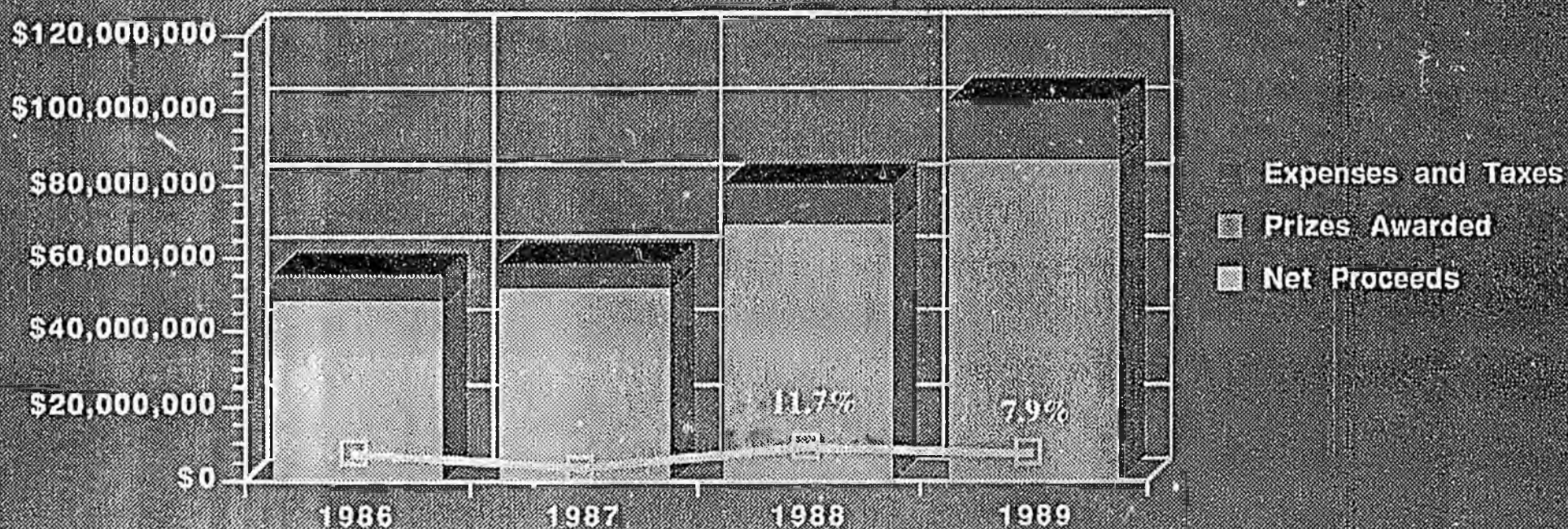


S B

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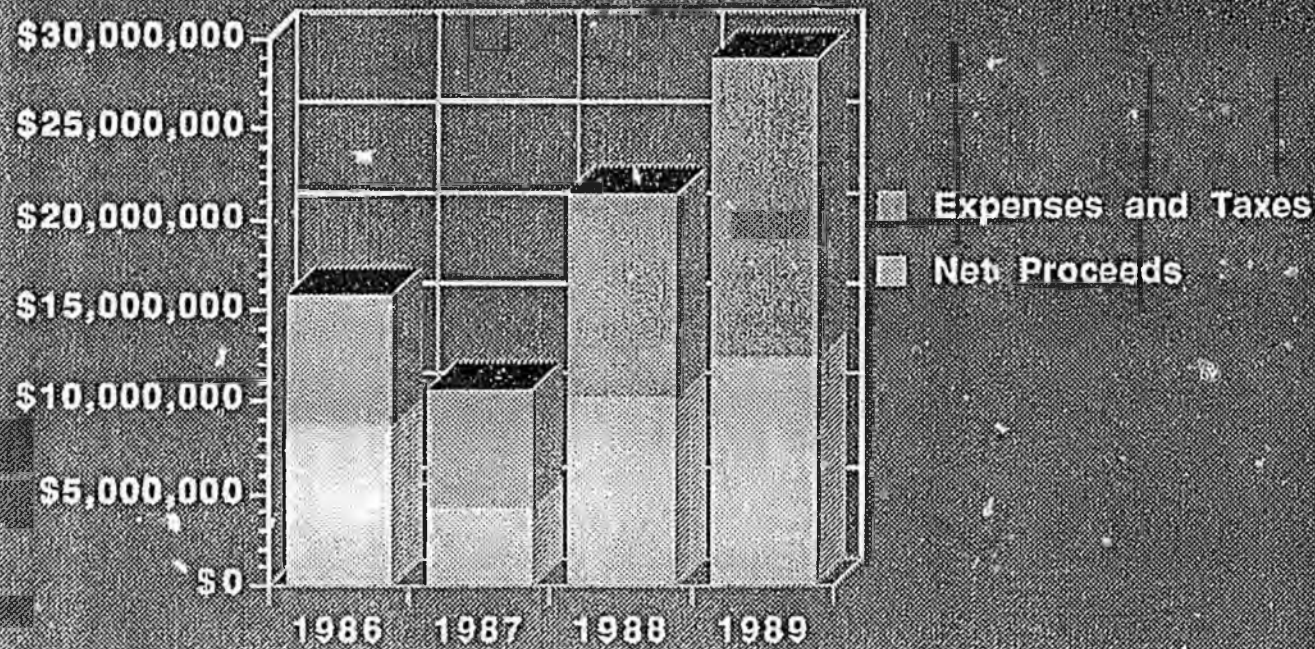
State Calculated Net

Percentage of Net Proceeds After Prizes Awarded and Taxes Subtracted



True Net

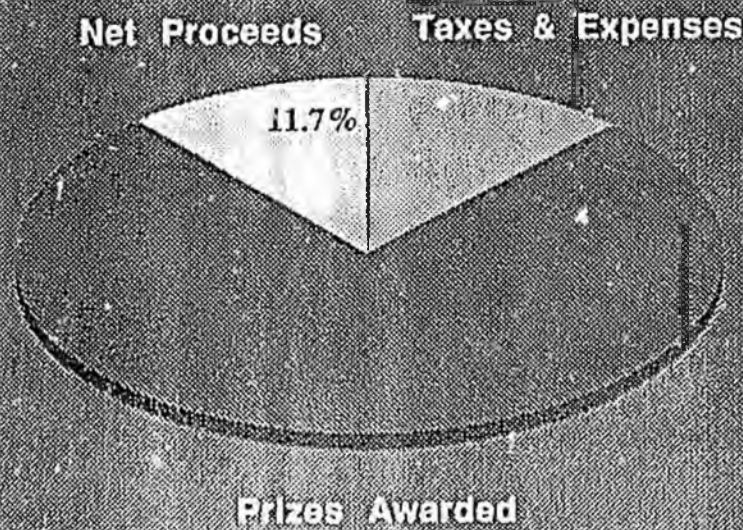
Percentage of Net Proceeds to Adjusted Gross
(gross receipts - prizes awarded and taxes)



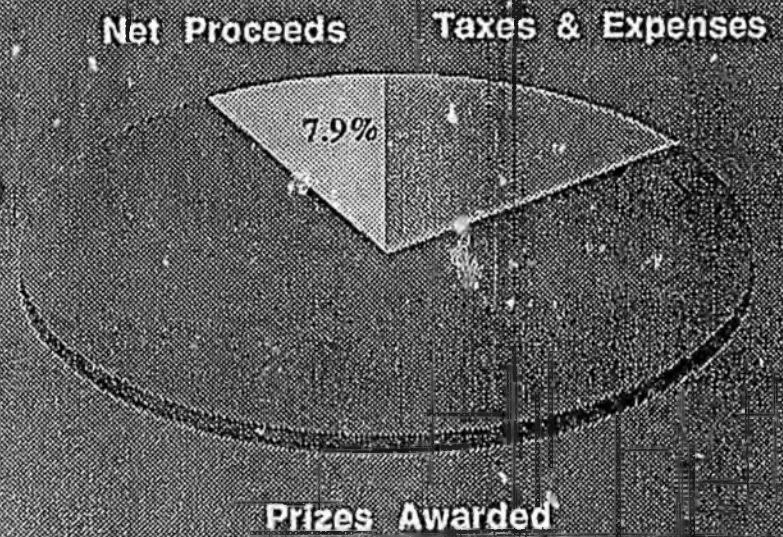
State Calculated Net

Net Percentage of Gross Gaming Receipts

1988



1989



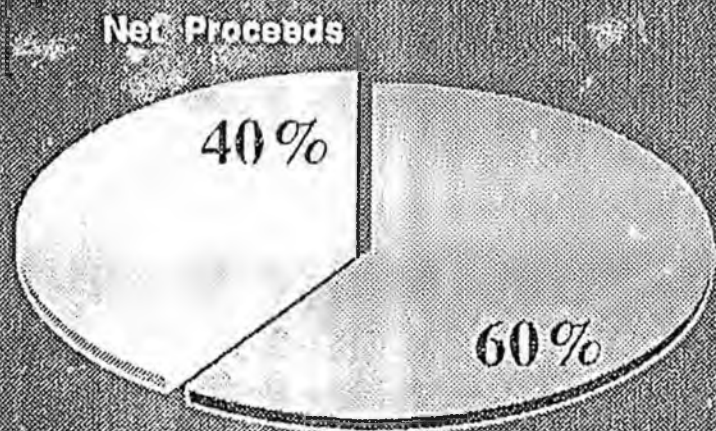
- Taxes & Expenses
- Prizes Awarded
- Net Proceeds

True Net

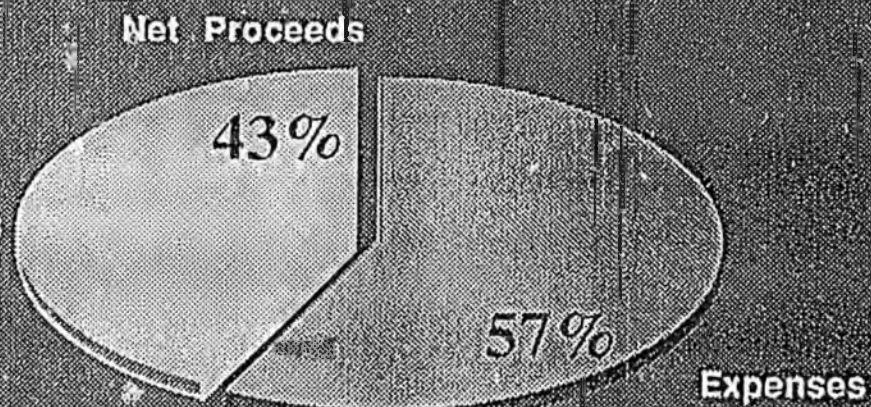
Percentage of Net Proceeds to Adjusted Gross

(gross receipts - prizes awarded and taxes)

1988



1989



■ Expenses
■ Net Proceeds

Expenses

C O M P A R I T I V E A N A L Y S I S

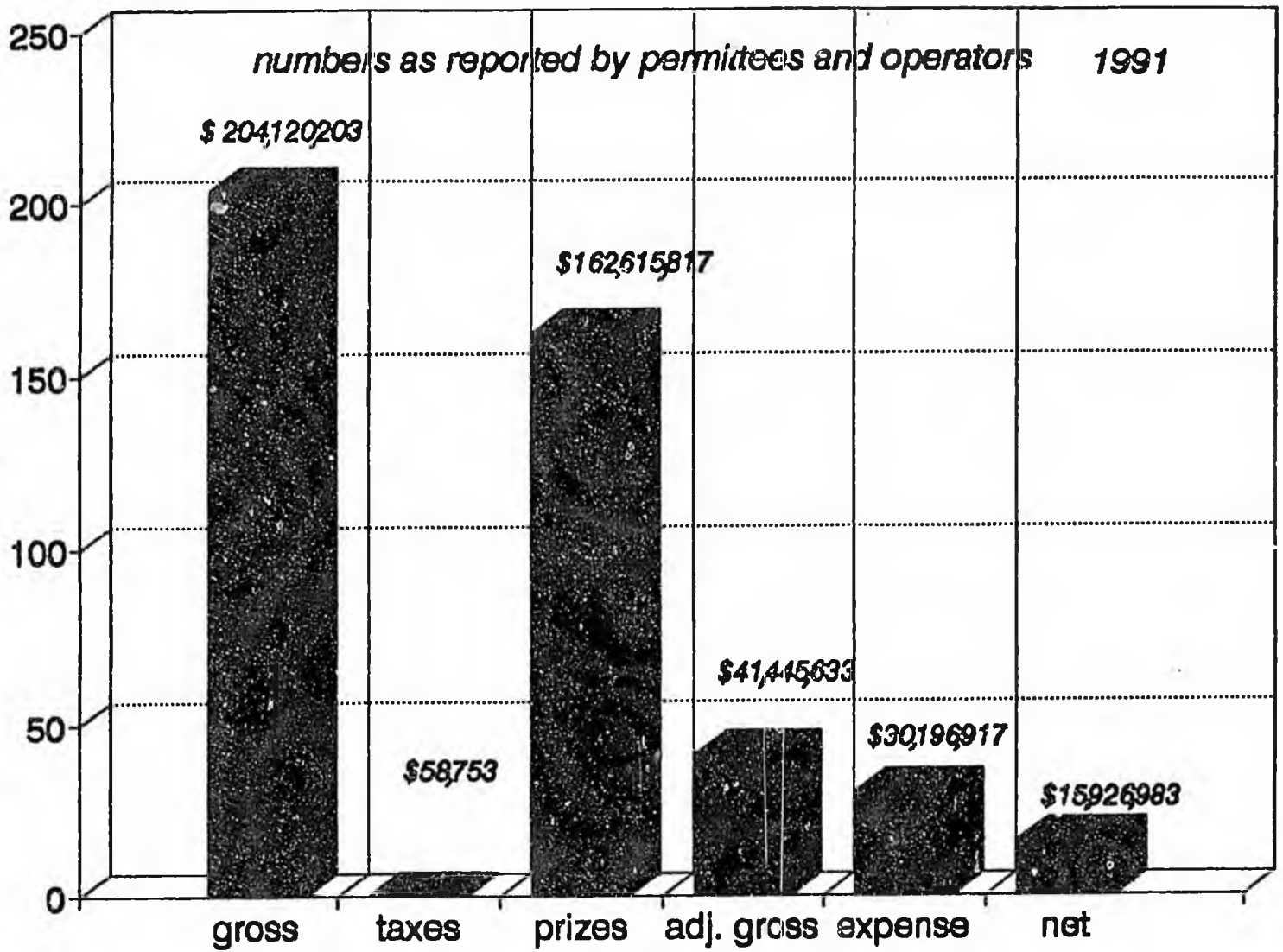
HB-168 (JUD)

SB-76

- 1) M B P
- 2) Contract Approval
- 3) Raising 15% to
40% - 15% [2 consecutive quarters]

- 1) M B P
- 2) Contract Approval
- 3) Raising 15% to
30% - 10% [each quarter]
- 4) Prohibits inside information.
- 5) Vendors required to pay 50% at time
of delivery.
- 6) Requires NAGRA pull tab standards.
- 7) Prohibits Felons involvement. / 100sens
misdemeanors
- 8) Prohibits Net Proceeds for campaigns
& Lobbyists.
- 9) Provides specific suspension/
revocation authority up to 5 years
for licensee's or vendors.
- 10) Provides authority to commissioner
to issue an emergency 60 day order.

*Nett
Assn
of
Gaming
Regulators*



"SPORTS FANTASTIC"		SF835
Takes in 6047 Cards @ \$1		\$6,047.00
Pays Out:		
3 - SB, SB, Green SB	at	\$250.00.....\$750.00
3 - SB, SB, Race Car	at	\$250.00.....\$750.00
3 - SB, SB, Golf	at	\$75.00.....\$225.00
50 - SB, SB, Helmet	at	\$10.00.....\$500.00
500 - SB, SB, Diamond	at	\$2.00.....\$1,000.00
4 - 3 Eight Balls	at	\$50.00.....\$200.00
50 - 3 Basketballs	at	\$5.00.....\$250.00
200 - 3 Hockey	at	\$2.00.....\$400.00
500 - 3 Bowling	at	\$1.00.....\$500.00
TOTAL PAYOUT		\$4,575.00
GROSS PROFIT		\$1,472.00

PAY-CHECK™		
\$1		
QTY	CODE	BLACK
6	D	\$250.00
3	D	\$75.00
4	D	\$50.00
50	D	\$10.00
50	D	\$5.00
600	D	\$2.00
28	D	\$4.00
44	D	\$3.00
456	D	\$1.00



HIGGINS CORP.

CAMPAIGNS • MEDIA • GOVERNMENT RELATIONS • PUBLIC RELATIONS

April 20, 1993

The Honorable Ramona Barnes
Speaker of the House
Alaska House of Representatives
State Capitol
Juneau, AK 99801

Dear Speaker Barnes:

For the past three weeks I have watched the Senate debate on charitable gaming legislation turn from the merits of the legislation to a personal attack against me and my client that is based on rumors, misinformation and outright lies. Amazingly, the person fueling this animosity is Acting Commissioner of Commerce Paul Fuhs.

I am writing you because I believe Commissioner Fuhs has gone too far. Commissioner Fuhs has publicly ridiculed me and done everything he can to harm my reputation. He has misrepresented my position on charitable gaming reform and constructed complete fabrications in an attempt to discredit me.

More astonishing, Commissioner Fuhs and employees under his direction have broken criminal law in their attempt to gain information to fuel a personal attack against me. I have enclosed a letter I recently wrote to the Governor outlining Commissioner Fuhs involvement in an illegal search for confidential, private documents. The search was conducted by DCED Legislative Liaison Wendy Mulder at the direction of Commissioner Fuhs.

The day after the confidential, private documents were obtained and immediately read into the public record by Fuhs, Ms. Mulder called me to apologize for her conduct. Ms. Mulder said that the situation had gotten completely out of control and that she knew that she had engaged in improper activities.

Fuhs continues to maintain, however, that there was nothing wrong with the actions his staff took at his direction. Additionally, I have attached a transcript of a radio interview Commissioner Fuhs gave in Anchorage last week during which he outright lied about the actions the Department took to obtain these documents. I also have a tape recording of the broadcast, should you desire to hear it.

Speaker Barnes

April 20, 1993

page 2

I have also enclosed a copy of a note Commissioner Fuhs wrote to his friend Chip Thoma. Fuhs passed the note to Thoma during Senate Judiciary hearings on SB 76. In the note, Fuhs states that he has nothing against my clients, and indeed he believes my clients run "one of the cleanest" operations in the gaming industry. Nonetheless, when viewed in light of recent steps the Commissioner has taken to discredit them, it is painfully obvious Fuhs is engaging in serious double talk.

I believe that Fuhs is defaming me and ridiculing my client for the simple reason that we disagree with him on some aspects of the gaming legislation currently before the legislature. My client and I have long supported meaningful gaming reform and, of all operators, my client continues to return the highest percentage to the charities. Gaming Director John Hansen has testified on more than one occasion that my clients run the best operation in the gaming industry. Fuhs claims that we are not raising legitimate policy concerns, yet the bill is repeatedly changed outside of the committee process to address the issues we have raised.

The truth of the matter is that SB 76, in its present form, is a gambling expansion bill. Commissioner Fuhs states otherwise, but instead of focusing his attention on the debate over the merits of the legislation, he has launched into a vicious personal attack against me. His conduct is neither professional nor ethical and there is substantial evidence to show that it is also unlawful. It is certainly not conduct befitting one of the highest public officials of our state.

I am writing to request your help in putting a stop to the unethical tactics Commissioner Fuhs has employed in his attempt to defame me and draw attention away from the real policy questions that SB 76 presents. I would also respectfully request that there be an investigation into the steps Commissioner Fuhs and his staff took in illegally obtaining, then publicly releasing private documents solely the property of my client and the radio station. I was a constituent of yours for many years and would appreciate any help you can give me in this matter.

Sincerely,



Mark M. Higgins
President

Enclosures



HIGGINS CORP.

CAMPAIGNS • MEDIA • GOVERNMENT RELATIONS • PUBLIC RELATIONS

April 20, 1993

The Honorable Walter J. Hickel
Governor, State of Alaska
State Capitol
Juneau, AK 99801

Dear Governor Hickel:

My purpose in writing you today is to inform you of the unethical and illegal manner by which Paul Fuhs, your Acting Commissioner of the Department of Commerce and Economic Development, continues to conduct state business. Commissioner Fuhs and other state employees under his direction have misrepresented themselves to numerous parties, and have published outright fabrications about myself and my client.

