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8-LS1626M ✓
Luckhaupt
5/3/94

HOUSE CS FOR CS FOR SENATE BILL NO. 370(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): **SENATE TRANSPORTATION COMMITTEE BY REQUEST**

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling laws for gambling conducted by
2 cruise ships for their ticketed passengers in the offshore water of the state;
3 relating to promotions on board cruise ships; defining 'cruise ship'; providing for
4 exemption procedures for certain cruise ships before they can conduct gambling
5 in the offshore water of the state; and providing for an effective date."

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

7 * Section 1. AS 05.15 is amended by adding a new section to read:

8 **ARTICLE 4. CRUISE SHIP EXEMPTION.**

9 Sec. 05.15.250. EXEMPTION OF CRUISE SHIPS. (a) A cruise ship may
10 conduct gambling as permitted under AS 11.66.275 in the offshore water of the state
11 if

12 (1) the operator of the cruise ship annually applies on a date set by the
13 department on a form provided by the department;

1 (2) the operator of the cruise ship agrees to comply with AS 45.50.474;
2 and

3 (3) the operator pays the annual exemption fee required under (b) of
4 this section.

5 (b) The exemption fee for a cruise ship to conduct gambling under (a) of this
6 section is for cruise ships with a capacity of

- 7 (1) 500 or fewer passengers \$10,000;
- 8 (2) 501 - 999 passengers \$20,000;
- 9 (3) 1000 - 1999 passengers \$30,000;
- 10 (4) 2,000 passengers or more \$40,000.

11 (c) The department shall revoke the exemption of a cruise ship that becomes
12 ineligible to hold an exemption under this section, provides false information in an
13 application for an exemption, violates an order issued under AS 05.15.200, or conducts
14 gambling in violation of the provisions of AS 11.66.275. When revoking an
15 exemption under this subsection, the department may bar a cruise ship from obtaining
16 an exemption under this section in the future or for a specified number of years in the
17 future.

18 (d) Except for AS 05.15.195, 05.15.200, and 05.15.210, other provisions of this
19 chapter do not apply to gambling on a cruise ship.

20 (e) In this section,

21 (1) "cruise ship" means a ship that operates at least 120 days a year
22 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
23 passengers, provides on board the ship overnight accommodations and meals for those
24 passengers, is operated by an authorized cruise ship operator, and is certified under
25 the International Convention for the Safety of Life at Sea or otherwise certified by the
26 United States Coast Guard;

27 (2) "offshore water of the state" has the meaning given in
28 AS 11.66.275.

29 * Sec. 2. AS 05.15.200(b) is amended to read:

30 (b) A person who, with the intent to mislead a public servant in the
31 performance of the public servant's duty, submits a false statement in an application

1 for a permit, license, exemption, or vendor registration under this chapter is guilty of
2 unsworn falsification.

3 * Sec. 3. AS 05.15.200(b) is amended to read:

4 (b) A person who, with the intent to mislead a public servant in the
5 performance of the public servant's duty, submits a false statement in an application
6 for a permit, license, [EXEMPTION,] or vendor registration under this chapter is guilty
7 of unsworn falsification.

8 * Sec. 4. AS 11.66 is amended by adding a new section to read:

9 Sec. 11.66.275. CRUISE SHIP EXEMPTION. (a) The provisions of
10 AS 11.66.200 - 11.66.280 do not apply to gambling conducted by a cruise ship for its
11 ticketed passengers in the offshore water of the state if

12 (1) the cruise ship is exempt under AS 05.15.250;

13 (2) the cruise ship does not conduct gambling in, or within three miles
14 of, a state port visited by the cruise ship; and

15 (3) the gambling is ancillary to the cruise and the cruise has as its main
16 purpose scenic cruising and port visits at maritime communities in the state.

17 (b) In this section,

18 (1) "cruise ship" means a ship that operates at least 120 days a year
19 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
20 passengers, provides on board the ship overnight accommodations and meals for those
21 passengers, is operated by an authorized cruise ship operator, and is certified under
22 the International Convention for the Safety of Life at Sea or otherwise certified by the
23 United States Coast Guard;

24 (2) "offshore water of the state" means the marine water over which
25 the state has jurisdiction.

26 * Sec. 5. AS 45.50.471(b) is amended by adding a new paragraph to read:

27 (37) violating AS 45.50.474 (on board promotions).

28 * Sec. 6. AS 45.50 is amended by adding a new section to read:

29 Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD
30 CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that
31 mentions or features a business in a state port that has paid something of value for the

1 purpose of having the business mentioned or featured, unless the person conducting
2 the promotion clearly and fully discloses orally and in all written materials used in the
3 promotion that the featured businesses have paid to be included in the promotion. A
4 violation of this section constitutes an unfair trade practice under AS 45.50.471. In
5 this section, "cruise ship" means a ship that operates at least 120 days a year anywhere
6 in the world, provides cruises of at least 72 hours in length for ticketed passengers,
7 provides on board the ship overnight accommodations and meals for those passengers,
8 is operated by an authorized cruise ship operator, and is certified under the
9 International Convention for the Safety of Life at Sea or otherwise certified by the
10 United States Coast Guard.

