon from being involved in charitable gaming; and (b) specify the number of bingo games an MBP may hold per session and month.

The department supports this section.

Section 3: This section adds specific statutory recognition of an MBP and provides for up to a total of six permittees in a calendar year to join together to conduct gaming activities and allows the department to revoke the permit of a permittee and an MBP if a profit on bingo games is not reported each quarter. The department currently recognizes the ability for permittees to conduct gaming jointly in regulation 12 AAC 34.200.

The department supports this section but feels specific language regarding how much profit should be included. We suggest amending this section to adopt the percentage requirements specified in Section 13 amending AS 05.15.160(c) and (d).

Section 4: This section provides for the establishment of a board consisting of a member from each of the permittees applying for an MBP and the appointment of one of the members as the member in charge.

The department supports this section.

Section 5: This section requires that the member in charge of the MBP be a member of one of the qualified organizations, or on the board of directors of one of the qualified organizations or an employee of the municipality.

The department supports this section.

Section 6: This section adds a requirement that the holders of an MBP shall designate an alternate member in the absence of the member in charge.

The department supports this section.

Section 7: This section amends AS 05.15.122 to include as a reason to not issue an operator license the felony provisions stated in Section 2 of this bill, including persons employed in a managerial or supervisory capacity.

The department supports this section.

BILL ANALYSIS

Page 2

Section 8: This section amends AS 05.15.122 to include language that would prohibit an operator from employing in a managerial or supervisory capacity the spouse of a person with the felony provisions found in Section 2.

The department supports this section.

Section 9: This section amends AS 05.15.140(b) to include a requirement that the permittee disclose whether the spouse of the person responsible for the operation of the activity has been convicted of a felony (Section 2 provisions), or whether a person's spouse has a prohibited financial interest and specifies that the term "person responsible for the operation of the activity" means a person who acts in a managerial or supervisory capacity with regard to the activity.

The department supports this section.

Section 10: This section amends AS 05.15.140(c) to include as a reason for not issuing a permit the felony provisions stated in Section 2.

The department supports this section.

Section 11: This section provides language to recognize an MBP, the sections of AS 05.15 that apply to them, and the requirements to be met when one of the permittees wish to withdraw from the MBP, reporting requirements, and the allocation of net proceeds between the holders of an MBP.

The department supports this section.

Section 12: This section amends AS 05.15.150 to prohibit the use of net proceeds from bingo or pull-tab activity for contributions to a candidate for a public office of the state or a political subdivision of the state.

The department supports this section.

Section 13: This section would limit pull-tab expenses to no more than 60% of the adjusted gross income from that pull-tab activity and limit bingo expenses to no more than 85% of the adjusted gross income from that bingo activity.

The department supports this section.

Section 14: This section amends AS 05.15.180(d) to include a provision that limits door prizes of an MBP.

The department supports this section.

BILL ANALYSIS
Page 3

Section 15: This section provides language to specify the prize limitations that apply to MBP.

The department supports this section.

Section 16: This section amends AS 05.15.187(f) to replace "municipality or qualified organization" with "permittee" and to specify that an MBP is considered a permittee for the purposes of this section.

The department supports this section.

Section 17: This section amends AS 05.15.210 to include as a deductible item to determine net proceeds, state, federal, and municipal taxes paid or owed on account of the activity.

The department supports this section.

Section 18: This section adds to the definitions found in AS 05.15.210 the meaning of "managerial and supervisory" and expands the definition of "permittee" to include those municipalities and qualified organizations that hold a multiple-beneficiary permit under AS 05.15.145.

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