But even more seriously, when gathering information upon which to base these untruths, the Commissioner and his staff broke the law when they conducted an illegal search for private documents, which they then released into the public record at a state-wide teleconference. I believe their actions constitute a violation of laws governing criminal theft and official misconduct. Moreover, for the past several weeks Commissioner Fuhs has conducted himself in ways not befitting a public official. I am writing you to inform you of this matter and to determine whether you condone Commissioner Fuhs' actions.

I am a registered lobbyist and represent, among others, the Alaska Charitable Games Association. I met with Commissioner Fuhs in a recent visit to Juneau to discuss SB 76 and HB 168, gaming bills that are before the legislature this session. I informed Commissioner Fuhs that my client could not support some of the provisions in what has become gambling expansion legislation. However, I also told him that I respected his right to pursue policy goals that he deemed appropriate. Commissioner Fuhs said he understood and agreed that there are merits to all sides of the debate.

Nevertheless, shortly after my objection to certain aspects of the bill, Commissioner Fuhs began a vicious personal assault on my character and my client's reputation. Without regard to the truth, Fuhs has repeatedly engaged in offensive and demeaning attacks on my integrity, my family's name, and my client's business. In widely sensational press releases, distributed under the authority of the state seal, Fuhs has ridiculed me personally, misstated my position on the gaming issue and outright lied about my professional involvement with a client who retained my firm to place ads on their behalf. Fuhs has insinuated that my client and I are "dishonest," "the dark side" and in an outrageous slight on the Jewish faith, referred to all operators as attempting to "extract a pound of flesh" from charities.

Governor Walter J. Hickel

April 20, 1993

page 2

Such derogatory public comments are inexcusable coming from one of the highest ranking officials of our state. Moreover, they have no basis in truth. Fuhs and Gaming Director John Hansen have publicly stated on numerous prior occasions that my client runs the cleanest operation in the gaming industry and has consistently returned the highest net percentage to its charities of any operator in this state. We also did not join in the lawsuit to oppose regulations you promulgated last year to increase the net return to charities. We voluntarily complied and in fact, began paying the higher percentage in advance of implementation of the regulations.

As recently as three weeks ago, Commissioner Fuhs reiterated that he had no problem with me or my client. In a note Fuhs passed to his good friend Chip Thoma during a recent Senate Judiciary committee hearing, Fuhs states that he has nothing against my clients, and indeed he believes my clients run the best operation in the gaming industry. See Thoma note, Attachment A.

In light of that note and his oft-repeated prior statements, my client and I are left to wonder what justifies this person's zealous quest to destroy our reputations. Simply because we disagree with him on the questionable merits of a gambling expansion bill being pushed by numerous special interests and the liquor lobby, Commissioner Fuhs has decided to publicly defame and ridicule us and ignore the merits of the arguments we raise -- despite the undisputable fact that each time we raise a concern about the ramifications of the legislation, the bill is changed to correct the problem we pointed out.

I am also outraged that, as a public official, Commissioner Fuhs has endorsed unethical and potentially illegal conduct by public employees under his direction in order to gain ammunition for his personal attack. In response to radio ads alerting citizens to the fact that the Pearce gaming bill would allow pull-tab machines to be placed literally anywhere in Alaska, Commissioner Fuhs directed his staff to determine who had purchased the ads. The ads were sponsored by a group "Alaskans for Less Gaming."

Fuhs' staff contacted several radio stations but were unable to obtain any additional information about the group because the radio buys were not a matter of public information under APOC law. The group was not engaged in direct lobbying, and simply attempted to inform people of the ramifications of the bill and urged citizens to send POM's. The group had contacted the APOC in advance to determine whether or not it needed to register and had been told that it did not need to register and that its purchases of radio time would not be subject to public inspection. Each of the stations contacted by Commissioner Fuhs staff informed them that they could not release information about the buy because it was a private transaction and not a matter of public information.

Nevertheless, when informed that there was no legal access to the information, Fuhs directed his staff to attempt to gain the information through other means. At approximately 3:00 p.m., April 7, at the direction of Commissioner Fuhs, Wendy Mulder, Legislative Liaison for the Department of Commerce and Economic Development, contacted a friend of hers Mr. Craig Seibert, an Account Executive at KASH radio in Anchorage. Mr. Seibert plays softball with Wendy and her husband Representative Eldon Mulder each summer. Ms. Mulder knowingly and specifically requested that Mr. Seibert go into a

Governor Walter J. Hickel

April 20, 1993

page 3

confidential file at KASH Radio to determine who placed media buys for the organization Alaskans for Less Gaming. As already noted, that information is confidential between a radio station and the company who placed the buy. Mr. Seibert then copied the media buy and faxed it to Ms. Mulder at approximately 3:30 p.m.

Upon receipt of the fax, Commissioner Fuhs immediately generated a press release that incorrectly stated that I had paid for the ads and that the group was nothing more than a front group for my gaming clients. Fuhs then photo-copied the KASH document and began widespread distribution to legislators. He also read the press release and the illegally obtained document into the public record during a state-wide teleconference that night.

There is criminal law barring Ms. Mulder's and Mr. Seibert's actions. It is called theft. AS 11.46.100-110. If Commissioner Fuhs solicited Ms. Mulder to commit this offense he is an accomplice and this action is also barred by criminal law. AS 11.46.110. However, there is no doubt that, before providing this information for the public record, Commissioner Fuhs was aware or should have been aware of the illegal manner in which this information was obtained. A small amount of common sense on Commissioner Fuhs part should have led him to question why a confidential business document should be part of the public record.

Andy Lohman, Station Manager for KASH radio, confirmed with Higgins Corp. that Mr. Seibert had in fact faxed a copy of the media buy to Wendy Mulder. He has indicated that he is taking disciplinary action against his employee and is extremely upset that public officials of the state would engage in such behavior. Wendy Mulder also called me on April 8 to personally apologize for her actions. She admitted that she was wrong in obtaining the information in the manner she did, and apologized for the violation. Ms. Mulder also stated that things had gotten way out of hand in Juneau and that she should have objected and refused to participate.

Commissioner Fuhs on the other hand has refused to admit that the actions of his staff were improper. More amazingly, Fuhs even lied on a recent live radio broadcast about what actually occurred. On April 9, Commissioner Fuhs was a guest on the Fritz Pettijohn radio talk show in Anchorage. During the broadcast, in response to a question about how the information was obtained, Fuhs stated: "Uh, when we heard that this ad was coming out, and we wondered who are Alaskans for Less Gaming, we just called up and said, uh, who's placing the ads. We just called the station and they said well, we'll send you a copy of it." That statement is a lie and Commissioner Fuhs knew it at the time he uttered it. I have attached a copy of the transcript and I also have a tape recording of the broadcast, should you desire to hear it.

The fact is, I had spoken with Commissioner Fuhs on April 8 and he had confirmed that he knew that his staff had obtained the document through other means - namely by using a friendship to break into a private file. During that conversation, I asked the Commissioner what aspect of the radio ad was inaccurate or not truthful. Fuhs responded: "We are not

Governor Walter J. Hickel

April 20, 1993

page 4

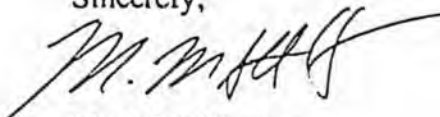
contesting the accuracy of the ad, we just want to know who you did it for -- did you do it for Prevo?" I informed the Commissioner that I was not at liberty to disclose that information, but that the real issue was the debate on the merits of the legislation and not who raised concerns about its implications.

Other employees under the direction of Commissioner Fuhs also assisted in this unlawful information search. On Wednesday April 8, a radio station account executive called Higgins Corp. to inform us that a Ms. Susan Rider had called them. They indicated that Ms. Rider stated she was representing the Alaska Public Offices Commission and that she was requesting information about the media buys from Alaskans for Less Gaming. The stations refused to provide the information because it is confidential and a clear violation of their client's right to privacy. In truth Susan Rider was not an employee of APOC. Susan Rider is employed as a floater with Administrative Services and is presently assigned to assist the Special Assistant to Commissioner Fuhs, Cindy Roberts. She called these stations at the request of her superior, which she named to Higgins Corp. as Cindy Roberts. When confronted Rider stated to me that she did tell the account executive she was "gathering information for the APOC." She claimed that she informed the station that she worked for DCED, but the station maintains that she did not and that the call was recorded as a call from the APOC. Such misrepresentations are at a minimum deceptive tactics, and are clearly inappropriate actions for public officials to engage in.

I believe that Commissioner Fuhs actions taken in total demonstrate a clear abuse of office barred at least by AS 11.56.850 and potentially a violation of several of our state's criminal laws.

Throughout my relationship with Commissioner Fuhs and the Department of Commerce, I have continued to conduct myself professionally. I have always been up-front with the Commissioner and have limited my disagreements with him to the merits of the legislation. I have never acted to impugn his name or his reputation. It is obvious that he has not acted with the same common decency or professional decorum. Indeed his recent actions appear to be both unethical and unlawful.

Sincerely,



Mark M. Higgins

President

Enclosures

cc: Representative Ramona Barnes

DEPARTMENT OF COMMERCE' ACTIONS ON CHARITABLE GAMING
CHRONOLOGY OF EVENTS

1. March 31. Commissioner Fuhs held a press conference to announce the Governor's support for gaming legislation and released a press release that wrongly implicated my client. The press release incorrectly stated that I represent an organization that attempted to gain improper expenses from charities. This is completely untrue. Commissioner Fuhs attributed wrong-doing to my client that properly rests with the Charitable Games Association of Alaska, an organization represented by Mr. Mitch Gravo. When I confronted Commissioner Fuhs, he admitted the press release was wrong. He apologized for this mistake and said the misinformation came from the Governor's office. I accepted the Commissioner's apology.

2. April 7. Alaskan for Less Gaming radio spot ran in Anchorage.

3. April 7, 3:00 p.m. At the direction of Commissioner Fuhs, Wendy Mulder, Legislative Liaison for the Department of Commerce, contacted a friend Craig Seibert, an Account Executive at KASH radio in Anchorage. Mr. Seibert plays softball with Wendy and her husband Representative Eldon Mulder each summer. Ms. Mulder requested that Seibert go into the confidential file at KASH Radio to determine who placed media buys for the organization Alaskans for Less Gaming. This information is confidential between a radio station and the company who placed the buy. More importantly, this document is private property belonging to Higgins Corporation. Without the permission of the radio station owner or Higgins Corporation, Seibert then copied the media buy and faxed it to Mulder at approximately 3:30 p.m. Mulder's and Seibert's actions constitute theft. AS 11.46.100-110. If Commissioner Fuhs solicited Ms. Mulder to commit this offense, he is an accomplice and this action is also barred by criminal law. AS 11.46.110.

4. April 7, 6:15 p.m. Commissioner Fuhs testifies before the Senate Finance Committee and releases the media buy into the public record at a state-wide teleconference on SB 76. This is completely private information that in no way should be part of the public record: one, because it was stolen and two, because its disclosure is not authorized by law. This improper disclosure is a possible violation of AS 39.52.140(B).

5. Same time. Commissioner Fuhs read a document into the public record. In his public statement, Commissioner Fuhs wrongly accused Higgins Corporation of representing and sponsoring a group, Alaskans for Less Gaming, that has failed to register with APOC. He also made up the story that I was compensated by this group, that it is a front group for my client, and that this group is headquartered at Higgins Corporation. See Attachment B.

All of these accusations are completely untrue. Commissioner Fuhs has invented a scenario that has no basis in fact. If questioned he will not be able to show one element to prove this supposed conspiracy. That is because no conspiracy exists. I was contacted by a group, Alaskans for Less Gaming, that was

opposed to this bill. My office called APOC four times on their behalf to determine if they were required to file with APOC. We were repeatedly told they were not. All I did was place ads for this group. Neither did I lobby for them nor was I compensated by them. They are not headquartered at my office and in no way are they affiliated with my client the Alaska Charitable Games Association. I placed the Alaskans for Less Gaming ad for the simple reason that their ad had merit. In fact, it should be noted that SB 76 was eventually amended to address concerns raised by the ad.

6. April 7, 1993, 7:00 p.m. After confronting Mr. Seibert, Andy Le... Station Manager for KASH radio, confirmed with Higgins Corporation that Mr. Seibert in fact faxed a copy of the media buy to Wendy Mulder. This was the fax that Commissioner Fuhs later placed into the public record.

7. April 8, 1993, 12:00 p.m. Wendy Mulder called KASH and Higgins Corporation. She admitted that she specifically asked Mr. Seibert to go into a private file to obtain the media buy and fax it to her. She said her actions were completely inappropriate and she apologized for her role in this scheme by the Department of Commerce. She said that the situation in Juneau was entirely out of control and that the wrong-doing had gone beyond her.

8. April 8, mid-morning A radio station account executive called Higgins Corporation and informed my office that a Ms. Susan Rider had called them. He indicated that Ms. Rider stated she was representing the Alaska Public Offices Commission and that she was requesting information about the media buys from Alaskans for Less Gaming. The stations refused to provide the information because it is confidential and a clear violation of their client's right to privacy. In truth Susan Rider was not an employee of APOC. Susan Rider is employed as a floater with Administrative Services and is presently assigned to assist the Special Assistant to Commissioner Fuhs, Cindy Roberts. Rider called these stations at the request of her superior, which she named to Higgins Corporation as Cindy Roberts. When confronted Rider stated to Higgins Corporation that she did tell the account executive she was "getting information for the APOC."

Such misrepresentation are at a minimum deceptive tactics, are clearly inappropriate activities for public officials to engage in. Commissioner Fuhs is having state employees lie about who they represent in order to gain just one more piece of nonexistent evidence for his supposed conspiracy. It is just one more example to demonstrate that the Department of Commerce, under the direction of Commissioner Fuhs, has lost complete perspective on what is appropriate conduct for a government agency.

9. April 8, 1:30 p.m. Commissioner Fuhs distributed another press release, full of even more misinformation. He wrongly accused my client of having a close relationship with Alaskans for Less Gaming and of paying for Alaskans for Less Gaming radio ad. He again lied by stating that I sponsor and fund Alaskans for Less Gaming. Lastly he impugned my client, and wrongly charged that my client "wants to extract a pound of flesh from the charities." See Attachments C and D.

First, my client is in no way affiliated with Alaskans for Less Gaming and in no way should be a subject of a press release concerning Alaskans for Less Gaming. Second, the Commissioner's remarks against

my client are not consistent with his written comments to Chip Thoma. In the attached note, Commissioner Fuhs applauds my client and states they run "one of the cleanest operations" in the gaming industry. In short, Commissioner Fuhs has attempted to reconstruct history and make anyone who opposes some of the provisions in his gaming expansion bill the subject of public lambasting. This is not conduct befitting a public official.

10. April 9, 4:00 p.m. KENI Radio Commissioner Fuhs lied during a radio interview about how the Department of Commerce received the media buy. He stated "when we heard that this ad was coming out, and we wondered who are Alaskans for Less Gaming, we just called up and said, who's placing the ads. We just called the station and they said well, we'll just send you a copy of it." See Attachment E. Commissioner Fuhs' rendition is completely untrue. The truth is he had his assistant, Ms. Mulder take advantage of a personal friend, have that friend steal private property, and then have a facsimile of that private property sent to the Commissioner. Every culprit in this offense, except Commissioner Fuhs, has admitted their wrong-doing.

11. April 14 and 15. Commissioner Fuhs has continued to state that the majority of bars are already selling pull-tabs, and that the gaming bills will not cause any expansion in gaming. ACGA contacted 295 locations in the Municipality of Anchorage that would be able to sell-tabs if SB 76 becomes law to see if Commissioner Fuhs was misrepresenting himself when he said the majority of bars already sell pull-tabs. Of those 295 locations, only 30 currently sell pull-tabs (Just 10%). Commissioner Fuhs was wrong. Gambling potentially could grow one hundred fold. Commissioner Fuhs had neglected to state that SB 76 authorizes the sale of pull-tabs not only in bars, but in restaurants with wine and beer licenses, in liquor stores, in hotels with liquor licenses, and possibly even at sporting events. On April 16, after wide release of ACGA research, the Senate Finance amended the bill to address this concern.

GREAT NEWS!

The Lab Called...
Your Brain
Is Ready

Chip - this bill
as structured would
not take Higgins
out - they are one of
the cleanest operators
so they we don't have
a problem with
them.

Fuchs

"LESS" LOBBYING HARD FOR MORE

The opponents of the CSSB 76 must be getting worried that gaming reform legislation is gaining momentum in the House. The Senate has already moved the bill.

This afternoon's airwaves in Anchorage carried the following announcement paid for by "Alaskans for Less Gaming":

If you're concerned about the future of Alaska's children, please listen to this ad. In the next few days, our State Senate will vote on the bill that would dramatically increase gambling in Alaska. The bill would authorize the sale of pull-tabs in every bar. It would allow a statewide lottery to be run on public radio and t.v. And, worst of all, it would put our children at risk by legalizing gambling not just in bars, but everywhere. In every mall, in every store, and easily within the reach of our children. The impact would be devastating. But, it's not too late and you can help by calling your legislators today and letting them know you oppose Senate Bill 76 . . . that use of alcohol, gambling and children don't mix. Send a free public opinion message by calling your legislative information office today. With so much at stake, let's make sure that our legislators know we're watching and that we cared enough to call.

The "ALASKANS FOR LESS GAMBLING" bought this time. This organization has no prior recognition or standing with APOC, but is clearly engaged in the lobbying efforts to kill pending legislation, specifically CSSB 76.

You might ask "why?". This is a fascinating case of "LESS IS MORE." The company which produced the ad and bought time on at least two Anchorage radio stations is in fact the Higgins Corp, owned by Mark Higgins. This is the same Mark Higgins who has run the political campaigns of several past and currently elected officials. . . . the same Mark Higgins who was paid more than \$65,000 in 1991 to lobby for the Alaska Charitable Gaming Association (ACGA).

The ACGA is a consortium of gaming operators, posing as a

association for "political, legal and lobbying" expenses. Coincidentally, the address of the ACGA is the same as Higgins Corp and is upstairs from the Alaska Bingo Management, the largest punch tab distributor and gaming operator in Alaska.

When the LESS phone number was checked, Higgins Corp (Debbie Higgins?) answered. The Higgins Corp voice allowed that they "sponsored" LESS.

Some operators are honorable businesses assisting in the fund-raising for true charities. ALASKANS FOR LESS GAMBLING is a very clear demonstration of charity money gone astray. The dark side is control.

Honest Alaskans who support fund-raising for true charities are at serious risk. This \$204 million industry is trying to protect itself.

This reform legislation must pass.

PRESS RELEASE

ATTACHMENT C

STATE OF ALASKA

DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT

PAUL FUHS
COMMISSIONER



For Information Contact:

Department of Commerce
& Economic Development
P.O. Box 110800
Juneau, Alaska 99811-0800
(907) 465-2500

Please disregard earlier versions

FOR IMMEDIATE RELEASE

APRIL 8, 1993 1:30 pm

GAMING INTERESTS SPAWN NEW LOBBYING GROUP

The Anchorage-based "Alaskans for Less Gaming" made its debut on the airwaves in an effort to discourage support for the gaming reform legislation, SB 76.

Anchorage radio listeners were the first to hear a radio ad which has today gone statewide. The Department of Commerce and Economic Development confirmed the close linkage of the "Less" organization with the largest pull-tab and bingo operation association in the state.

The "Less" organization is in fact "sponsored" by Higgins Corp, a campaign, media and public relations firm. Mark Higgins of Higgins Corp, is the chief lobbyist for the Alaska Charitable Gaming Association (ACGA), a consortium of gaming operators. ACGA holds its own gaming permit, and also uses gaming proceeds from its members for political, legal and lobbying expenses.

Higgins' close financial ties to the ACGA are documented in reports to the Alaska Gaming Office. In 1991, Higgins received \$65,000 to lobby for the interests of the gaming industry. Higgins' ties are physical as well; he operates upstairs from Alaska Bingo Management, the largest single pull tab distributor and gaming operator in the state.

Higgins' clients, the opponents of SB 76, must see gaming reform legislation gaining momentum in the Legislature. The radio ad included the following:

. . . In the next few days, our State Senate will vote on the bill that would dramatically increase gambling in Alaska. The bill would authorize the sale of pull-tabs in every bar. It would allow a

- more -

statewide lottery to be run on public radio and TV. And, worst of all, it would put our children at risk by legalizing gambling not just in bars, but everywhere. In every mall, in every store, and easily within the reach of our children. . . . the use of alcohol, gambling and children don't mix . . .