11 * Sec. 7. AS 05.15.250 and AS 11.66.275 are repealed December 31, 1996.

12 * Sec. 8. Section 3 of this Act takes effect December 31, 1996.

13 * Sec. 9. Except for sec. 3 of this Act, this Act takes effect immediately under
14 AS 01.10.070(c).

(7)

Date Referred: May 3, 1994

HOUSE COMMITTEE REPORT
FURTHER REFERRALS:

Finance

Date of Committee Action: 4 May 94

The JUDICIARY Committee considered:

CSSB 370(FIN)

CS FOR SENATE BILL NO. 370(FIN)

ALLOW GAMBLING ON CRUISE SHIPS

"An Act providing an exemption from gambling laws for gambling conducted by cruise ships for their ticketed passengers in the offshore water of the state; relating to promotions on board cruise ships; defining 'cruise ship'; providing for exemption procedures for certain cruise ships before they can conduct gambling in the offshore water of the state; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCS 03 SB 370 (sub) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: House Judiciary letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

fiscal impact _____

zero fiscal note _____

APPROVES PREVIOUS: (Dept/Date)

^{Senate} fiscal note(s) Revenue 5/2/94

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<u>Pete Kott</u> Kott	X	<u>Paul Phillips</u> Phillips		<input checked="" type="checkbox"/>	
<u>Janette James</u> James	<input checked="" type="checkbox"/>	<u>John Green</u> Green		<input checked="" type="checkbox"/>	
<u>Brian Porter</u> Porter	<input checked="" type="checkbox"/>	<u>Steve Nordlund</u> Nordlund		<input checked="" type="checkbox"/>	
	(3)			(3)	

Brian Porter
CHAIRMAN'S SIGNATURE

FISCAL NOTE

No. 4

Bill Version: CS9B 370 (FIN)

(S) Publish Date: 5-2-94

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

BILL

Revision Date: April 28, 1994 Dept. Affected: Revenue
 Title: "An Act providing an exemption from gambling laws for gambling BRU: Revenue Operations
conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska Component: Charitable Gaming Division
 Sponsor: Senate Transportation Committee by Request
 Requestor: Senate Rules COMPONENT SERIAL NO. 1883

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	27.0	27.0	27.0	27.0	27.0	27.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	11.7	11.5	11.5	11.5	11.5	11.5
SUPPLIES	.1	.1	.1	.1	.1	.1
EQUIPMENT	4.8	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	43.6	38.6	38.6	38.6	38.6	38.6

CAPITAL						
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REVENUE FUND SOURCE:	620.0	620.0	620.0	620.0	620.0	620.0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	43.6	38.6	38.6	38.6	38.6	38.6
1006 GF/MHTIA						
Other						
TOTAL	43.6	38.6	38.6	38.6	38.6	38.6

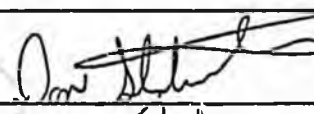
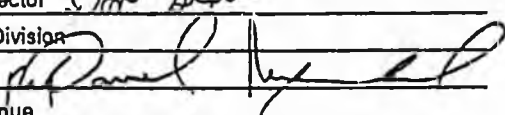
POSITIONS:

FULL-TIME (Seasonal)	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Don Stolworthy, Director  Phone: 465-2229
 Division: Charitable Gaming Division Date: April 28, 1994
 Approved by Commissioner: Darrel J. Rexwinkel  Date: April 28, 1994
 Agency: Department of Revenue

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CSSB 370 (FIN)

Estimated Costs

Personal Services	[Seasonal Investigator II]	\$27.0
Contractual		
Legal Services		10.0
Communications		.5
Printing & Binding		.5
Postage		.5
Supplies	[pens, paper, file folders, etc.]	.1
Total Annual Costs		<u>\$38.6</u>

One Time Costs

Contractual	[phone line installation]	.2
Equipment		
Office Furniture		1.0
Phone		.3
Computer		3.5
Total Start-up Costs		<u>\$5.0</u>

CSSB 370 (FIN)

Estimated Revenues

Fee Schedule

Passengers	Fee	1994	1995
		Total Ships	Total Ships
Fewer than 500	\$10.0	10	10
500 to 1,000	\$20.0	08	08
1,000 or more	\$30.0	11	12
	Total Exemption Fees	\$590.0	\$620.0

Prepared by: Alaska Department of Revenue
Charitable Gaming Division
April 27, 1994