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1992 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Commerce & Economic Development
 Title: An Act limiting authorized expenses for BRU: Occupational Licensing
pull-tab activity.... Component: Administration and
Investigations (0357)
 Sponsor: Senators Collins, Pearce
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

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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
TEMPORARY	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

Prepared By: John N. Hansen, Jr., Gaming Program Manager  Phone: 465-2581Division: Occupational Licensing Date: 04/21/92Approved by Commissioner: Glenn A. Oids Agency: Department of Commerce & Economic Development Date: 4-21-92

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

FISCAL NOTE ANALYSIS
SB 436

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>

Position Title Revenue Auditor III		No. of Positions 1	Range / Step 18A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location AWA		Election District
TYPE OF EXPENDITURE		Amount	Justification	
Salary		42.0	<p>This position will plan, organize and complete audits of permittees, operators, distributors and vendors. The position will also provide technical assistance to permittees, operators, distributors and vendors, and provide information to inquiring persons regarding statutes and regulations. In addition, this position will assist the investigator(s) when necessary.</p> <p><u>Impact to Division/Program if position is NOT filled:</u></p> <p>Because of the numerous number of permittees and licensees, the expanse of the state, and the limited funding for travel purposes, many audits could not be done, thus, reducing the net proceeds due to the state.</p>	
Benefits		15.7		
Premium Pay				
Other				
Total Personal Services		57.7		
Travel		5.0		
Contractual				
Commodities		1.0		
Equipment		10.0		
Other				
Total Cost		73.7		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
I A Receipts	1007			
CIP Receipts	1061			
Other - GF/PR	1005	73.7		

**Request For
New Position**

AGENCY Commerce & Economic Development

BRU Occupational Licensing

COMPONENT Administration

FY 93

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Revised Date:



DT: March 3, 1992

TO: Senator Collins
Senator Pearce

FR: Robert D. Thomas 

RE: SB No. 436

I applaud your efforts to provide legislative support for the DC&ED's new charitable gaming regulations. Without legislation, such as that embodied in SB 436, the authority of the department to implement regulations will continue to be questioned. I suggest consideration of the following amendment to SB 436 which could ameliorate some opposition.

"Section 2. AS 05.15.187 is amended by adding a new subsection to read:

(h) Pull-tabs may be sold by mechanical and electromechanical vending dispensers approved by the department.

Section 3. AS 05.15.180 (a) is amended to read:

(a) Except as provided in AS 05.15.100(b) and AS 05.15.187(h), this chapter does not authorize"

Changing the effective minimum guaranteed payment to permittees from 15% to 40% of adjusted gross income will obviously cause hardship on a number of operators who are accomplishing good things for some permittees. A way to offset this negative hit to operators, and at the same time benefit permittees conducting their own activities, would be to allow vending machine use for dispensing pull-tabs. Ticket dispensers reduce labor costs. Vending machines are currently not allowed because of language in the current statute (05.15.187), which I believe was intended to prevent slot machines and video gambling machines from entering the state.

Card stock vending machine use has grown rapidly throughout the nation for both gambling and nongambling products. These dispensers have absolutely no connection with the "game" being dispensed, they simply dispense a number of cards to match the money deposited. These are very different from slot machines and video games which can be adjusted to control the pay-out percentage, odds, prize levels and game formats. In addition to labor savings and enhanced accounting of sales, dispensers eliminate one of the human elements in the sale of pull-tabs, therefore, eliminating one source of possible manipulation. For reasons of accountability, security, and protecting the public, I believe that dispensers should be the only method allowed for retail sale of pull-tabs, however, I realize that may not be realistic.

My conversations with John Hansen, DC&ED, lead me to believe that at least the regulating arm of the administration would support statutory changes to allow use of dispensers for pull-tabs. Please call if you have questions.

cc: John Hansen, DC&ED
Chris Clark
Bill Miles