The Gaming Program is part of the Department of Commerce and Economic Development.

Commissioner Paul Fuhs stated, "SB 76 is not an expansion of gaming -- everybody knows we already have pull-tabs in bars. What's really going on here is that the operators don't want the charities going to the vendors and receiving 50% of the net proceeds as required by SB 76.

"They want to force the charities through their operations where they will extract their pound of flesh and the charities will receive only 15% under current law."

"Some operators are honorable businesses assisting in the fund-raising for true charities. Alaskans for Less Gaming is a very clear demonstration of charity money gone astray," said Fuhs. "Honest Alaskans who support fund-raising for true charities need to support this bill. This \$204 million gaming industry is trying to protect itself."

####

OP - ED

Paul Fuhs, Commissioner
Department of Commerce and
Economic Development

465-2500

"LESS" LOBBYING HARD FOR MORE

The opponents of the CSSB 76 must be getting worried that gaming reform legislation is gaining momentum in the House. Yesterday afternoon's airwaves in Anchorage carried the following announcement:

If you're concerned about the future of Alaska's children, please listen to this ad. In the next few days, our State Senate will vote on the bill that would dramatically increase gambling in Alaska. The bill would authorize the sale of pull-tabs in every bar. It would allow a statewide lottery to be run on public radio and t.v. And, worst of all, it would put our children at risk by legalizing gambling not just in bars, but everywhere. In every mall, in every store, and easily within the reach of our children. The impact would be devastating. But, it's not too late and you can help by calling your legislators today and letting them know you oppose Senate Bill 76 . . . that use of alcohol, gambling and children don't mix. Send a free public opinion message by calling your legislative information office today. With so much at stake, let's make sure that our legislators know we're watching and that we cared enough to call.

The "ALASKANS FOR LESS GAMING" bought this time. This organization has no prior recognition or standing with APOC, but is clearly engaged in the lobbying efforts to kill pending legislation, specifically CSSB 76.

You might ask "why?". This is a fascinating case of "LESS IS MORE." The company which produced the ad and bought time on at least two Anchorage radio stations is in fact the Higgins Corp, owned by Mark

ATTACHMENT D

Higgins. This is the same Mark Higgins who has run the political campaigns of several past and currently elected officials. . . . the same Mark Higgins who was paid more than \$65,000 in 1991 to lobby for the Alaska Charitable Gaming Association (ACGA).

The ACGA is a consortium of gaming operators, posing as a "charity", who contribute some of the gaming proceeds to this association for "political, legal and lobbying" expenses. Coincidentally, the address of the ACGA is the same as Higgins Corp and is upstairs from the Alaska Bingo Management, the largest pull-tab distributor and gaming operator in Alaska.

When the LESS phone number was checked, Higgins Corp (Debbie Higgins?) answered. The Higgins Corp voice allowed that they "sponsored" LESS.

Some operators are honorable businesses assisting in the fund-raising for true charities. ALASKANS FOR LESS GAMING is a very clear demonstration of charity money gone astray. The dark side is control.

Honest Alaskans who support fund-raising for true charities are at serious risk. This \$204 million industry is trying to protect itself.

This reform legislation must pass.

DCED 465-2500

4/8/93

ATTACHMENT E


to this. I don't have the ability to answer the question because it would be a breach of my client confidence, and you know that as an attorney.

Fritz - I thought you were acting as a public relations expert here, placing ads, not as an attorney.

Mark - I'm glad you brought that up, because that's another aspect that I want to ask the Commissioner. Uh, the information that you're talking about was illegally obtained by his legislative assistant, who used a friendship with somebody at a radio station to pull a private file and have it faxed to Juneau, so the Commissioner could enter it into the record at a statewide teleconference. And, I would like to ask him if he thinks that's appropriate behavior for a state official to be in on. It was a completely, Fritz you work at a station there, it is a private file. It is not a public file - in, in compliance with the law. And, I would like to know how the Commissioner justifies a state, a top state official at his direction, breaking the law?

Fuhs - Well, I don't know that any law was broken here. It's certainly not illegal for them to give it. They don't have to give it. Uh, when we heard that this ad was coming out, and we wondered who are Alaskans for Less Gaming, we just called up and said uh, who's placing the ads. We just called the station and they said well, we'll send you a copy of it....

Mark - No, no, that is not at all accurate, Commissioner, and you know it. What happened is your assistant called a friend, who she plays softball with, and asked him to go into a private file and pull the property of both myself and the client involved and disclose that publically. Which is an absolute illegal act.

Fritz -  What, what statute are we talking about here, Mark?

Mark - Well, we're talking about general agency law, Fritz, you might check general business agency

law.

Fritz - No, what's the statute. You're talking about a criminal violation, here. Why don't you name the statute?

Mark - Well, you know, Fritz, we can get into that, I don't think that's...

Fritz - No, (ha, ha, ha). You know that if you're going to make accusations against a public official of breaking the law, I think the least thing you can do is tell him what law he's supposed to have broken.

Mark - Well, I think we'll get to that. I have complaint being drafted as we speak. But, but the point here, Fritz, let's not, let me ask him if he thinks that's appropriate behavior. They knew exactly what they were doing. The issue in all of this, is who is this group. The issue is the merits of the debate. The issue and, I am now being personally defamed by a Commissioner of Commerce because I disagree with him on the merits of a partic, particular aspects of legislation. That is a Nazi, Gestapo tactic...

Fritz - (ha, ha, ha)

Mark - I've had enough, I mean.....



NATIONAL MULTIPLE SCLEROSIS SOCIETY

ALASKA CHAPTER
511 WEST 4TH AVE. SUITE 101

(907) 563-1115 FAX (907) 562-6673
ANCHORAGE, AK 99503-6643

FAX SHEET

Number of pages: 1

DATE: 04/22/93

TO: Rep Brian Porter

AT: House of Representatives

FAX # 465-3834

FROM: I. Sk: Olsowski

MESSAGE

As you develop your position on the proposed legislation we ask you to keep in mind that for many non-profits, the income received from pull tabs is an essential part of their annual budget. As an example, our chapter receives 48% of its' gross income from the sale of pull tabs. All of the profits are received by the chapter, we utilize no operators and have only volunteers selling pull tabs for us. We make no political contributions, in fact we are prohibited from doing so. However, the proposed cancellation of all pull-tab gaming permits on December 31, 1993 will have dramatic and far-reaching affect on our operations. We would be forced to cut client services and reduce our staff.

Our chapter has long been aware of the potential for abuse with sales of pull tabs. We have worked hard to develop a custom software package to track the operations of each of our vendors. We diligently research each applicant who indicates a willingness to sell pull tabs for us. We have developed guidelines for the use of our vendors and we monitor our vendor standings on a monthly basis. In short, we have made every effort to conduct our pull tab operations in a professional manner with adequate safeguards for the vendor, the player, the state and the Society. We have recognized that gaming operations are by their nature labor intensive, and we have dedicated the resources to ensure to the best of our ability that they are run in a business like manner.

The reform legislation proposed under HB-168 and SB-76 will not adversely affect our operations, rather they will do a great deal to correct some of the more inequitable operator/permittee contracts that currently exist. We request that the sale of pull-tabs solely by a pull-tab ticket dispensing machine be deleted from the legislation or be made a matter of option. This request is made based on the comments about the equipment in question having a predisposition to malfunction, additionally we wish to save ourselves from the responsibility of obtaining and servicing such equipment. We ask your consideration and support of this amended legislation.

FISCAL NOTE

SUSAN

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. LS-SB-76 (En)

Revision Date: 4/16/93
 Title: AN Act Relating to Unaffiliated
 Sponsor: SEN DIERCK
 Requestor: FINANCE

Dept. Affected: D.O.R.
 BRU: Gaming Division
 Component: _____
 COMPONENT SERIAL NO. _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	77,400	77,400	—	—	—	—
TRAVEL	3,000	3,000	—	—	—	—
CONTRACTUAL						
SUPPLIES	500					
EQUIPMENT	8,000					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	86,900	80,400	80,400	—	—	—

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:	100,000	100,000	—	—	—	—
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	86,900	80,400	80,400	—	—	—
1006 GF/MHTIA						
Other						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact \$ 0

ANALYSIS: (Attach a separate page if necessary)

Personal Services. 1 EA Revenue Auditor IV
 1 time cost Equipment for Computer, desk etc.
 REVENUE Increase from Auditing of tax returns.

Prepared by: John Hansen
 Division: Gaming
 Approved by Commissioner: [Signature]
 Agency: _____

Phone: 5-2581
 Date: 4/17/93
 Date: 4-17-93

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 For further distribution information call the Governor's Legislative Office

April 7, 1993

Dear House Finance Committee Members:

During your recent hearings on HB 168, a gaming reform bill, Speaker Barnes requested Commissioner Paul Fuhs to provide you with a letter from me making clear my position on gaming in Alaska and proposed changes to state law.

Strictly as a moral issue, I do not believe that gambling and gaming are positive influences in society. I believe that the Alaskan people are capable of far greater achievements than profitable gaming and should continue to direct their energies toward other areas. However, realizing that gaming will continue to exist in Alaska for the short term, I believe measures exist and should be taken to improve the current situation.

In this regard, I support increasing the amount of net proceeds going to charities from gaming activities. I support getting gambling and its influences out of government, and I support increased regulation and enforcement for this industry.

Specifically, I support:

1. Increasing the percentage of net-gaming proceeds going to charities to 10 percent on bingo and 30 percent on pull-tabs. This change will prevent bingo losses from being written off against pull-tab revenues and will more than double the amount going to charities.
2. Prohibiting net-gaming proceeds from being used for campaign contributions directly to an individual or through a political party to an individual or to pay for lobbying expenses.
3. Prohibiting convicted felons from obtaining permittee or operator licenses.

House Finance Committee Members

April 7, 1993

Page 2

- 4. Authorizing charities to contract directly with the vendor rather than going through an operator, if 50 percent of the net proceeds from pull-tabs goes to the charity at the time of delivery.*
- 5. Requiring the department to approve contracts between charities and operators to prevent abuses.*
- 6. Requiring the licensing of out-of-state pull-tab distributors and increasing the standards for pull-tabs to those required by the National American Gaming Regulatory Association.*
- 7. I also support the action of the House Finance Committee in adding \$381,000 to the Department of Revenue budget to provide for more auditing and enforcement of gaming in Alaska.*

All of these measures will help clean up the gaming industry in Alaska and will ensure that more of the money goes to legitimate charities. I urge you to adopt these measures in the House version of the bill, and move it to the floor for a vote.

With best regards.

Sincerely,

S/S Walter J. Hickel

*Walter J. Hickel
Governor*

*bcc: House Speaker Ramona Barnes
Representative Carl Moses
Representative Brian Porter
Senator Steve Frank
Senator Drue Pearce
Commissioner Paul Fuhs*

*WJH/WO/DCED/BPM/pw
Gaming.ltr*

*0864/03
Gaming letter to legislature*

BILL'S of alaska

April 20, 1993

Representative Ramona Barnes
Speaker of the House
Alaska House of Representatives
State Capital Rm 204
Juneau, Ak 99801-1182

Dear Representative Barnes

VIA Fax 465-4565

Very soon, SB-76 should make its way from the Senate for House consideration. I urge swift action for PASSAGE of this important bill.

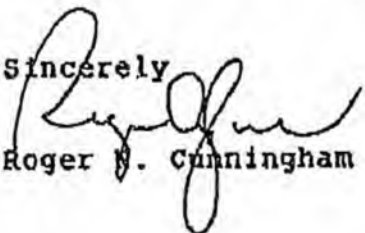
I must hasten to add that not every person who makes a living from charitable gaming is included in the groups who have attempted to scuttle this bill.

Because of other provisions of existing law, the very industry group that opposes this bill is using proceeds from charitable gaming to finance their point of view with a high-paid lobbyist and radio ads. This flies in the face of the intent of Alaska's Charitable Gaming Statutes and must be stopped. SB-76 would stop it.

Nothing in SB-76 is an "expansion" of gaming. It simply legitimizes 3rd party vendors which were made a gray area with the Attorney General's opinion in 1991. This bill would insure that gaming permit holders (non-profits and charities) get their fair share.

Reform of gaming statutes has been tried every session since the infamous "Gaming Reform Act of 1988" without success. Please, make 1993 the session of true, legitimate reform.

Sincerely


Roger N. Cunningham

April 9, 1993

Dear Friends,

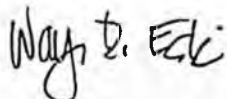
Reference: *New Gaming Regulations for Alaska*
HB-168 and SB-76
Commissioner Fuhs Letter of March 31, 1993.

As you develop your position on the proposed legislation we ask you to keep in mind that for many non-profits, the income received from pull tabs is an essential part of their annual budget. As an example, our chapter receives 48% of its' gross income from the sale of pull tabs. All of the profits are received by the chapter, we utilize no operators and have only volunteers selling pull tabs for us. We make no political contributions, in fact we are prohibited from doing so. However, the proposed cancellation of all pull-tab gaming permits on December 31, 1993 will have dramatic and far-reaching affect on our operations. We would be forced to cut client services and reduce our staff.

Our chapter has long been aware of the potential for abuse with sales of pull tabs. We have worked hard to develop a custom software package to track the operations of each of our vendors. We diligently research each applicant who indicates a willingness to sell pull tabs for us. We have developed guidelines for the use of our vendors and we monitor our vendor standings on a monthly basis. In short, we have made every effort to conduct our pull tab operations in a professional manner with adequate safeguards for the vendor, the player, the state and the Society. We have recognized that gaming operations are by their nature labor intensive, and we have dedicated the resources to ensure to the best of our ability that they are run in a business like manner.

The reform legislation proposed under HB-168 and SB-76 will not adversely affect our operations, rather they will do a great deal to correct some of the more inequitable operator/permittee contracts that currently exist. We request that the sale of pull-tabs solely by a pull-tab ticket dispensing machine be deleted from the legislation or be made a matter of option. This request is made based on the comments about the equipment in question having a predisposition to malfunction, additionally we wish to save ourselves from the responsibility of obtaining and servicing such equipment. We ask your consideration and support of this amended legislation.

Sincerely,



Wayne Eski
Board of Trustees
Alaska Chapter National Multiple Sclerosis Society

APR 12 1993



Alaska State Legislature

Please enter into the record my testimony to the S. FINANCE
 committee name
 committee on SB76, dated 4-7-93
 bill/subject

AS A NON-PROFIT GAMING PERMIT HOLDER
 WE FEEL IT IS APPROPRIATE TO COMMENT ON
 THIS BILL. KODIAK LIONS CLUB HAS BEEN SELLING
 PULL TABS FOR TWO YEARS IN KODIAK, ALASKA.
 WE PAY FOR ALL EXPENSES RELATED TO OUR
 PULL TAB OPERATION INCLUDING SPACE IN A
 LOCAL ESTABLISHMENT, EMPLOYEE PAYROLL,
 INSURANCE, TAXES, BOOKKEEPING EXPENSES &
 VARIOUS OTHER EXPENSES RELATED TO THIS VENTURE.
 WE HAVE BEEN RUNNING OUR PULL TAB OPERATION
 LIKE A BUSINESS & HAVE REALIZED A 40%
 PROFIT MARGIN OR MORE EVERY QUARTER
 SINCE WE BEGAN SELLING THEM. 100% OF
 OUR NET PROFIT GOES TO CHARITY, NEARLY
 ALL OF IT IN KODIAK. (CONT. ON PAGE 2)

Signed: [Signature]
 Testifier

KODIAK LIONS CLUB

Representing (Optional)

BOX 1735 KODIAK, AK 99615

Address

907-486-5448

Phone No.

ALTHOUGH THIS BILL WILL HAVE LITTLE IMPACT ON ~~OUR~~ OUR PULL TAB ACTIVITIES, THE POTENTIAL TO INCREASE PROFITS FOR OTHER CHARITIES IN THE STATE SHOULD MAKE THIS BILL ~~BE~~ VERY ATTRACTIVE TO THEM.

WITH ALL THIS IN MIND WE URGE YOU TO WORK OUT THE CONFLICTS WITH THIS BILL, (SB76) + HB 168, + PROCEED WITH GETTING THIS BILL PASSED AS SOON AS POSSIBLE.

RESPECTFULLY,

JEFF HARLMAN

KODIAK LIONS CLUB SECRETARY
MEMBER IN CHARGE OF GAMING

EMERALD ISLE

APR 12 1993

Store No. 1
Regency Court Mall
452 5379

Store No. 2
Campus Corner Mall
479-7397

Store No. 3
Washington Plaza Mall
479-5821

April 2, 1993

Senator Drew Pierce
Fairbanks, Alaska

RE: House Bill #168
Senate Bill #76

EMERALD ISLE PULL-TABS
3451 Airport Way
Washington Plaza Mall
Fairbanks, Alaska 99709

Dear Senator Frank:

It has come to my attention that the Nickle administration opposes Charitable Gaming and is attempting to put all gaming businesses "out of business" by using blackmail tactics to reinstitute the 40% of the adjusted gross payment issue.

Pull-Tabs is a retail business and we know it is nearly impossible to keep operational expenses within the 60% window that will be remaining.

Perhaps it would be wise to utilize current and correct financial reports issued by operators and permittees to outline questions and allow for public forums regarding the Charitable Gaming question.

Before putting operators out of business I believe the public wants and needs input and say on this issue. If we go out of business, what plan does the State of Alaska have for taking care of the financial needs of the Charitable Organizations that are so much a part of every community statewide.

We provide jobs, add substantial tax revenue to the state general fund, and provide a major portion of the budgets for the permittees.

EMERALD ISLE

Store No. 1
Regency Court Mall
452-5379

Store No. 2
Campus Corner Mall
479-7397

Store No. 3
Washington Plaza Mall
479-5821

State regulations in a continuous state of flux cause a great deal of accounting, but few operators complain about this cost. Rather, we gladly comply as do many others, in order to provide the funds for our permitted charitable work.

It is not out of the question to consider a slight raise from 15% to even as much as 25% but at 40% it would put Operators out of business.

Sincerely,

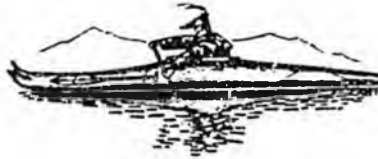


Lillian "Ruth" Shannon
Owner/Operator

LRS/dw

APR 12 1993

**Kodiak
Area
Native
Association**



402 Center Avenue
Kodiak, Alaska 99615
Phone (907) 486-5725

April 6, 1993

DRUE PEARCE
ALASKA STATE LEGISLATURE
STATE CAPITOL
JUNEAU AK 99801-1182

Dear Senator Pearce

We are strongly opposed to HB 168 and SB76 which would effectively shut down charities gaming. We recently obtained a grant to build and equip our Kodiak Area Native Association Cultural Museum. Without the income from the charities gaming we will not be able to pay staff to manage the project we have spent years planning and collecting artifacts for.

Charities gaming is responsible for funding many other important, necessary programs and charitable organizations which otherwise would not exist.

It is incomprehensible to us why anyone would want to do this. With the cutbacks of the State of Alaska budget it is likely that these programs won't be able to look there for continued funding.

Please take more time to think this through.

Sincerely

KODIAK AREA NATIVE ASSOCIATION
KELLY SIMEONOFF, JR., PRESIDENT

Kelly Simeonoff, Jr.
President

KS:kc

APR 12 1993

Grand Treasurer
Sarah Brazier
Box 321
Castle Rock, Washington 98611



Grand Secretary
Mary-Helen Carroll
347 So. 4th
Walla Walla, Was. .gton 99362

Altruistic Chairman
Hazel Campbell
723 'G' St.
Washougal, WA 98671

Grand Press Correspondent
Donna Waltrip
1828 S. 42nd
Tacoma, WA 98408

MARJORIE DALE
Grand Chief

PYTHIAN SISTERS OF WASHINGTON
1406 Zarvis Place
Anchorage, Alaska 99508

4-9-83

Dear Duce,

We need a law to keep track of all Bingo sheets sold? How many are being played and unaccounted for?

I endorse Roger Cunninghams amendment to ~~SB 76~~ I think this would help a lot.

Something else to think about Minnesota gives 25% of the total Gross to Charities and their expenses must come out of the remaining 75% as well as their profit.

Keep up the good work.

Sincerely

Marjorie Dale

EEK CITY COUNCIL
P.O. BOX 009
EEK, ALASKA 99578
(907) 536-5129
FAX (907) 536-5711

FAX COVER LETTER

Date 4-13-93 FAX No. 465-2864 Total pages w/ cover 3

Following pages are for Drue Pearce

Organization: Alk. St. Senate

From: EEK City Council

Additional Notes:

City Of Eek
Parks & Recreation
P.O. Box 21
Eek, Alaska 99578
(907) 536-5731

EEK CITY COUNCIL
P.O. BOX 009
EEK, ALASKA 99578
(907) 536-5129

Resolution #93-04

Joint Resolution by Eek Parks and Recreation Committee and Eek City Council of City of Eek Recognized under AS Title 29, opposing to HB168 and SB 76.

WHEREAS, Eek Parks and Recreation Committee and Eek City Council are strongly to ~~oppose~~ HB168 and SB76, since HB168 and SB76, ~~our~~ minimum return percentages so high it would effectively shut down charitable gaming in the State. SB76 will also contain similar high percentages that will kill charities, and

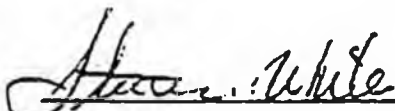
WHEREAS, additionally, these bills redefine qualified charities in a way that cuts out most organizations that are now holding permits, such as Eek Parks and Recreation Department of City of Eek, and

WHEREAS, we believe that the legislatures are effectively closing their ears to need for further testimony on the impact of HB168 and SB76, and

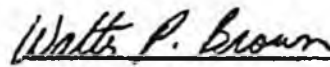
NOWHEREFORE BE IT RESOLVED, that the legislators take more time, and give us opportunity for more public testimony on this legislation, since gaming is so vital to the health of our charity, and

FURTHER IT BE RESOLVED, that the Eek Parks and Recreation Committee and Eek City Council request to our legislatures to oppose HB168 and SB76.

Passed this day _____ of April 1993 with the Constitute of Quorum with _____
Ayes _____ Naves.



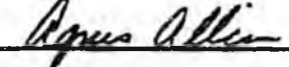
Steven White, Mayor
City Council



Walter P. Brown, Chairperson
Eek Parks and Recreation Committee

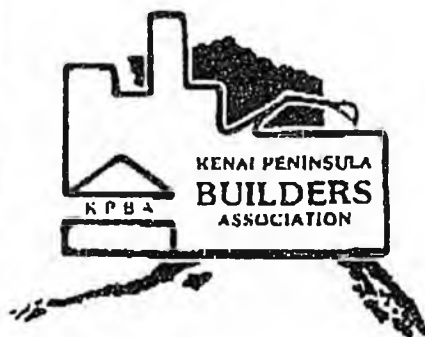
Attest: 

Fritz E. Petluska, City Clerk
Eek City Council

Attest: 

Agnes Allison, Secretary
Eek Parks and Recreation Committee

APR 12 1993

**MEMORANDUM**

TO: Senator Drue Pearce
FROM: Kenai Peninsula Builders Association
DATE: April 9, 1993
RE: Senate Bill No. 76 7

The Kenai Peninsula Builders Association respectfully requests the following modifications to SB 76, and thanks you in advance for your consideration of our suggestions.

Sec. 14. AS 05.15.150 (a)(2)

We request that the restriction on the use of net proceeds for lobbying efforts be limited to registered lobbyists. We thank you for suggesting this wording during yesterday's teleconference and urge that the legislation be amended to read:

(2) the use, directly or indirectly, of the net proceeds of the charitable gaming activity to support lobbying efforts BY REGISTERED LOBBYISTS before any level of government;

Sec. 23. AS 05.15.187 (i)

We suggest that the word operator be added to this section and that receipts for prizes of \$50 or more be required from all pull-tab sellers to aid in accountability.

Sec. 24. AS 05.15.188 (l)

We suggest that the use of pull-tab ticket dispensing machines be optional due to the high cost of the devices and the possible servicing problems that could occur.

The Kenai Peninsula Builders Association supports Senate Bill 76 and thanks you for sponsoring this responsible legislation!



Working for
Alaska's
Mental
Health

Alaska Mental Health Association

4050 Lake Otis Parkway, Suite 202 • Anchorage, Alaska 99508 • (907) 563-0880

February 10, 1993

Sen. Drue Pearce
Alaska State Capitol
Juneau, Ak 99801-1182

Dear Senator Pearce

I read in the Anchorage Daily News that you are sponsoring legislation that would bar convicted felons or those with illegal gambling convictions from participation in charitable gaming. On behalf of the Mental Health Association, this letter supports your efforts.

Over the past several years, AMHA has raised a substantial portion of its annual budget by the sale of pull-tabs in both "leased space" arrangements and with a commercial operator. Our revenues were severely curtailed by the ban on "3rd Party Vendors" in December, 1990. With the passage of your legislation, perhaps a sound, business-like 3rd party vendor bill would be possible.

We have explicit trust in those who operate under our permit. Over time however, we have been approached by a any number of operators and promoters offering fundraising opportunities "too good to be true...."

It is our sincere belief that some of those persons (who made "too-good-to-be-true" offers) are the very element your bill would seek to eliminate from charitable gaming in Alaska. We applaud your effort on our behalf.

Yours truly

G. Steven Durgan
Alternate-Member-In-Charge
Fund Raising Coordinator for Charitable Gaming



DIAMOND JIM'S ENTERPRISES

P.O. Box 2068 • Kodiak, AK 99615 • (907)488-3959

James L. Fisk Jr.
Chief Executive Officer

FEBRUARY 11, 1993

SENATOR DRUE PEARCE
STATE OF ALASKA DIST. "F"
CO-CHAIRPERSON FINANCE
JUNEAU, ALASKA 99801-1182
907-465-4993 OFFICE
907-465-3872 FAX

REFERENCE: SENATE BILL #76

DEAR SENATOR PEARCE:

THANKS, WHAT A BREATH OF FRESH AIR YOUR BILL WOULD BRING TO THE GAMES OF "CHANCE AND SKILL". ITS TOO LITTLE TO LATE IS NOT THE WORDS, ITS BETTER LATE THAN NEVER. THANKS AGAIN...

SENATOR, LOOKING AT THE HISTORY OF GAMBLING NATION WIDE (85%) OF THE ABUSERS ARE CONVICTED FELONS OR SECOND TIME OFFENDERS. BUT IN ALASKA SINCE THE GAMING REFORM ACT OF (1988) WAS PASSED THEIR HAS BEEN A PATTERN OF ABUSE BY FORMER FELONS OR ABUSERS OF THEFT OR DISHONESTY, OR VIOLATIONS OF MUNICIPAL, STATE, OR FEDERAL GAMBLING LAWS.

THE PERMITTEES HAVE BEEN TRYING FOR A NUMBER OF YEARS TO GET THE LEGISLATURE TO BAN THAT TYPE OF ACTIVITIES DESCRIBED IN YOUR BILL NO.76, WITH NO AVAIL.

SENATOR PEARCE AND THE REST OF THE LEGISLATURE MUST LISTEN TO THE PERMITTEES WHO ARE THE ONES THAT HOLD THE RIGHT TO DO GAMING IN ALASKA, AND MUST NOT ALLOW ANY STRONG INFLUENCE FROM ANY POLITICAL, OR POLITICAL ORGANIZATIONS WHO MY RECEIVE ANY CONTRIBUTION, OR PROCEEDS FROM ANY GAMING ACTIVITIES LICENSED TO OPERATE IN THE STATE OF ALASKA.

TO IN SURE THAT THIS BILL PASSES THE EIGHTEENTH LEGISLATURE-FIRST SESSION WE AS PERMITTEES WILL DO EVERYTHING POSSIBLE IN SUPPORTING YOUR BILL AND OTHER AMENDMENTS THAT WILL AID TO A BETTER GAMING INDUSTRY IN ALASKA.

SINCERELY,


JAMES L. FISK JR.

Diamond Jim's Harvester Inn
1223 Mill Bay Road
(907)486-4428

P.S. Ribbon last night, none
in stock at office sorry.

Office
(907)488-3959
(907)488-7088
FAX (907)488-7099

Fisk's Trucking
3728 Otnelci Way
(907)488-3959

TOKSOOK BAY TRADITIONAL COUNCIL
 P.O. Box 37048
 Toksook Bay, Alaska 99637
 Phone: 427-7114 - FAX: 427-7714

M E M O R A N D U M

TO: Senator Al Adams
 Senator George Jacko
 Rep. Richard Foster
 Rep. Lyman Hoffman
 FROM: James R. Charlie, Sr., Exec. Dir. & CEO
 DATE: April 5, 1993
 SUEJ: SB 76 and HB 168

In reference to SB 76 and HB 168, I would like to draw to your attention the heavy impact the new charitable gaming regulations will have on organization like ours.

With declining State and Federal fund capital projects and assistances, the State should not burden small villages like ours who relies on income received for day to day operation of the offices. Toksook Bay is not the only village that relies on income from charitable gaming activities. Almost, if not all, all communities depends heavily on income from charitable games and high return percentage will definitely wipe out many operations which are really the life lines of very existence of tribal governments. Due to the complicated federal grants application procedures, many of the village program proposals are not usually accepted for funding but very few.

We understand that HB 168 sets minimum return percentages so high it would effectively shut down charitable gaming in the state. SB 76 will also contain similiar high percentages that will kill charities. Additionally, these bills redefine "qualified" charities in a way that cuts out most organizations like ours that are now holding permits. As a result, we request that an opportunity for testimonies from charitable gaming permit holders be allowed and gave us more time to collaborate on this important issue. Interim hearings on these bills are highly recommended as the change in regulations will affect many rural Alaskan villages.

cc: Governor Walter J. Hickel
 Rep. Carl Moses
 Senator Drue Pearce
 Senator Robin Taylor

Post-It™ brand fax transmittal memo 7971 # of pages 1

To <i>Drue Pearce</i>	From <i>James Charlie</i>
Co.	Co.
Dept.	Phone # <i>427-7114</i>
Fax # <i>465-3872</i>	Fax # <i>427-7114</i>



March 31, 1991

Dear State Representative or State Senator:

This letter is to express our strong opposition to HB 168 and SB 76 which have currently been introduced to the House and Senate. As a permit holder, we urge you to please not rush these bills through, and allow time for more public testimony.

We would also like the opportunity to testify on these bills and ask for interim hearings on HB 168 and SB 76.

HB 168 sets minimum return percentages so high it would effectively shut down charitable gaming in the state. SB 76 also contains similar high percentages that will kill charities. Additionally, these bills redefine "qualified" charities in a way that cuts out most organizations that are now holding permits.

In your haste to pass legislation, please don't close your ears to the need for further testimony on the impact of these bills.

We are the Anchorage Sports Association, Inc. and, a non-profit organization that has held a gaming permit for ten (10) years.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Hill".

Debbie L. Hill
Member-In-Charge of Games

Alaska State Legislature

During Interim:
3111 C Street, Suite 150
Anchorage, AK 99503-3925
(907) 561-2038
Fax (907) 561-4194



During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-4993
Fax (907) 465-3872

Senator Drue Pearce
District F

To: Representative Brian Porter, Chairman
House Judiciary Committee

From: Senator Drue Pearce *Drue Pearce*

Date: April 22, 1993

Re: The Gambling Limitation Act of 1993

There are many rumors about this legislation. While this bill may seem long and complex, it is really very simple. It does two main things. It increases the amount of money going to charitable nonprofits and it prevents the criminal element from gaining a foothold in our state gaming industry. It does this without increasing gambling in Alaska.

This bill restricts the ways profits derived from gaming may be used. Rather than allowing the current diversion of gaming profits to the political campaigns of politicians, this bill benefits charities by increasing their guaranteed percentage of return from gaming activities. It permissively allows charities alternatives to placing their permits with "for profit" operators. The bill does shift the flow of money in favor of the charities. It gives nonprofits additional avenues by which to generate money using their permits while restricting the activities of "for profit" operators.

The bill I originally introduced:

- 1) Prevents criminal elements from gaining a foothold in Alaskan gaming by denying some felons access and controlling the access of others. If an individual has been convicted of a crime that was a class A felony, unclassified felony, or a crime involving theft, dishonesty, or gambling laws within the state of Alaska, or any other jurisdiction, than this individual would be prohibited for life from involvement with gaming in any supervisory or managerial capacity. This bill also allows the department some discretion for people convicted of lessor crimes after 10 years have passed.
- 2) Disallows the use of bingo or pull-tab net proceeds for direct political contributions to candidates. All nonprofits, including political parties and labor organizations, would still be allowed to hold permits and

use their proceeds for administrative expenses or other uses. They could also still use raffles and other permitted games to earn money which could then be used for direct contributions to candidates.

3) The Finance CS adds:

- a) A prohibition against using net proceeds to directly or indirectly pay registered lobbyists for any reason.
- b) Third party vendor language. This language permissively allows charitable organizations direct profitable alternatives to placing their permits with "for profit" operators. Permittees who operate their own permits often double their net proceeds. The bill allows permittees to contract with vendors to sell pull-tabs for the permittee. Vendors would be required to pay permittees 50% of the ideal net proceeds to the permittee when the pull-tabs are delivered to the vendor. Vendors are limited to those facilities that possess a package store license or a beverage dispensary license granted by the ABC board. Those facilities possessing the beverage dispensary license and granted a restaurant designation by the ABC board would be restricted to selling pull-tabs only in those areas off limits to minors.
- c) Multiple beneficiary permit language. This language allows the Department to issue permits authorizing 2 to 6 permittees to jointly operate their permits. This benefits permittees who band together by allowing them to hire a management team to run their games that is answerable only to them. They would have direct hire and dismissal authority. Currently there are more permittees seeking to place their permits with operators than there are operators to run them. While most operators run honest businesses, there are those that do extort concessions beyond what most people would consider ethical.
- d) A requirement for the Department of Commerce to approve contracts between operators and permittees.
- e) Language that allows the Department to revoke a permit, license, or vendor registration upon proof that insider information was given or acted upon.
- f) A requirement that the Department license out-of-state manufacturers of pull tabs.
- g) A requirement that operators increase the return of net proceeds from pull-tabs to charities from 15% to 30%. The return on other gaming activities is increased from 0% to 10%.

Under existing law pull-tabs can be sold in bars and liquor stores, but current statute does not provide clear guidelines for direct third party relationships between permittees and these facilities. The third party provisions contained in this bill provide for a reasonable licensing scheme for activities that are already occurring. Compliance within existing statute is currently difficult to regulate. This bill provides the department with the needed tools it needs to effectively regulate these third party activities.

601 organizations were issued 1,320 permits for pull-tabs. Of those 1320 permits to sell pull-tabs, 537 of them were issued to establishments which sell alcohol. Some establishments sell pull-tabs for numerous different organizations, thus one of these establishments could have several permits. Vendors are being defined to those establishments that are already able to sell or are already selling pull-tabs. All bars and package liquor stores in Alaska can currently sell pull-tabs, but many do not. Under this bill all bars and package liquor stores in Alaska can sell pull-tabs, but many will choose not to.

This bill does not expand gambling in Alaska. This bill does not put genuine charitable organizations out of business. It does not set unrealistic minimum returns to charities. It does not eliminate nonprofit charities from holding permits. Rather, it increases by 100% guaranteed pull tab receipts to charities. Every nonprofit now eligible stays eligible. And, they will be allowed to retain even greater proceeds if they become direct operators by placing their permit with a third party vendor.

I would urge you to immediately take action to pass this legislation on to its next committee of referral without amendment.

GREEN

AMENDMENT

OFFERED IN THE HOUSE

TO: CS for Senate Bill No. 76(FIN)

Prohibiting Pull Tabs in places of Alcohol consumption

Page 9, Line 22

delete "or" and insert "permitting pull tabs where liquor is consumed, or "renumber any following articles as appropriate"

A M E N D M E N T #6

OFFERED IN THE HOUSE
TO: CSSB 76(FIN)

Page 3, line 5, after " ; ":

Insert "relating to what is a 'qualified organization';"

Page 9, after line 25:

Insert a new bill section to read:

** Sec. 16. AS 05.15.150(a) is repealed and reenacted to read:

(a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the charitable gaming activity to the awarding of prizes to contestants or participants and to educational, civic, public, charitable, patriotic or religious uses in the state. "Educational, civic, public, charitable, patriotic, or religious uses" means uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life, or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or by erecting or maintaining public buildings or works, or lessening the burden on government, but does not include

(1) the direct contribution of proceeds of a bingo or pull-tab game to a candidate for a public office of the state or a political subdivision of the state or to that candidate's campaign organization;

(2) the payment of any portion directly or indirectly of the net proceeds of the charitable gaming activity to a lobbyist registered under AS 24.45; or

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

Renumber the following bill sections accordingly.

Page 14, after line 20:

Insert a new bill section to read:

**** Sec. 30.** AS 05.15.210(29) is amended to read:

(29) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, veterans, labor, [POLITICAL,] or educational organization, police or fire department and company, dog mushers' association, outboard motor association, or fishing derby or nonprofit trade association in the state, that

(A) operates without profits to its members;

(B) [AND THAT] has been in existence continually for a period of three years immediately before applying for a license; and

(C) is described in 26 U.S.C. 501(c)(3) (Internal Revenue Code) and exempt from taxation under 26 U.S.C. 501(a) (Internal Revenue Code) [THE ORGANIZATION MAY BE A FIRM, CORPORATION, COMPANY, ASSOCIATION, OR PARTNERSHIP];"

Renumber the following bill sections accordingly.

Page 15, after line 25:

Insert a new bill section to read:

**** Sec. 33.** AS 05.15.210(27) is repealed."

Renumber the following bill sections accordingly.

Page 15, line 26:

Delete "12 and 16"

Insert "12, 16, 17, 30, and 33"

Page 15, line 28:

Delete "16"

Insert "17"

Page 15, after line 28:

Insert a new bill section to read:

"* Sec. 36. Sections 16, 30, and 33 of this Act take effect January 1, 1994."

A M E N D M E N T 7

OFFERED IN THE HOUSE

TO: CSSB 76(FIN)

Page 2, line 11:

Delete "30"

Insert "40"

Page 2, line 12:

Delete "70"

Insert "60"

Page 2, line 14:

Delete "10"

Insert "15"

Page 2, line 15:

Delete "90"

Insert "85"

Page 7, line 24:

Delete "30"

Insert "40"

Page 7, line 25:

Delete "10 [15]"

Insert "15"

Page 9, line 28:

Delete "70"

Insert "60"

Page 10, line 1:

Delete "90"

Insert "85"

AMENDMENT

8

OFFERED IN THE HOUSE

TO: CSSB 76(FIN)

Page 2, line 18:

Delete "50"

Insert "75"

Page 13, line 18:

Delete "50"

Insert "75"

A M E N D M E N T # 1

OFFERED IN THE HOUSE

TO: CSSB 76(FIN)

Page 1, lines 1 - 11:

Delete all material and insert:

""An Act prohibiting the sale, manufacture, or distribution of pull-tabs in the state;"

Page 1, line 12:

Delete "manufacturers;"

Page 2, line 4:

Delete "vendor,"

Page 2, line 5:

Delete "or venor"

Page 2, line 10, following "gaming":

Delete all material.

Page 2, lines 11 - 12:

Delete all material.

Page 2, line 13:

Delete "income from that activity;"

Page 2, line 15:

Delete "other than pull-tabs"

Page 2, line 16:

Delete "requiring a permittee"

Page 2, lines 17 - 19:

Delete all material.

Page 2, line 24:

Delete "license, or registration"

Insert "or license"

Page 3, line 1:

Delete "or pull-tab"

Page 3, line 10, through page 4, line 30:

Delete all material and insert:

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

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

LICENSEE, OR EMPLOYEE OF A PERMITTEE OR LICENSEE, OF A PERSON CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING THEFT OR DISHONESTY OR OF A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL GAMBLING LAW;

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

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

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

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

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

(11) [(12)] other matters the commissioner considers necessary to carry out this chapter or protect the best interest of the public."

Renumber the following bill sections accordingly.

Page 5, line 2:

Delete ", "

Insert "or [.]"

Page 5, lines 3 - 4:

Delete ", a registered vendor, or a person licensed to manufacture or to distribute pull-tabs in the state"

Insert [, OR A PERSON LICENSED TO MANUFACTURE OR TO DISTRIBUTE PULL-TABS IN THE STATE]

Page 5, following line 5:

Insert new bill sections to read:

"* Sec. 4. AS 05.15.095(a) is amended to read:

(a) The applications and reports to the department required by this chapter shall be signed under penalty of unsworn falsification by the following person, as applicable:

- (1) the member in charge for the qualified organization;
- (2) a person authorized to sign on behalf of the municipality; or
- (3) the operator or the operator's agent [;
- (4) THE LICENSED PULL-TAB DISTRIBUTOR OR THE DISTRIBUTOR'S AGENT; OR
- (5) THE LICENSED PULL-TAB MANUFACTURER OR THE MANUFACTURER'S AGENT].

* Sec. 5. AS 05.15.100(a) is amended to read:

(a) The commissioner may issue a permit to a municipality or qualified organization. The permit gives the municipality or qualified organization the privilege of conducting bingo, raffles and lotteries, [PULL-TAB GAMES,] ice classics, rain classics, goose classics, mercury classics, salmon classics, king salmon classics, dog mushers' contests, fish derbies, and contests of skill."

Renumber the following bill sections accordingly.

Page 5, line 20:

Delete ", or register as a vendor"

Page 5, line 26:

Delete "or vendor"

Page 5, line 27:

Delete "or vendor"

Page 5, line 28:

Delete ", "

Insert "or"

Page 5, line 29:

Delete ", or vendor"

Page 6, following line 31:

Insert a new bill section to read:

"* Sec. 11. AS 05.15.115(c) is amended to read:

(c) A permittee may not contract with more than one operator at a time to conduct the same type of activity. For the purposes of this subsection, bingo games, raffles, lotteries, [PULL-TAB GAMES,] ice classics, rain classics, goose classics, mercury classics, salmon classics, king salmon classics, dog mushers' contests, fish derbies, contests of skill, and all activities permitted under AS 05.15.100(b) are each a different type of activity."

Re-number the following bill sections accordingly.

Page 7, lines 14 - 17:

Delete all material.

Re-number the following bill sections accordingly.

Page 7, lines 24 - 25:

Delete "30 percent of the adjusted gross income, as determined under (1) of this subsection, from a pull-tab activity or at least"

Page 7, lines 26 - 27:

Delete "from a gaming activity other than pull-tabs."

Page 9, line 17:

Delete "or pull-tab"

Page 9, line 26:

Delete "new subsections"

Insert "a new subsection"

Page 9, lines 27 - 29:

Delete all material

Reletter the following subsection accordingly.

Page 9, line 31:

Delete "other than pull-tabs"

Page 10, line 3:

Delete ", LICENSE,"

Page 10, line 4:

Delete "VENDOR REGISTRATION"

Insert "LICENSE"

Page 10, line 5:

Delete ", license, or vendor registration"

Insert "or license"

Page 10, lines 6 - 7:

Delete ", licensee, or vendor"

Insert "or licensee"

Page 10, lines 10 - 11:

Delete ", licensee, or registered vendor"

Insert "or licensee"

Page 10, line 13:

Delete ", licensee, or vendor"

Insert "or licensee"

Page 10, line 15:

Delete ", licensee, or vendor"

Insert "or licensee"

Page 10, line 16:

Delete "or, in the"

Page 10, lines 17 - 21:

Delete all material

Insert "."

Page 10, line 22:

Delete "or vendor registration"

Page 10, line 23:

Delete "or vendor" in two places.

Page 10, line 24:

Delete "registration"

Page 10, following line 26:

Insert a new bill section to read:

** Sec. 19. AS 05.15.180(b) is amended to read:

(b) With the exception of raffles, lotteries, bingo games, [PULL-TAB

GAMES,] rain classics, goose classics, mercury classics, salmon classics, king salmon classics, and other activities authorized under AS 05.15.100(b), an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959."

Renumber the following bill sections accordingly.

Page 11, line 16, through page 13, line 23:

Delete all material.

Renumber the following bill sections accordingly.

Page 13, line 24:

Delete "a new section"

Insert "new sections"

Page 14, following line 11:

Insert a new section to read:

"Sec. 05.15.197. PULL-TAB GAMES PROHIBITED. (a) The sale, manufacture, or distribution of pull-tab games is prohibited.

(b) In this section, "pull-tab game" means a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random.

Page 14, line 15:

Delete "license, or vendor registration"

Insert "or license"

Page 14, lines 25 - 27:

Delete all material.

Renumber the following paragraphs accordingly.

Page 15, line 8:

Delete ";"

Insert "."

Page 15, lines 9 - 24:

Delete all material.

Page 15, line 25:

Delete "and 05.15.140(c)"

Insert "05.15.140(c), 05.15.181, 05.15.183, 05.15.184, 05.15.185, 05.15.187,
05.15.210(a), 05.15.210(28), and 05.15.210(34)"

Page 15, line 26:

Delete "12 and 16"

Insert "13 and 17"

Page 15, line 28:

Delete "12 and 16"

Insert "13 and 17"

A M E N D M E N T

2

OFFERED IN THE HOUSE

T(): CSSB 76(FIN)

Page 3, line 5, following "statutes":

Insert "providing communities with the authority by local option election to prohibit the sale of pull-tabs and the operation of pull-tab games within the community;"

Page 13, line 24:

Delete "a new section"

Insert "new sections"

Page 14, following line 11:

Insert new sections to read:

"Sec. 05.15.197. PROHIBITION OF THE SALE OF PULL-TABS. (a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with AS 05.15.198: "Shall the sale of pull-tabs and the operation of pull-tab games in (name of municipality or village) be prohibited? (yes or no)".

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, the department shall be notified immediately after certification of the results of the election and thereafter the department may not issue a license, permit, or vendor registration authorizing the sale of pull-tabs or the operation of pull-tab games within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of an established village. Existing licenses, permits, and vendor registrations for the sale of pull-tabs or the operation of pull-tab games within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality or within

the perimeter of an established village that has prohibited the sale of pull-tabs by local option election held under this section are void 90 days after the results of the election are certified. A license or vendor registration that will expire during the 90 days after the results of a local option election under this section are certified is void as of the expiration date.

Sec. 05.15.198. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a) The local governing body of a municipality, whenever a number of registered voters equal to at least 35 percent of the number of votes cast at the last regular municipal election petition the local governing body to do so, shall place upon a separate ballot at the next regular election or at a special election the question set out in AS 05.15.197 that is the subject of the petition. The local governing body shall conduct the election in accordance with the election ordinance of the municipality.

(b) The lieutenant governor, whenever 35 percent of the registered voters residing within an established village petition the lieutenant governor to do so, shall place upon a separate ballot at a special election the question set out in AS 05.15.197 that is the subject of the petition. The lieutenant governor shall conduct the election in the manner prescribed by AS 15 (Alaska Election Code).

(c) Notwithstanding any other provisions of law, an election under (a) or (b) of this section to remove a restriction on the sale of pull-tabs and the operation of pull-tab games imposed under AS 05.15.197 may not be conducted more than once every 12 months.

(d) AS 29.26.110 - 29.26.160 apply to a petition under (a) of this section in a general law municipality except the

(1) number of required signatures is determined under (a) of this section rather than under AS 29.26.130;

(2) application filed under AS 29.26.110 must contain the question set out under AS 05.15.197 rather than containing an ordinance or resolution;

(3) petition must contain the question set out under AS 05.15.197 rather than material required under AS 29.26.120(a)(1) and (2)."

Page 14, following line 21:

Insert a new paragraph to read:

"(36) "established village" means an unincorporated community that
is in

(A) the unorganized borough and that has 25 or more
permanent residents; or

(B) an organized borough, has 25 or more permanent residents;
and

(i) is on a road system and is located more than 50
miles outside the boundary limits of a unified municipality; or

(ii) is not on a road system and is located more than 15
miles outside the boundary limits of a unified municipality;"

Renumber the following paragraphs accordingly.

Page 14, following line 24:

Insert a new paragraph to read:

"(38) "governing body" has the meaning given in AS 29.71.800."

Renumber the following paragraphs accordingly.

A M E N D M E N T

#3

OFFERED IN THE HOUSE

TO: CSSB 76(FIN)

Page 3, line 5, following "statutes":

Insert "providing communities with the authority by local option election to prohibit charitable gaming within the community;"

Page 13, line 24:

Delete "a new section"

Insert "new sections"

Page 14, following line 11:

Insert new sections to read:

"Sec. 05.15.197. PROHIBITION OF CHARITABLE GAMING. (a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with AS 05.15.198: "Shall charitable gaming in (name of municipality or village) be prohibited? (yes or no)".

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, the department shall be notified immediately after certification of the results of the election and thereafter the department may not issue a license, permit, or vendor registration authorizing charitable gaming within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of an established village. Existing licenses, permits, and vendor registrations for charitable gaming within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of an established village that has prohibited charitable gaming by local option election held under this section are void 90 days after the results of the election are certified. A license or vendor registration that will

expire during the 90 days after the results of a local option election under this section are certified is void as of the expiration date.

Sec. 05.15.198. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a) The local governing body of a municipality, whenever a number of registered voters equal to at least 35 percent of the number of votes cast at the last regular municipal election petition the local governing body to do so, shall place upon a separate ballot at the next regular election or at a special election the question set out in AS 05.15.197 that is the subject of the petition. The local governing body shall conduct the election in accordance with the election ordinance of the municipality.

(b) The lieutenant governor, whenever 35 percent of the registered voters residing within an established village petition the lieutenant governor to do so, shall place upon a separate ballot at a special election the question set out in AS 05.15.197 that is the subject of the petition. The lieutenant governor shall conduct the election in the manner prescribed by AS 15 (Alaska Election Code).

(c) Notwithstanding any other provisions of law, an election under (a) or (b) of this section to remove a restriction on charitable gaming imposed under AS 05.15.197 may not be conducted more than once every 12 months.

(d) AS 29.26.110 - 29.26.160 apply to a petition under (a) of this section in a general law municipality except the

(1) number of required signatures is determined under (a) of this section rather than under AS 29.26.130;

(2) application filed under AS 29.26.110 must contain the question set out under AS 05.15.197 rather than containing an ordinance or resolution;

(3) petition must contain the question set out under AS 05.15.197 rather than material required under AS 29.26.120(a)(1) and (2)."

Page 14, following line 21:

Insert a new paragraph to read:

"(36) "established village" means an unincorporated community that is in

(A) the unorganized borough and that has 25 or more permanent residents; or

(B) an organized borough, has 25 or more permanent residents;
and

(i) is on a road system and is located more than 50 miles outside the boundary limits of a unified municipality; or

(ii) is not on a road system and is located more than 15 miles outside the boundary limits of a unified municipality;"

Renumber the following paragraphs accordingly.

Page 14, following line 24:

Insert a new paragraph to read:

"(38) "governing body" has the meaning given in AS 29.71.800."

Renumber the following paragraphs accordingly.

AMENDMENT

OFFERED IN THE HOUSE

TO: CS for Senate Bill No. 76 (FIN)

Page 1, Line 1 Delete all material through line 6, page 3 and insert:
"Anti-Gambling Statute"

Page 3, Line 8 through Line 27, Page 15, delete all material and
insert:

"All gambling of any form in which prizes, money, indentured
servitude, or other form of remuneration if involved, is forbidden
within the State of Alaska.

A M E N D M E N T

#21

OFFERED IN THE HOUSE
TO: CSSB 76(FIN)

Page 1, line 5, following "store license":

Delete all material.
Insert ";

Page 2, line 24, following "registration;":

Insert "prohibiting charitable gaming from occurring at any place with an alcoholic beverage license or permit except for a place holding a package store license;"

Page 13, line 24:

Delete "a new section"
Insert "new sections"

Page 14, following line 11:

Insert a new section to read:

"Sec. 05.15.197. CHARITABLE GAMING PROHIBITED AT CERTAIN PLACES WITH AN ALCOHOLIC BEVERAGE LICENSE OR PERMIT. Notwithstanding any other provision of law, a charitable gaming activity may not be conducted at a place with an alcoholic beverage license or permit except for a place holding a package store license."

Page 15, lines 14 - 23:

Delete all material.

Page 15, line 24:

Delete "(ii)"

AMENDMENT

45

OFFERED IN THE HOUSE

TO: CSSB 76(FIN)

Page 3, lines 3 - 4:

Delete "charitable gaming activity"

Insert "bingo or pull-tab game"

Page 9, line 21:

Delete "the charitable gaming activity"

Insert "a bingo or pull-tab game"

A M E N D M E N T

OFFERED IN THE HOUSE
TO: HCS CSSB 149(L&C)

Page 24, after line 27:

Insert a new subsection to read:

"(d) Notwithstanding any other provision of law, a state bank may not purchase, establish, or operate a subsidiary that engages in the business of insurance or real estate brokerage. However, a subsidiary that is owned or operated by a state bank and that engages in the business of title insurance on or before January 1, 1993 as a subsidiary of that bank may continue to engage in that business as a subsidiary of that bank after January 1, 1993."

BILL'S of alaska

April 23, 1993

Representative Brian Porter, Chairman
House Judiciary Committee
Alaska House of Representatives
State Capital
Juneau, Ak 99801-1182

Dear Representative Porter 3834
VIA Fax 465-3837

Once again, I'm pleased that SB-76 has been scheduled for hearing before the Judiciary and Finance Committees. I urge that the bill be given "DO PASS" and be brought to the floor for a vote.

I fear that the any further fine-tuning may delay the bill's opportunity to be voted upon by the entire house. I steadfastly believe that the bill as written, is in acceptable form to every legitimate permittee, distributor, and operator...and regulators in the Department of Commerce and Economic Development.

As you are aware, some industry members are attempting to defeat this needed reform bill and are bringing influence personally in Juneau today. They're using GAMING MONEY to finance it!

These same people were responsible for the shabby statutes that Charitable Gaming has operated under since 1988. As you may recall, the "Gaming Reform Act of 1988" was written by the sleaziest elements in this industry with Representative Dave Donley's considerable assistance.

Why, for instance, is there NO RINGO ACCOUNTABILITY in current statutes?

Why, for instance, is it possible for a "gaming industry group" to hold a gaming permit, raise \$75,000, and spend it on a high-priced lobbyist and radio ads to defeat needed reform?

You have a strong sense of right vs: wrong and fair play. I urge you to do the right thing on behalf of legitimate charities and non-profits and make the first meaningful change to gaming law in 5 years. At the same time, legitimate businesses that supply the permittees with product welcome the added accountability and integrity this bill provides.

Most operators don't like this bill because it stops legal thievery and extortion at the expense of the non-profits whom the law intended to be the beneficiary.

Legitimate gaming interests are "the little people" and they can't afford the kind of political pressure that you are being subjected to today. I URGE THAT YOU REJECT THAT PRESSURE and support needed reform.....its the right thing to do



Alaska State Legislature

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During Session:
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Senator Drue Pearce District F

Sponsor Statement for CS for Senate Bill 76 (Fin)

The Gambling Limitation Act of 1993

There are many rumors about this legislation. While this bill may seem long and complex, it is really very simple. It does two main things. It increases the amount of money going to charitable nonprofits and it prevents the criminal element from gaining a foothold in our state gaming industry. It does this without increasing gambling in Alaska.

This bill restricts the ways profits derived from gaming may be used. Rather than allowing the current diversion of gaming profits to the political campaigns of politicians, this bill benefits charities by increasing their guaranteed percentage of return from gaming activities. It permissively allows charities alternatives to placing their permits with "for profit" operators. The bill does shift the flow of money in favor of the charities. It gives nonprofits additional avenues by which to generate money using their permits while restricting the activities of "for profit" operators.

The bill I originally introduced:

- 1) Prevents criminal elements from gaining a foothold in Alaskan gaming by denying some felons access and controlling the access of others. If an individual has been convicted of a crime that was a class A felony, unclassified felony, or a crime involving theft, dishonesty, or gambling laws within the state of Alaska, or any other jurisdiction, than this individual would be prohibited for life from involvement with gaming in any supervisory or managerial capacity. This bill also allows the department some discretion for people convicted of lessor crimes after 10 years have passed.
- 2) Disallows the use of bingo or pull-tab net proceeds for direct political contributions to candidates. All nonprofits, including political parties and labor organizations, would still be allowed to hold permits and use their proceeds for administrative expenses or other uses. They could also still use raffles and other permitted games to earn money which could then be used for direct contributions to candidates.

- 3) The Finance CS adds:
- a) A prohibition against using net proceeds to directly or indirectly pay registered lobbyists for any reason.
 - b) Third party vendor language. This language permissively allows charitable organizations direct profitable alternatives to placing their permits with "for profit" operators. Permittees who operate their own permits often double their net proceeds. The bill allows permittees to contract with vendors to sell pull-tabs for the permittee. Vendors would be required to pay permittees 50% of the ideal net proceeds to the permittee when the pull-tabs are delivered to the vendor. Vendors are limited to those facilities that possess a package store license or a beverage dispensary license granted by the ABC board. Those facilities possessing the beverage dispensary license and granted a restaurant designation by the ABC board would be restricted to selling pull-tabs only in those areas off limits to minors.
 - c) Multiple beneficiary permit language. This language allows the Department to issue permits authorizing 2 to 6 permittees to jointly operate their permits. This benefits permittees who band together by allowing them to hire a management team to run their games that is answerable only to them. They would have direct hire and dismissal authority. Currently there are more permittees seeking to place their permits with operators than there are operators to run them. While most operators run honest businesses, there are those that do extort concessions beyond what most people would consider ethical.
 - d) A requirement for the Department of Commerce to approve contracts between operators and permittees.
 - e) Language that allows the Department to revoke a permit, license, or vendor registration upon proof that insider information was given or acted upon.
 - f) A requirement that the Department license out-of-state manufacturers of pull tabs.
 - g) A requirement that operators increase the return of net proceeds from pull-tabs to charities from 15% to 30%. The return on other gaming activities is increased from 0% to 10%.

Under existing law pull-tabs can be sold in bars and liquor stores, but current statute does not provide clear guidelines for direct third party relationships between permittees and these facilities. The third party provisions contained in this bill

provide for a reasonable licensing scheme for activities that are already occurring. Compliance within existing statute is currently difficult to regulate. This bill provides the department with the needed tools it needs to effectively regulate these third party activities.

601 organizations were issued 1,320 permits for pull-tabs. Of those 1320 permits to sell pull-tabs, 537 of them were issued to establishments which sell alcohol. Some establishments sell pull-tabs for numerous different organizations, thus one of these establishments could have several permits. Vendors are being defined to those establishments that are already able to sell or are already selling pull-tabs. All bars and package liquor stores in Alaska can currently sell pull-tabs, but many do not. Under this bill all bars and package liquor stores in Alaska can sell pull-tabs, but many will choose not to.

This bill does not expand gambling in Alaska. This bill does not put genuine charitable organizations out of business. It does not set unrealistic minimum returns to charities. It does not eliminate nonprofit charities from holding permits. Rather, it increases by 100% guaranteed pull tab receipts to charities. Every nonprofit now eligible stays eligible. And, they will be allowed to retain even greater proceeds if they become direct operators by placing their permit with a third party vendor.

CS FOR SENATE BILL NO. 76(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR PEARCE

A BILL

FOR AN ACT ENTITLED

1 "An Act requiring regulations relating to pull-tabs to be consistent with North
2 American Gaming Regulators Association standards on pull-tabs to the extent
3 permitted by charitable gaming laws; allowing permittees to contract with vendors
4 to sell pull-tabs on behalf of the permittee at an establishment holding a package
5 store license and certain establishments holding a beverage dispensary license;
6 allowing municipalities to prohibit vendors from conducting gaming activities within
7 the municipality; restricting the purchase of pull-tabs by permittees, licensees, and
8 vendors and their owners, managers, and employees; requiring receipts before
9 prizes of \$50 or more may be awarded in pull-tab games; prohibiting distributors
10 from supplying pull-tabs to vendors; requiring the registration of vendors and
11 regulating activities involving them; requiring the licensing of out-of-state pull-tab
12 manufacturers; requiring the department regulating charitable gaming to approve

1 contracts between permittees and operators before gaming may occur; preventing
2 persons with felony convictions or convictions for crimes involving theft or
3 dishonesty or a violation of gambling laws from being involved in charitable
4 gaming activities as a permittee, licensee, vendor, person responsible for the
5 operation of an activity, fund raiser or consultant of a licensee or vendor, or
6 employee in a managerial or supervisory capacity, and providing exceptions for
7 certain persons whose convictions are at least 10 years old and are not for
8 violation of an unclassified felony described in AS 11, a class A felony, or
9 extortion; relating to multiple-beneficiary charitable gaming permits and door
10 prizes for charitable gaming; requiring operators to pay permittees each quarter
11 at least 30 percent of the adjusted gross income from a pull-tab activity and
12 limiting operators to expenses of not more than 70 percent of the adjusted gross
13 income from that activity; requiring operators to pay permittees each quarter at
14 least 10 percent of the adjusted gross income from a charitable gaming activity
15 other than pull-tabs and limiting operators to expenses of not more than 90
16 percent of the adjusted gross income from that activity; requiring a permittee
17 who uses a pull-tab vendor to enter into a contract with that vendor; requiring
18 a vendor contracting with a permittee to pay the permittee at least 50 percent
19 of the ideal net for each pull-tab series delivered to the vendor by the permittee;
20 requiring that operators report an adjusted gross income of at least 15 percent
21 of gross income each quarter; allowing the commissioner regulating charitable
22 gaming to issue orders prohibiting violations of state gaming laws; relating to the
23 authority of the commissioner regulating charitable gaming to suspend or revoke
24 a permit, license, or registration; prohibiting the direct contribution of proceeds

1 of a bingo or pull-tab game to a candidate for a public office of the state or
2 a political subdivision of the state or to that candidate's campaign organization;
3 prohibiting the payment of any portion of the net proceeds of a charitable
4 gaming activity to a registered lobbyist; relating to 'political uses' and 'political
5 organizations' as those terms are used in the charitable gaming statutes; and
6 providing for an effective date."

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

8 * Section 1. This Act may be known as the Gambling Limitation Act of 1993.

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

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

13 (1) the issuance, renewal, and revocation of permits, [AND] licenses,
14 and vendor registrations;

15 (2) a method of ascertaining net proceeds, the determination of items
16 of expense that may be incurred or paid, and the limitation of the amount of the items
17 of expense to prevent the proceeds from the activity permitted from being diverted to
18 noncharitable, noneducational, nonreligious, or profit-making organizations, individuals,
19 or groups;

20 (3) the immediate revocation of permits, [AND] licenses, and vendor
21 registrations authorized under this chapter if this chapter or regulations adopted under
22 it are violated;

23 (4) the requiring of detailed, sworn, financial reports of operations from
24 permittees and licensees including detailed statements of receipts and payments;

25 (5) the investigation of permittees, licensees, registered vendors, and
26 their employees, including the fingerprinting of those permittees, licensees, registered
27 vendors, and employees whom the commissioner considers it advisable to fingerprint;

28 (6) [EXCLUSION FROM PARTICIPATION AS A PERMITTEE,
29 LICENSEE, OR EMPLOYEE OF A PERMITTEE OR LICENSEE, OF A PERSON

1 CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN
2 THE PRECEDING FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING
3 THEFT OR DISHONESTY OR OF A VIOLATION OF A MUNICIPAL, STATE, OR
4 FEDERAL GAMBLING LAW;

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

7 (7) [(8)] the number of activities that may be held, operated, or
8 conducted under a permit during a specified period; however, the department may not
9 allow more than 14 bingo sessions a month and 35 bingo games a session to be
10 conducted under a permit; the holders of a multiple-beneficiary permit under
11 AS 05.15.100(d) may hold, operate, or conduct the number of sessions and games
12 a month equal to the number allowed an individual permittee per month
13 multiplied by the number of holders of the multiple-beneficiary permit;

14 (8) [(9)] a method of accounting for receipts and disbursements by
15 operators, including the keeping of records and requirements for the deposit of all
16 receipts in a bank;

17 (9) [(10)] the disposition of funds in possession of a permittee, [OR]
18 a person, municipality, or qualified organization that possesses an operator's license,
19 or a registered vendor at the time a permit, [OR] a license, or a vendor registration
20 is surrendered, revoked, or invalidated;

21 (10) [(11)] restrictions on the participation by employees of the
22 Department of Fish and Game in salmon classics; and in king salmon classics, and by
23 employees of Douglas Island Pink and Chum in king salmon classics;

24 (11) [(12)] other matters the commissioner considers necessary to carry
25 out this chapter or protect the best interest of the public.

26 * Sec. 3. AS 05.15.060 is amended by adding a new subsection to read:

27 (b) Regulations adopted by the department under this section relating to
28 charitable gaming activity involving pull-tabs shall, to the extent permitted by this
29 chapter, be consistent with the standards on pull-tabs of the North American Gaming
30 Regulators Association, as amended from time to time.

31 * Sec. 4. AS 05.15.070 is amended to read:

1 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The
2 commissioner may examine or have examined the books and records of a permittee,
3 an operator, a registered vendor, or a person licensed to manufacture or to distribute
4 pull-tab games in the state. The commissioner may issue subpoenas for the attendance
5 of witnesses and the production of books, records, and other documents.

6 * Sec. 5. AS 05.15.100 is amended by adding a new subsection to read:

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

12 * Sec. 6. AS 05.15 is amended by adding a new section to read:

13 Sec. 05.15.105. PERSONS PROHIBITED FROM INVOLVEMENT;
14 EXCEPTIONS. (a) If a person has been convicted of a violation of a law of this state
15 that is, or a law or ordinance of another jurisdiction that would be if it had been
16 committed in this state, a felony, or a violation of a law or ordinance of this state or
17 another jurisdiction that is a crime involving theft or dishonesty or a violation of
18 gambling laws

19 (1) the department may not issue a license to the person;

20 (2) the department may not issue a license to, or register as a vendor,
21 an applicant who employs the person in a managerial or supervisory capacity or uses
22 the person as a fund raiser or consultant;

23 (3) the department may not issue a permit for an activity if the person
24 is responsible for the operation of the activity;

25 (4) the person may not be employed in a managerial or supervisory
26 capacity by a licensee or vendor or used as a fund raiser or consultant by a licensee
27 or vendor;

28 (5) the person may not participate in charitable gaming as a permittee,
29 licensee, or vendor.

30 (b) The department shall adopt regulations that provide that a disqualification
31 of a person under (a) of this section based upon a conviction of that person for a

1 violation

2 (1) of a law of this state that is, or a law or ordinance of another
3 jurisdiction that would be if it was committed in this state, a class B felony other than
4 extortion, a class C felony, or an unclassified felony described outside of AS 11, and
5 that is not a crime of dishonesty or theft or a violation of gambling laws, terminates
6 10 years after the person's conviction;

7 (2) of a law or ordinance of this state or another jurisdiction that is a
8 crime involving theft or dishonesty or a violation of gambling laws, and that is not,
9 or would not be if it was committed in this state, an unclassified felony described in
10 AS 11, a class A felony, or extortion, terminates 10 years after the person's conviction,
11 if the department determines that the

12 (A) person is of good character, honesty, and integrity; and

13 (B) person's involvement in charitable gaming is not against the
14 public interest.

15 * Sec. 7. AS 05.15.112(a) is amended to read:

16 (a) Each municipality or qualified organization that receives a permit under
17 this chapter shall designate a member in charge. Municipalities and qualified
18 organizations that hold a multiple-beneficiary permit shall jointly designate one
19 member in charge.

20 * Sec. 8. AS 05.15.112(b) is amended to read:

21 (b) The member in charge is responsible for preparation, maintenance, and
22 transmittal of all records and reports required of the permittee. The member in charge
23 shall be a member of the qualified organization or the board of directors of the
24 qualified organization or an employee of the municipality. In the case of a multiple-
25 beneficiary permit, the member in charge shall be a member of one of the
26 qualified organizations or the board of directors of one of the qualified
27 organizations or an employee of one of the municipalities.

28 * Sec. 9. AS 05.15.112(d) is amended to read:

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

1 * Sec. 10. AS 05.15.115(d) is amended to read:

2 (d) A permittee shall submit by certified mail to the department for approval
3 a copy of each contract with an operator with whom the permittee contracts to conduct
4 activities subject to this chapter. The contract must meet the requirements of this
5 section. The department shall approve or disapprove the contract. If the
6 contract is disapproved, reasons for the disapproval shall be provided in writing
7 to the permittee. Activities may not be conducted under the contract before the
8 contract is approved. Subsequent amendments to an approved contract do not
9 take effect until the amendments are approved by the department [THE
10 PERMITTEE SHALL SUBMIT TO THE DEPARTMENT A COPY OF THE
11 CONTRACT OR SUBSEQUENT AMENDMENT OF THE CONTRACT BY
12 CERTIFIED MAIL AT LEAST 15 DAYS BEFORE ACTIVITIES ARE
13 CONDUCTED UNDER THE CONTRACT OR AMENDED CONTRACT].

14 * Sec. 11. AS 05.15.124 is amended to read:

15 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A
16 municipality may by ordinance prohibit an operator or a vendor from conducting
17 activities under this chapter within the municipality.

18 * Sec. 12. AS 05.15.128(a) is amended to read:

19 (a) The department shall revoke the license of an operator who does not
20 (1) report an adjusted gross income of at least 15 percent of gross
21 income for each quarter [TWO CONSECUTIVE QUARTERS] based on the total
22 operation of the operator; or
23 (2) pay to each authorizing permittee for each quarter [TWO
24 CONSECUTIVE QUARTERS] at least 30 percent of the adjusted gross income, as
25 determined under (1) of this subsection, from a pull-tab activity or at least 10 [15]
26 percent of the adjusted gross income, as determined under (1) of this subsection, from
27 a gaming activity other than pull-tabs, received from activities conducted on behalf
28 of the authorizing permittee.

29 * Sec. 13. AS 05.15.140(b) is amended to read:

30 (b) In an application for a permit, a municipality or qualified organization shall
31 disclose the name and address of each person responsible for the operation of the

1 activity and whether any person named

2 (1) has been convicted of [~~, IN PRISON FOR, OR ON PAROLE FOR~~]
3 a violation of a law of this state that is, or a law or ordinance of another state that
4 would be if committed in this state, an unclassified felony described in AS 11, a
5 Class A felony, extortion, or a violation of a law or ordinance of this state or
6 another jurisdiction that is [WITHIN THE PRECEDING FIVE YEARS, OR
7 CONVICTED OF] a crime involving theft or dishonesty or [OF] a violation of [A
8 MUNICIPAL, STATE, OR FEDERAL] gambling laws [LAW]; or

9 (2) has a prohibited financial interest, as defined in regulations adopted
10 by the commissioner, in the operation of the activity.

11 * Sec. 14. AS 05.15 is amended by adding a new section to read:

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

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

23 (c) A municipality or qualified organization that is among the holders of a
24 multiple-beneficiary permit may withdraw from the permit by giving written notice of
25 intent to withdraw to the department and to the other holders of the permit. The
26 effective date of the withdrawal is 30 days after the department receives written notice
27 of intent. A municipality or qualified organization that withdraws from a multiple-
28 beneficiary permit may apply for a permit under AS 05.15.100(a), but its share of the
29 prizes awarded under the multiple-beneficiary permit and the prizes it awards under
30 its own permit are subject to the maximums established in AS 05.15.180(g).

31 (d) The holders of a multiple-beneficiary permit shall jointly file reports with

1 the department that comply with the reporting requirements imposed on operators
2 under AS 05.15.083.

3 * Sec. 15. AS 05.15.150(a) is amended to read:

4 (a) The authority to conduct the activity authorized by this chapter is
5 contingent upon the dedication of the net proceeds of the charitable gaming activity
6 [RAFFLES OR CONTESTS] to the awarding of prizes to contestants or participants
7 and to political, educational, civic, public, charitable, patriotic or religious uses in the
8 state. "Political, educational, civic, public, charitable, patriotic, or religious uses" means
9 uses benefiting persons either by bringing them under the influence of education or
10 religion or relieving them from disease, suffering, or constraint, or by assisting them
11 in establishing themselves in life, or by providing for the promotion of the welfare and
12 well-being of the membership of the organization within their own community, or
13 through aiding a political organization [CANDIDATES FOR PUBLIC OFFICE OR
14 GROUPS THAT SUPPORT CANDIDATES FOR PUBLIC OFFICE], or by erecting
15 or maintaining public buildings or works, or lessening the burden on government, but
16 does not include

17 (1) the direct contribution of proceeds of a bingo or pull-tab game
18 to a candidate for a public office of the state or a political subdivision of the state
19 or to that candidate's campaign organization:

20 (2) the payment of any portion directly or indirectly of the net
21 proceeds of the charitable gaming activity to a lobbyist registered under AS 24.45:
22 or

23 (3) the erection, acquisition, improvement, maintenance, or repair of
24 real, personal, or mixed property unless it is used exclusively for one or more of the
25 permitted uses [STATED].

26 * Sec. 16. AS 05.15.160 is amended by adding new subsections to read:

27 (c) The total amount of authorized expenses that may be incurred under (a) of
28 this section in connection with a pull-tab activity may not exceed 70 percent of the
29 adjusted gross income from that pull-tab activity.

30 (d) The total amount of authorized expenses that may be incurred under (a) of
31 this section in connection with any gaming activity other than pull-tabs may not exceed

1 90 percent of the adjusted gross income from that gaming activity.

2 * Sec. 17. AS 05.15.170 is repealed and reenacted to read:

3 Sec. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT, LICENSE,
4 OR VENDOR REGISTRATION. (a) The department may suspend, for a period of
5 up to one year, or revoke a permit, license, or vendor registration, after giving notice
6 to and an opportunity to be heard by the permittee or licensee, if the permittee,
7 licensee, or vendor

8 (1) violates or fails to comply with a requirement of this chapter or of
9 a regulation adopted under this chapter;

10 (2) breaches a contractual agreement with a permittee, licensee, or
11 registered vendor;

12 (3) becomes disqualified to participate in charitable gaming as provided
13 in AS 05.15.105; for the purposes of this paragraph, a permittee, licensee, or vendor
14 that is not a natural person is considered convicted if an owner or manager of the
15 permittee, licensee, or vendor is convicted; or

16 (4) knowingly submits false information to the department or, in the
17 case of a registered vendor, to a permittee when the vendor knows that the false
18 information will be submitted to the department as part of an application for
19 registration;

20 (5) gives or acts upon any inside information on the status of the prizes
21 awarded or to be awarded in a pull-tab game.

22 (b) If the department revokes a license or vendor registration under this
23 section, it may prohibit the licensee or vendor from reapplying for a license or vendor
24 registration for a period of not more than five years. If the department revokes a
25 permit under this section, it may prohibit the permittee from reapplying for a permit
26 for a period of not more than one year.

27 * Sec. 18. AS 05.15.180(d) is amended to read:

28 (d) The total value of door prizes offered or awarded under authority of a
29 permit issued to a municipality or qualified organization under this chapter or under
30 authority of a multiple-beneficiary permit may not exceed \$20,000 a month or
31 \$240,000 a year.

1 * Sec. 19. AS 05.15.180(e) is amended to read:

2 (e) The total value of all door prizes offered or awarded at a single facility or
3 bingo hall or parlor by an operator on behalf of authorizing permittees [OR BY A
4 PERMITTEE IN CONJUNCTION WITH OTHER PERMITTEES] may not exceed
5 \$20,000 a month or \$240,000 a year.

6 * Sec. 20. AS 05.15.180(g) is amended to read:

7 (g) A municipality or a qualified organization may award a maximum of
8 \$1,000,000 in prizes each year in activities authorized under this chapter, however, if
9 a municipality or a qualified organization contracts with an operator to conduct on its
10 behalf activities authorized under this chapter, the municipality or qualified
11 organization may award a maximum of \$500,000 in prizes each year. The holders of
12 a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in
13 prizes each year of \$1,000,000 times the number of holders of the permit for
14 activities authorized under this chapter. In this subsection "activities authorized
15 under this chapter" means all activities subject to this chapter other than bingo.

16 * Sec. 21. AS 05.15.181(a) is amended to read:

17 (a) A person may not manufacture pull-tabs in the state, and may not sell or
18 distribute a pull-tab that the person has manufactured outside of the state to
19 persons in the state, unless the person has received a pull-tab manufacturer's license
20 issued by the department.

21 * Sec. 22. AS 05.15.183 is amended by adding a new subsection to read:

- 22 (e) A distributor may not
- 23 (1) take an order for the purchase of a pull-tab series from a vendor;
 - 24 (2) sell a pull-tab series to a vendor; or
 - 25 (3) deliver a pull-tab series to a vendor.

26 * Sec. 23. AS 05.15.187(f) is amended to read:

27 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION]
28 that had gross receipts exceeding \$100,000 during the preceding year from activities
29 conducted under this chapter or that is required to report under AS 05.15.080(a), that
30 conducts a pull-tab game shall maintain records for two years of each prize of \$50 or
31 more, the first day and last day that each series was distributed, the serial number of

1 each series, and the distributor from whom each series was purchased. In this section
2 "permittee" includes municipalities and qualified organizations that jointly hold
3 a multiple-beneficiary permit.

4 * Sec. 24. AS 05.15.187 is amended by adding new subsections to read:

5 (h) An owner, manager, or employee of a person holding a permit or license
6 under this chapter, or registered under this chapter as a vendor, may not purchase a
7 pull-tab from a pull-tab series manufactured, distributed, or sold by the permittee,
8 licensee, or registered vendor.

9 (i) A permittee, operator, or registered vendor may not turn over a prize of \$50
10 or more to a person with a pull-tab card entitling the person to that prize unless the
11 person signs a receipt for the prize and returns the receipt to the permittee, operator,
12 or vendor. The receipt must be in a form approved by the department.

13 * Sec. 25. AS 05.15 is amended by adding a new section to article 2 to read:

14 Sec. 05.15.188. PULL TAB SALES BY VENDORS ON BEHALF OF
15 PERMITTEES; VENDOR REGISTRATION. (a) A permittee may contract with a
16 vendor to sell pull-tabs on behalf of the permittee, if the permittee first registers the
17 vendor with the department by applying for registration on a form prescribed by the
18 department and by submitting the registration fee of \$50 for each location at which the
19 vendor will sell pull-tabs.

20 (b) Upon approval of the vendor registration, the department shall issue an
21 endorsement to the permittee's permit that authorizes the conduct of pull-tab sales at
22 that vendor location.

23 (c) The endorsement issued under (b) of this section is an extension of the
24 permittee's privilege under AS 05.15.100 to conduct pull-tab sales in this state. A
25 vendor may not sell a pull-tab series until a copy of the permit containing the
26 endorsement for the new vendor location has been posted by the permittee in the
27 registered vendor establishment. The endorsed permit must be clearly visible to the
28 gaming public.

29 (d) A separate endorsement shall be issued for each vendor location. The
30 permittee shall inform the department when a vendor with whom the permittee is
31 contracting changes the physical location at which pull-tabs are sold, and shall return

1 to the department all copies of a permit endorsed to a vendor that is no longer selling
2 pull-tabs on behalf of the permittee. Failure to inform the department of a change in
3 vendor location, or to return the endorsed copies of a permit to the department after
4 a vendor change, may constitute grounds for the suspension or revocation of a
5 permittee's permit.

6 (e) At the time that a permittee annually renews its permit, it shall also renew
7 the registration of all locations where a vendor is selling pull-tabs on the permittee's
8 behalf and shall pay a registration fee of \$50 for each vendor location.

9 (f) A permittee that uses a vendor to sell pull-tabs on its behalf shall enter into
10 a written contract with that vendor. The department may inspect this contract. If the
11 contract contains provisions that violate this chapter or the regulations adopted under
12 it, the department may declare the contract void, and may suspend or revoke the
13 registration of the vendor and the permit of the permittee.

14 (g) A person, other than a permittee's member-in-charge, may not directly
15 supply a pull-tab series to a registered vendor for sale by that vendor on behalf of the
16 permittee.

17 (h) If a permittee contracts with a vendor under (a) of this section, the contract
18 must provide that the permittee shall receive no less than 50 percent of the ideal net.

19 (i) An amount equal to the ideal net less the compensation owed to the vendor
20 shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series
21 to the vendor for sale. The amount required to be paid by the vendor shall be paid by
22 check and the check may not be drawn in a manner that the payee is not identified.

23 (j) An operator may not contract with or use a vendor to sell pull-tabs.

24 * Sec. 26. AS 05.15 is amended by adding a new section to read:

25 Sec. 05.15.195. ORDER PROHIBITING ACTION IN VIOLATION OF
26 CHAPTER. (a) If the commissioner determines that a person has engaged in an act
27 or practice in violation of this chapter or a regulation adopted under this chapter, the
28 commissioner may, after giving reasonable notice to the person and an opportunity for
29 the person to be heard, issue an order prohibiting the violation by the person. The
30 order remains in effect until the person has submitted evidence acceptable to the
31 commissioner showing that the violation has been corrected.

1 (b) If the public interest requires, the commissioner may issue an emergency
2 order prohibiting an act or practice in violation of this chapter or a regulation adopted
3 under this chapter without notice to or an opportunity to be heard by the person
4 affected by the order. The commissioner shall immediately serve the person with a
5 copy of the emergency order. An emergency order expires 60 days after the date it
6 is issued, if the person affected by the order requests a hearing within 15 days of
7 receipt of the order. If the person does not request a hearing within 15 days of receipt
8 of the emergency order, the order becomes permanent. Following a hearing, the
9 commissioner may rescind, modify, or make permanent the emergency order.

10 (c) A party aggrieved by an order under this section may appeal to the superior
11 court.

12 * Sec. 27. AS 05.15.200(b) is amended to read:

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

17 * Sec. 28. AS 05.15.210(27) is amended to read:

18 (27) "political organization" means a political party as defined in
19 AS 15.60.010 or an organization or club organized under or formally affiliated with
20 a political party [AS DEFINED IN AS 15.60.010];

21 * Sec. 29. AS 05.15.210 is amended by adding new paragraphs to read:

22 (36) "fund raiser or consultant" means a person who provides advice
23 or technical assistance in support of or concerning the conduct of gaming activities
24 under this chapter, whether the person is or is not an employee of a licensee;

25 (37) "ideal net" means an amount equal to the total amount of receipts
26 that would be received if every individual pull-tab ticket in a series were sold at face
27 value, less the prizes to be awarded for that series;

28 (38) "managerial or supervisory capacity" means that the employee

29 (A) is responsible for gaming receipts;

30 (B) has the authority to hire employees or to dismiss or
31 otherwise discipline them;

1 (C) prepares financial reports required under this chapter;
2 (D) is responsible for keeping the accounts for activities under
3 this chapter;

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

6 (F) is a fund raiser or a consultant;

7 (39) "permittee" means a municipality or a qualified organization that
8 holds a valid permit under AS 05.15.100;

9 (40) "vendor" means a business whose primary activity is not regulated
10 by this chapter but that

11 (A) is engaged in the sale of pull-tabs on behalf of a permittee;

12 (B) holds a business license under AS 43.70; and

13 (C) is an establishment holding a

14 (i) beverage dispensary license under AS 04.11.090 that
15 has not been designated by the Alcoholic Beverage Control Board under
16 AS 04.16.049(a)(2) - (3), has not been exempted by the Department of
17 Labor under AS 04.16.049(c) and AS 23.10.355, and if the
18 establishment is a hotel, motel, resort, or similar business that caters to
19 the traveling public as a substantial part of its business, does not allow
20 the sale of pull-tabs in a dining room, banquet room, guest room, or
21 other public areas other than a room in which there is regularly
22 maintained a fixed counter or service bar at which alcoholic beverages
23 are sold or served to members of the public for consumption;

24 (ii) package store license under AS 04.11.150.

25 * Sec. 30. AS 05.15.122(c), 05.15.122(d), and 05.15.140(c) are repealed.

26 * Sec. 31. Except for secs. 12 and 16 of this Act, this Act takes effect immediately under
27 AS 01.10.070(c).

28 * Sec. 32. Sections 12 and 16 of this Act take effect January 1, 1994.

Gaming Bill Comparison

Provision	Senate Bill 76	CS for Senate Bill 76 (Fin)
Felony exclusions	Yes, prohibits from participating for life those individuals acting in a supervisory or managerial capacity who have been convicted of a felony, unclassified felony or a crime involving theft, dishonesty or a violation of gambling laws. It provides for some departmental discretion for some lessor felonies and misdemeanors after 10 years have passed.	Yes, same as in SB 76.
Campaign contributions	Yes, prohibits the use of net proceeds for direct campaign contributions. Parties could still retain their permits and use the proceeds to pay for uses other than political contributions, such as office expenses.	Yes, same as in SB 76.
Lobbyist fees	Not addressed in SB 76.	Yes, prohibits the use of net proceeds for any type of payment to registered lobbyists.
Third party vendors	Not addressed in SB 76.	Yes, allows permittees to contract directly with third party vendors to sell pull-tabs for them. The permittee receives a 50% return immediately upon giving the vendor the pull-tabs. Operators currently can give the permittee a return as low as 15%. Permittees are defined to be only those facilities that are licensed by the ABC board with a beverage dispensary license or a package store license. These are establishments that can sell hard liquor. Restaurants that have a beverage dispensary license would be restricted to selling pull-tabs in only those areas that exclude minors.

Multiple beneficiary permits	Not addressed in SB 76.	Yes, allows permittees to operate their permits without having to use the services of an operator. 2 to 6 permittees can band together to operate their permits jointly, using a management team that is answerable solely to the permittees. This allows economies of scale to benefit the permittees.
Departmental approval of contracts	Not addressed in SB 76.	Yes, requires the Department to approve contracts between operators and permittees.
Prohibit insider information	Not addressed in SB 76.	Yes, allows the Department to revoke, for a period of one year, the permit of an operator, vendor, or permittee upon proof that inside information about the game was given or acted upon.
Licensing out of State pull-tab manufacturers	Not addressed in SB 76.	Yes, mandates that pull-tab manufacturers must be licensed by the Department before they can sell pull-tabs within the state.
Percentage return to charities	Not addressed in SB 76.	Increases the return to charities to 30% for pull-tabs and 10% from all other operations. The return allowed under current law is 15% from total operations for two consecutive quarters.

- 1) The sale of pull-tab tickets from mechanical devices are prohibited in the Finance Committee Substitute.
- 2) Provisions to allow APRN to run a state wide game are in a separate bill, SB-200.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 15, 1993

SUBJECT: Sectional Summary of CSSB 76, draft, dated 4/15/93 (Work Order No. 8-LS0279\Q)

TO: Senator Drue Pearce

FROM: Jerry Luckhaupt *JLP*
Legislative Counsel

You have requested a sectional summary of the above described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1 of the bill provides a short title.

Sections 2, 4, 11, 22, 25, 27, and 29 of the bill deal with allowing permittees (charitable organizations) to contract with vendors, defined in sec. 28 of the bill, to sell pull-tabs for the permittee through an endorsement of the charitable organization's permit. Section 24 is the "meat" of this area of the bill.

Sections 2, 5, 7, 8, 9, 14, 18, 19, 20, and 23 deal with multiple-permittee charitable gaming. These sections permit up to six charitable organizations or municipalities to join together to provide charitable gaming. Sections 4 and 13 are the substantive portion of these sections.

Section 3 of the bill requires that the Department of Commerce and Economic Development's regulations meet the standards set by the North American Gaming Regulators Association.

Sections 6, 13, and 29 of the bill relate to what criminal convictions disable someone from working in charitable gaming. These sections also provide an exemption for people with certain convictions when those convictions are ten years old.

Section 10 of the bill requires Department of Commerce and Economic Development approval of contracts between operators and permittees.

Senator Drue Pearce
April 15, 1993
Page 2

Sections 12, 16, and 30 of the bill deal with increasing the percentage that operators must pay to permittees for a pull-tab activity from 15 percent to 40 percent of adjusted gross income and decreasing the percentage that must be paid for a nonpull-tab activity from 15 percent to 10 percent of adjusted gross income.

Sections 15 and 28 of the bill deal with what is a charitable use to which gaming proceeds may be put and what is a political organization.

Sections 17 and 26 of the bill deal with procedures for the revocation and regulation of licenses, permits, and registrations.

Section 21 of the bill requires the licensing of out-of-state manufacturers of pull-tabs.

Section 24 of the bill limits permittees, licensees, and vendors from purchasing their own pull-tabs and requires receipts for prizes of \$50 or more in pull-tab games.

Section 30 of the bill provides repealers.

Sections 31 and 32 of the bill are effective dates.

GPL:pl
93-304.plm

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 23, 1993
Place: Capitol Room 120

SB 173 Group Health Insurance for Small Employers
SCR 4 Request Change in Rule 82 Fees

Subject of Meeting: SB 76 Charitable Gaming
Restrictions; SB 149 Revision of Banking Code

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
JAMIE PARSONS	AK STATE CHAMBER	217 - 2ND # 201	99801	7894201	586 2323	(Y) N	173
Jay Frank	State Farm Allstate	431 N. Franklin	99801		6-5777	(Y) N	SB 173
Ken Erickson	Sponsor @ Sen Pearce	Room 508 Cap	99801	4993		(Y) N	to answer question if need
Gordon Evans	HIAA	318 4th St, Juneau	99801	586-3210		IF NEEDED (Y) N	SB 173
Alan J. J. J.	NFIB	9159 Skywood	99801		9-4278	(Y) If Needed N	SB 173
Willis Kirkpatrick	DCED	Division of Banking			2521	(Y) N	SB 149
John Hansen	DCED	Gaming			2581	Y N	IF Needed SB-76
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 23, 1993

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Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
✓ Chip Thoma	self	#2 Maine Way	99701			<input checked="" type="radio"/> Y <input type="radio"/> N	SB 76
✓ David Fuhr	DCE D				5-2500	<input checked="" type="radio"/> Y <input type="radio"/> N	SB 76
Ken Erickson	Sponsor @ Sen Pearce	Rm 508 Cap	99801		4993	<input checked="" type="radio"/> Y <input type="radio"/> N	to answer questions if need.
John Hansen	DCE D	BOX D				IF QUESTIONS <input type="radio"/> Y <input type="radio"/> N	SB-76
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

FISCAL NOTE

No. 2

STATE OF ALASKA 1993 LEGISLATIVE SESSION

Bill Version: CSSB 76 (Jud)

(S) Publish Date: 4-3-93

Revision Date: _____ Dept. Affected: Commerce & Economic Development
 Title: An Act relating to Games of Chance BRU: Occupational Licensing
 and Skill... _____ Component: Operations
 Sponsor: Senator Pearce
 Requestor: Senate Finance COMPONENT SERIAL NO. 1844

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	.0	.0	.0	.0	.0	.0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE FUND SOURCE:	5.0	5.0	5.0	5.0	5.0	5.0
-----------------------------	-----	-----	-----	-----	-----	-----

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	.0	.0	.0	.0	.0	.0

Changes in CSSB 76 (FIN) have no fiscal impact. This fiscal note is appropriate.
 4/17/93 Nun
 date Comte Aide (initial)

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY 93) Impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

CSSB 76(JUD) provides for licensing of out-of-state pull-tab manufacturers, 10 each at \$500 per annual license.

Prepared by: John Hansen, Gaming Program Manager
 Division: Occupational Licensing
 Approved by Commissioner: Paul Fuhs
 Agency: Commerce & Economic Development

Phone: 465-2581
 Date: 4/2/93
 Date: 4-2-93

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F I S C A L N O T E

Bill Version: CSSB 76(FIN)

(S) Publish Date: 4-18-93

REQUEST:

Revision Date: 4/16/93 Affected Agency: Dept. of Revenue

Title: Act Relating to Charitable Gaming BRU: Gaming Div.

Sponsor: Sen. Pearce Components: _____

Requester: Senate Finance Committee

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services	77.4	77.4	77.4	77.4	77.4	77.4
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual						
Equipment	6.0					
Supplies	0.5					
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	86.9	80.4	80.4	80.4	80.4	80.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	100.0	100.0	100.0	100.0	100.0	100.0
---------	-------	-------	-------	-------	-------	-------

FUNDING: (THOUSANDS OF DOLLARS)

General Fund P.R.	86.9	80.4	80.4	80.4	80.4	80.4
Federal Fund						
Other						
TOTAL	86.9	80.4	80.4	80.4	80.4	80.4

POSITIONS:

Full-Time	1	1	1	1	1	1
Part-Time						
Temporary						

Estimate of FY 93 Impact 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Personal Services, 1 each, Revenue Auditor IV. One-time cost equipment for computer, desk, etc. Revenue increase from auditing of tax returns.

Prepared By: *John Hansen*
Division: John Hansen, Gaming Division

Date: _____
Phone: 465-2581

Approved by: *Paul Fuhs*
Agency: Paul Fuhs, Commissioner
Dept. of Commerce & Economic Development

Date: 4-17-93

HOUSE COMMITTEE REPORT

(7) Date Referred: April 22, 1993 FURTHER REFERRALS: Finance

Date of Committee Action: 4-23-93

The JUDICIARY Committee considered: CSSB 76(FIN)

CS FOR SENATE BILL NO. 76(FIN) CHARITABLE GAMING RESTRICTIONS

"An Act requiring regulations relating to pull-tabs to be consistent with North American Gaming Regulators Association standards on pull-tabs to the extent permitted by charitable gaming laws; allowing permittees to contract with vendors to sell pull-tabs on behalf of the permittee at an establishment holding a package store

****TITLE CONT. ON PAGE 2****

RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[X] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) 4/3/93

[] fiscal impact _____ 2 [X] fiscal note(s) DCEP 4/18/93

[] zero fiscal note _____ [] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian Porter</i>	✓	<i>[Signature]</i>		✓	
<i>Gail Phillips</i>	✓	<i>[Signature]</i>		✓	
		<i>Bonnie James</i>		✓	
		<i>[Signature]</i>			✓

Brian S. Porter

 CHAIRMAN'S SIGNATURE

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 23, 1993
Place: Capitol Room 120

SB 173 Group Health Insurance for Small Employers
SCR 4 Request Change in Rule 82 Fees

Subject of Meeting: SB 76 Charitable Gaming
Restrictions; SB 149 Revision of Banking Code

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
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X Jay Frank	State Farm Allstate	431 N. Franklin	99801		6-5777	(Y) N	SB 173
Ken Erickson	Sponsor @ Sen Pearce	Room 508 Cap	99801	4993		(Y) N	to answer questions if needed
X Gordon Evans	HIAA	318 4th St, Juneau	99801	586-3210		IF NEEDED (Y) N	SB 173
X Ross Jensen	NFIB	9159 Skywood	99801		9-4278	(Y) N	If Needed SB 173
Willis Kirkpatrick	DCED	Division of Banking			2521	(Y) N	SB 149
John Hansen	DCED	Gaming			2581	Y N	IF Needed SB-76
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 23, 1993
Place: Capitol Room 120

SB 173 Group Health Insurance for Small Employers
 SCR 4 Request Change in Rule 82 Fees

Subject of Meeting: SB 76 Charitable Gaming
 Restrictions; SB 149 Revision of Banking Code

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
✓ Chip Thoma	self	# 2 Maine Way	99401			<input checked="" type="radio"/> Y <input type="radio"/> N	SB 76
✓ David Fisher	DCE D				5-2500	<input checked="" type="radio"/> Y <input type="radio"/> N	SB 76
Ken Erickson	Sponsor @ Sen Pearce	Rm 508 Cap	99801		4993	<input checked="" type="radio"/> Y <input type="radio"/> N	to answer questions if needed
John Hansen	DCE D	BOX 1				IF questions <input type="radio"/> Y <input type="radio"/> N	SB-76
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 22, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-23-93

The JUDICIARY Committee considered:

CSSB 76(FIN)

CS FOR SENATE BILL NO. 76(FIN)

CHARITABLE GAMING RESTRICTIONS

"An Act requiring regulations relating to pull-tabs to be consistent with North American Gaming Regulators Association standards on pull-tabs to the extent permitted by charitable gaming laws; allowing permittees to contract with vendors to sell pull-tabs on behalf of the permittee at an establishment holding a package store

****TITLE CONT. ON PAGE 2****

RECOMMENDATIONS:

the same title

be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) DCED 4/18/93

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian Porter</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>Frank Phillips</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>Annette James</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i>			<input checked="" type="checkbox"/>

Brian S. Porter

 CHAIRMAN'S SIGNATURE

PAGE 2

license and certain establishments holding a beverage dispensary license; allowing municipalities to prohibit vendors from conducting gaming activities within the municipality; restricting the purchase of pull-tabs by permittees, licensees, and vendors and their owners, managers, and employees; requiring receipts before prizes of \$50 or more may be awarded in pull-tab games; prohibiting distributors from supplying pull-tabs to vendors; requiring the registration of vendors and regulating activities involving them; requiring the licensing of out-of-state pull-tab manufacturers; requiring the department regulating charitable gaming to approve contracts between permittees and operators before gaming may occur; preventing persons with felony convictions or convictions for crimes involving theft or dishonesty or a violation of gambling laws from being involved in charitable gaming activities as a permittee, licensee, vendor, person responsible for the operation of an activity, fund raiser or consultant of a licensee or vendor, or employee in a managerial or supervisory capacity, and providing exceptions for certain persons whose convictions are at least 10 years old and are not for violation of an unclassified felony described in AS 11, a class A felony, or extortion; relating to multiple-beneficiary charitable gaming permits and door prizes for charitable gaming; requiring operators to pay permittees each quarter at least 30 percent of the adjusted gross income from a pull-tab activity and limiting operators to expenses of not more than 70 percent of the adjusted gross income from that activity; requiring operators to pay permittees each quarter at least 10 percent of the adjusted gross income from a charitable gaming activity other than pull-tabs and limiting operators to expenses of not more than 90 percent of the adjusted gross income from that activity; requiring a permittee who uses a pull-tab vendor to enter into a contract with that vendor; requiring a vendor contracting with a permittee to pay the permittee at least 50 percent of the ideal net for each pull-tab series delivered to the vendor by the permittee; requiring that operators report an adjusted gross income of at least 15 percent of gross income each quarter; allowing the commissioner regulating charitable gaming to issue orders prohibiting violations of state gaming laws; relating to the authority of the commissioner regulating charitable gaming to suspend or revoke a permit, license, or registration; prohibiting the direct contribution of proceeds of a bingo or pull-tab game to a candidate for a public office of the state or a political subdivision of the state or to that candidate's campaign organization; prohibiting the payment of any portion of the net proceeds of a charitable gaming activity to a registered lobbyist; relating to 'political uses' and 'political organizations' as those terms are used in the charitable gaming statutes; and providing for an effective date."



A.C.C.A....serving Alaskans with disabilities since 1956.

1020 Barnette Street Fairbanks, Alaska 99701 (907) 456-4003

April 20, 1993

Speech/Language
Clinic

Representative Brian Porter
State Capitol
Juneau, AK 99801-1182

Dear Representative Porter,

Project TEACH
Early
Intervention
Program

During the fiscal year 1992, A.C.C.A. received \$33,796.88 from our pull-tab gaming permit. For several years, A.C.C.A. has been fortunate to receive revenue from our operator, Joe Nyquist. A.C.C.A. is dependent on income generated from its pull-tab gaming permit in order to provide services to individuals with disabilities.

Medical Equipment
Loan Closet


It is our understanding that reform legislation concerning pull-tab gaming permits of charities needs to be passed during this legislative session. If the Legislature fails to enact legislation then all pull-tab gaming permits of nonprofits will be canceled on December 31, 1993.

We urge you to vote in favor of HB168 which has a number of significant reform measures.

Thank you for your time and attention regarding reform legislation on pull-tabs.

Sincerely,

Reducing Usage of
Smokeless Tobacco
Education Program


Ricki Chagnon
President A.C.C.A. Board of Directors

Supportive
Activities for
Families
and Clients



United Way
Member Agency



ANCHORAGE AREA EPILEPSY SOCIETY

1413 14th ST. ANCHORAGE, ALASKA 99501-5049
PHONE (907) 279-8841

Dear Mr. Porter:

House Judicial Committee

Please for the sake of ALL non-profits who hold Gaming permits, pass S.B. #76 NOW, without further delay. It is a known fact that the longer the bill is held in Committee the weaker the bill becomes or NEVER comes out?

The permittees now receives only 15 per-cent & yet they, the permittee is required by law to pay taxes on each game - plus the 1 per-cent at the end of each year to the state. Leaving the non-profits with-right at 13/14 per-cent for the total. Why? This arrangement leaves the operators with a great deal of cash flow to hire lobbyist to lobby on their behalf or to make trips to Juneau to lobby on their own behalf?

Why is it, there is no-accountability for Bing-o? Only with Pull-Tabs? Senate Bill #76 would go along ways to overcome this deficiency?

I would also like to point out, when anything goes astray-wrong-; the state officials automatically go after the Permittee / non-profits? Is it because we do not have the funds to hire an attorney? While on the other hand the Operators do!

It would help all the per-mittees, if you could rush the passing of Senate Bill #76 in anyway that nothing else has. It would make things much clearer.

The non-profits neither have the time or finances to become involved - physically, besides we are not allowed too, in fighting!

in representing ourselves. To have to rely on letter writing & / or phone calls to the likes, or we would lose our - non-profit status?

The Mr. Shippers & the Mr. Dillies of our world can well afford this (lobbyist-trips, etc.) at the expense of the Committee?

Please bring fairness into law by passing S.B. # 176 without any further delay.

On behalf of the Anchorage Area Epilepsy Society

Sincerely,

Rita Thompson, Director

4-23-93

Authorized Games of Chance and Skill

Name of Permit Holder	Permit Number
Alaska Charitable Gaming Assn.	91-1166

**SCHEDULE D.
DONATIONS OF NET PROCEEDS**

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

RECIPIENT	PURPOSE	AMOUNT	DATE	CHECK NO.
Mark Higgins	Lobbyist	5000.00	1/14	1090
Dept. Commerce/Econ Dev.	Copying	15.00	1/15	1092
Mark Higgins	Lobbyist	5000.00	2/25	1093
Mark Higgins	Lobbyist	8000.00	3/26	1095
Mark Higgins	Lobbyist	7000.00	4/17	1096
Mark Higgins	Lobbyist	5000.00	5/07	1097
Mark Higgins	Lobbyist	5000.00	5/23	1098
Dept Commerce/Econ Dev	Biannual report	15.00	6/19	1099
Mark Higgins	Lobbyist	5000.00	7/23	1102
Dept Commerce/Econ Dev	1991 1% fee	122.61	6/27	1100
Dept Commerce/Econ Dev	Due on '91 gross est.	150.00	6/27	1101
Armed Services YMCA	Contribution	200.00	8/06	1104
Mark Higgins	Lobbyist	5000.00	8/15	1105
Mark Higgins	Lobbyist	3500.00	9/31	1106
Mark Higgins	Lobbyist	6500.00	10/21	1107
Mark Higgins	Lobbyist	5000.00	11/18	1108
Dept Commerce/Econ Dev	1992 Permit Fee	100.00	11/19	1109
Mark Higgins	Lobbyist	5000.00	12/07	1110
WISE Project	Contribution	5000.00	12/27	1112
Johnny Ellis	Political Contribution	1000.00	12/31	1114
Max Gruenberg	Political Contribution	1000.00	12/31	1115
Mark Begich	Political Contribution	1000.00	12/31	1116
David Finkelstein	Political Contribution	1000.00	12/31	1117
TOTAL AMOUNT. Enter here and on page 1, line 9		74,602.61		

Games of Chance and Skill

Name of Permit Holder Carpenters Local 1281	Permit Number 920533
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TO BE FILED BY THE PERMITTEE
 WITH THE NET PROCEEDS REPORT
 THIS REPORT MUST BE INCLUDED IN
 THE PERMITTEE'S TAX RETURN

NET PROCEEDS

All proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

RECIPIENT	PURPOSE	AMOUNT	DATE	CHECK NO.
State of Alaska	License Fee	100.00	1/13	161
Check Voided		[500.00]		140
Demo. Party for Reapp.	Donation	500.00	2/12	162
Mark Begich Campaign	Donation	500.00	2/12	163
Chuck Landers Campaign	Contribution	500.00	2/12	164
Jim Barnett Campaign	Contribution	500.00	2/12	165
APOC	Late Fee	10.00	3/2	166
Volunteers of America	Camp Scholarship	190.00	3/5	167
Peninsula Advertising	Hats	1017.00	3/9	168
State of Alaska	1% fee 1991	140.87	3/16	169
Local 1281 - Legislative Fund	Transfer	30.00	4/14	170
Anch. Econ. Dev. Corp.	1992 membership	1200.00	5/4	171
Anchorage Bucs Baseball	1992 Solidarity Night	195.00	5/7	172
Nat. Write Your Cong.	Membership	199.00	6/5	173
Klondike Advertising	Knives/Coffee Mugs	2245.00	6/11	174
Holly Rogers	Miss Teen America Pageant	335.00	6/22	175
Jim Zawacki Campaign	Contribution	500.00	8/4	176
Susanne Little Campaign	Contribution	250.00	8/4	177
Drue Pearce Campaign	Contribution	250.00	8/4	178
Larry Baker Campaign	Contribution	250.00	8/4	179
Dave Donley Campaign	Contribution	250.00	8/4	180
Jim Estes Campaign	Contribution	250.00	8/4	181
****Total from attached page.....		10693.60		
TOTAL AMOUNT. Enter here and on page 1, line 14		19605.47		

12 Campaigns cont

INFORMATION INSTRUCTIONS
For each type of gain activity, multiply the amount by the appropriate column factor to determine the total cost to be reported.

Schedule E. (cont.)

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>	<u>Date</u>	<u>Check No.</u>
E. Kubina Campaign	Contribution	250.00	8/4	182
Mike Navarre Campaign	Contribution	250.00	8/4	183
Fate Putman Campaign	Contribution	250.00	8/4	184
Kay Brown Campaign	Contribution	250.00	8/4	185
Betty Bruckman Campaign	Contribution	250.00	8/4	186
Duane French Campaign	Contribution	250.00	8/4	187
Pat Parnell Campaign	Contribution	250.00	8/4	188
E. Muldor Campaign	Contribution	250.00	8/4	189
Jim Arlington Campaign	Contribution	250.00	8/4	190
Curt Menard Campaign	Contribution	250.00	8/4	191
Iven Ivan Campaign	Contribution	250.00	8/4	192
Johnny Ellis Campaign	Contribution	500.00	8/4	193
Jim Nordlund Campaign	Contribution	500.00	8/4	194
Ramona Barnes Campaign	Contribution	1000.00	8/4	195
Ron Larson Campaign	Contribution	100.00	8/4	196
E. Oakley Campaign	Contribution	100.00	8/4	197
Klondike Advertising	Knives	43.60	8/17	198
Melva Krogseng Campaign	Contribution	250.00	9/8	199
Curt Menard Campaign	Contribution	500.00	9/25	200
Pat Carney Campaign	Contribution	500.00	9/25	201
COPE	Contribution	1000.00	9/25	202
S. Little Campaign	Contribution	500.00	9/25	203
Drue Pearce Campaign	Contribution	500.00	9/25	204
Johnny Ellis Campaign	Contribution	500.00	9/25	205
Jay Kerttula Campaign	Contribution	500.00	9/25	206
Loren Leman Campaign	Contribution	500.00	9/25	207
Drywallers Strike Fund	Contribution	100.00	10/12	208
State of Alaska	Permit Fee 1993	100.00	10/27	209
Dave Donley Campaign	Contribution	750.00	11/19	210

Total this page

10693.60

Authorized Games of Chance and Skill

1992

Name of Permit Holder Valdez Democratic Precinct	Permit Number 920978
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SCHEDULE D.
WAGE EXPENSE

SCHEDULE E.
DONATIONS OF NET PROCEEDS

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

RECIPIENT	PURPOSE	AMOUNT	DATE	CHECK NO.
Eugene Kubina	Campaign donation	10,000.00	7/8/92	189
Robert F. Kellar	"	5,000.00	7/15/92	190
John Devens	"	1,000.00	10/19/92	197
Tony Smith	"	1,000.00	10/23/92	198
State Democratic Party	"	8,000.00	5/21/92	178
Valdez Cablevision	Advertising for membership meeting	27.00	2/7/92	168
"	"	18.00	4/5/92	174
"	"	28.35	5/13/92	177
"	"	9.00	4/30/92	186
"	"	9.00	7/6/92	187
"	"	9.00	7/22/92	192
KLAM Cordova	Aug Primary Advertisement	84.42	10/7/92	196
KUAK Valdez	Open ballot Ad.	105.00	9/4/92	193
A.P.D.C.	fine	1,237.50	2/17/92	169
Westmark	94 convention in	40.00	3/12/92	170
Rickols Sign	Whistle expenses	160.00	4/9/92	172
Mat-Su Democrats	table fee	50.00	5/8/92	175
Valdez City Schools	buttons	37.50	5/13/92	176
Fischer/meidinger	hotel expense	185.75	5/31/92	179
Gallagher	hotel/expense	110.60	6/4/92	182
Kellars	hotel/expense	248.85	6/4/92	183
meidinger	expense	50.00	6/4/92	184
Fischer	expense	28.71	6/4/92	185
mat su resort	hotel	891.12	7/13/92	191
CUTC	telephone bills	5.00	3/17/92	171
"	"	21.36	4/4/92	181
"	" District meeting	459.66	7/7/92	188
UCUB	membership fee	75.00	4/9/92	173
State of Alaska	93 permit fee	50.00	12/1/92	199
Refund from John Devens	for 91 donation	(1,000.00)	4/7/92	—
mark Air	Speedmark posters	10.00	9/4/92	195
TOTAL AMOUNT. Enter here and on page 1, line 14		27,948.82		

Games of Chance and Skill

Name of Permit Holder ALASKA TELEPHONE ASSOCIATION	Permit Number 92-0235
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**SCHEDULE E.
DONATIONS OF NET PROCEEDS**

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

RECIPIENT	PURPOSE	AMOUNT	DATE	CHECK NO.
EILEEN MACLEAN FOR HOUSE	CAMPAIGN CONTRIBUTION	500.00	8/25/92	1572
IVAN IVAN FOR HOUSE	" " " " " " " " " " " "	500.00	8/25/92	1573
JIM ZAWACKI FOR SENATE	" " " " " " " " " " " "	500.00	8/25/92	1574
MARK HANLEY FOR HOUSE	" " " " " " " " " " " "	250.00	8/25/92	1575
TIM KELLY	" " " " " " " " " " " "	250.00	8/25/92	1576
RANDY PHILLIPS FOR SEN.	" " " " " " " " " " " "	250.00	8/25/92	1577
GEORGE JACKO FOR SENATE	" " " " " " " " " " " "	250.00	8/25/92	1578
RICHARD FOSTER FOR HOUSE	" " " " " " " " " " " "	250.00	8/25/92	1579
GLEN NICOLAI FOR HOUSE	" " " " " " " " " " " "	250.00	9/2/92	1580
DINEEN FOR HOUSE	" " " " " " " " " " " "	250.00	9/9/92	1581
FRED ZHAROFF FOR SENATE	" " " " " " " " " " " "	500.00	10/1/92	1583
SUZANNE LITTLE FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1584
DRUE PEARCE FOR SEN.	" " " " " " " " " " " "	500.00	10/1/92	1585
LOREN LEMAN FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1586
STEVE RIEGER FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1587
TIM KELLY FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1588
JAY KERTULLA FOR SEN.	" " " " " " " " " " " "	500.00	10/1/92	1589
STEVE FRANK FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1590
MIKE MILLER FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1591
FRAN ULMER FOR HOUSE	" " " " " " " " " " " "	500.00	10/1/92	1592
JERRY MACKIE FOR HOUSE	" " " " " " " " " " " "	500.00	10/1/92	1593
GAIL PHILLIPS FOR HOUSE	" " " " " " " " " " " "	500.00	10/1/92	1594
MIKE NAVARRE FOR HOUSE	" " " " " " " " " " " "	250.00	10/1/92	1595

TOTAL AMOUNT. Enter here and on page 1, line 14

STATE OF ALASKA
DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT

JAN 26 1993

DIVISION OF OCCUPATIONAL LICENSING

the games were
the times the building was
the luck dinners, and other
ways

of Chance and Skill

ULE E.

ATIONS OF NET PROCEEDS

Name of Permit Holder AGC/PAC	Permit Number 920269
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Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public, charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

RECIPIENT	PURPOSE	AMOUNT	DATE	CHECK NO.
Mackie for House	Campaign	1,000.00	1/10/92	1505
Jim Zawacki for Senate	"	1,000.00	7/14/92	1514
Larry Baker for Senate	"	1,000.00	"	1515
Steve Frank for Senate	"	1,000.00	"	1516
Rick Holford for Senate	"	500.00	"	1517
Richard Foster for House	"	1,000.00	"	1518
Walt Johnson for House	"	500.00	"	1519
Mark Hanley for House	"	500.00	"	1520
Brian Porter for House	"	500.00	"	1521
Wm F Webb for Senate	"	1,000.00	"	1522
Loren Leman for Senate	"	1,000.00	"	1547
Mike Miller for Senate	"	1,000.00	"	1548
Norman Roxeberg for House	"	1,000.00	"	1550
Gail Phillips for House	"	1,000.00	"	1551
Cynthia Toohey for House	"	1,000.00	"	1552
Con Bunde for House	"	1,000.00	"	1553
Jerry Sanders for House	"	1,000.00	"	1554
Brian Porter for House	"	500.00	"	1555
Eldon Mulder for House	"	500.00	"	1556
Tom Brice for House	"	500.00	"	1557
Gene Therriault for House	"	500.00	"	1558
Jeannette James for House	"	500.00	"	1559
Bert Sharp for Senate	"	1,000.00	"	1560
TOTAL AMOUNT. Enter here and on page 1, line 14		23,500.00		

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL VERSION CSSB 76
PUBLISH DATE (Fin)

FISCAL NOTE

REQUEST:

Revision Date: 4/16/93 Affected Agency: Dept. of Revenue
 Title: Act Relating to BRU: Gaming Div.
Charitable Gaming
 Sponsor: Sen. Pearce Components: _____
 Requester: Senate Finance Committee

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services	77.4	77.4	77.4	77.4	77.4	77.4
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual						
Equipment	6.0					
Supplies	0.5					
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	86.9	80.4	80.4	80.4	80.4	80.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	100.0	100.0	100.0	100.0	100.0	100.0
---------	-------	-------	-------	-------	-------	-------

FUNDING: (THOUSANDS OF DOLLARS)

General Fund P.R.	86.9	80.4	80.4	80.4	80.4	80.4
Federal Fund						
Other						
TOTAL	86.9	80.4	80.4	80.4	80.4	80.4

POSITIONS:

Full-Time	1	1	1	1	1	1
Part-Time						
Temporary						

Estimate of FY 93 Impact 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Personal Services, 1 each, Revenue Auditor IV. One-time cost equipment for computer, desk, etc. Revenue increase from auditing of tax returns.

Prepared By: [Signature]
 Division: John Hansen, Gaming Division

Date: _____
 Phone: 465-2581

Approved by: [Signature]
 Agency: Paul Fuhs, Commissioner
Dept. of Commerce & Economic Development

Date: 4-17-93

NEWS CLIPPINGS IN
Anchorage Daily News

Date: 4/23 1993

Gaming reform

Taking a chance on a new set of rules

It's difficult to support gambling under any guise. It's often addictive behavior, just like smoking, drinking and holding political office.

But there's no chance state legislators will vote to eliminate gambling entirely, and in fact, it would be painful for many people if they did. Charities and other nonprofit gaming permit-holders reaped about \$18 million from gambling in 1991 and a little less than that in 1992. They depend on that money.

For years, though, state gambling regulators and others have been pressing for reforms that improve some of the poorer practices tied with gambling in Alaska, such as:

- The small percentage of net proceeds required to go to the charities: 15 percent.
- The ease with which many felons can become legal operators on behalf of charities.
- The fact that gambling profits fuel political campaigns, mostly through gaming permits held by labor organizations and political parties.

The Senate, with Gov. Wally Hickel's support, has just passed a bill that addresses each of those practices. The House has yet to act on the legislation.

The Senate bill will guarantee at 30 percent the minimum amount that charities get, ban direct contributions of gambling money to either political candidates or lobbyists and lighten the rules regarding felons.

In addition, the bill gives charities that don't want to hire an operator a new option: It allows charities to sell their pull-tab games directly to bar owners and get 60 percent of the net proceeds up front, bypassing the middleman, the operator.

Gaming director John Hansen is a big supporter of the legislation. As gambling law stands now, he says, "There are all these loopholes that make regulating it darn near impossible." The reforms would give him clear direction, he says.

The bill could have been even better if the Republican-led Senate majority had been willing to listen to suggestions from the minority. Sen. Georgianna Lincoln, D-Rampart, tried to add provisions to allow small communities to ban gambling, as they do now for alcohol. Sen. Suzanne Little, D-Soldotna, tried to get pull-tabs banned in public places where liquor is consumed. Sen. Judy Salo, D-Kenai, wanted to raise the legal gambling age from 19 to 21. Those are all good ideas, and they all were voted down during a snitty Senate floor debate.

One troubling question about the Senate bill is whether it will spur expansion of the gambling industry in Alaska.

Senate Minority Leader Jim Duncan, D-Juneau, argues that the provisions allowing charities to go straight to bar owners with their pull-tab games will up the ante. "We're going to create casinos throughout the state."

The bill's sponsor, Sen. Drue Pearce, R-Anchorage, calls that idea ridiculous.

And the gaming director, Mr. Hansen, says the numbers don't back up such an assertion. As it stands now, more than 60 percent of the pull-tab permits already are at places that have alcohol. "I don't think it's going to increase gambling much at all to be honest," he says.

That remains to be seen. But we believe this bill will produce enough positive changes that we should take a chance on it.

Waco Tragedy

Experts? What experts?

Cult leader David Koresh bears responsibility for the 86 deaths in his compound. But the federal government has a burden to bear after Waco too.

For one thing, officials in Washington and Texas deserve terrible marks in psychology. They never understood David Koresh despite all their consultants and experts. And they never understood the mysteries of his faith.

The FBI repeatedly tried to "shrink the perimeter" of the Koresh compound. But the real "perimeter" was in David Koresh's head. Finding his space restricted in this world, he had the next world — God's world — as a refuge. The government had no way to "shrink the perimeter" of eternity.

Moreover, the government says it was convinced that David Koresh would not lead a mass suicide. Why? Because FBI officials had asked followers who left the compound if he would, and they said "No." Think about that for a second. Would cultists who had been manipulated and misled by David Koresh's comecopie of lies know his intentions? Hardly.

Clearly the Clinton administration better require a new Psychology 101 course for a lot of people with big titles.



THE WHALER

CASINO SUPPLY

171 MULDOON ROAD • ANCHORAGE, ALASKA 99504
(907) 337-0804 • (800) 478-0804 • FAX (907) 337-5242

22 April, 1993

To: Ramona Barnes
House Speaker
House Of Representatives
State Of Alaska
Juneau, Alaska 99801-1182

From: James J. Peot, Owner
Whaler Casino Supply DL 93-0003

Dear House Speaker Barnes,

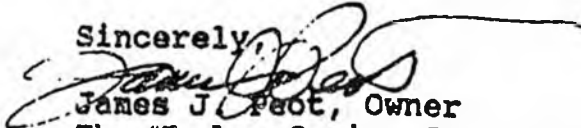
As a member of the advisory panel on gaming, I was gratified to see in Wednesday's paper that Senate Bill 76 passed through the senate on Tuesday. As a distributor of pulltabs and bingo supplies, I am affected by, and have a great deal of concern about passing these changes to our gaming laws. Our company deals with both operators and charities directly. I have followed Drew Pearce's Senate Bill 76 since it's conception, participated in tele-conferences, and spoken with several charities and operators concerning this Bill. As a result, the general consensus of my contacts believe that this bill will be both, productive, and beneficial to all parties involved.

It appears that the Bill has the potential to pass in the house as well, but that there is very little time left in this session to bring it to a vote. I also understand that the Bill is not currently on your priority list. I feel, as do many others like me, that this Bill should be placed on your priority list so we can get it on the floor for a vote. The legislators have procrastinated, pigeon-holed, and delayed this type of bill for over four(4) years now and as a result the same old practices that have come under fire in the past have continued to affect the charities that the gaming industry was designed to help. I DO NOT believe this Bill will increase the overall gambling within the state. I do believe, however, that it will return millions of extra dollars to the charities.

I know that the "big money" that is given to lobbyists and some legislators derived from gambling, through operators to promote their agenda, can be tempting and difficult to turn down, but the time has come to clean this industry up. This Bill can do just that. Put the money back into the charities hands where it was originally intended to go, and where it belongs.

I urge you to place Senate Bill 76 on a priority list and pass it.
It is a bill that all sides can live with.

Sincerely,



James J. Peot, Owner
The Whaler Casino Supply, DL-0003

CC: All members of The Alaska state House Of Representatives

P.S. THIS LETTER IS VERY URGENT AND SHOULD BE DISTRIBUTED AS SOON
AS POSSIBLE TO ALL STATE REPRESENTATIVES!!

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 22, 1993
Place: Capitol Room 120

Subject of Meeting:
 SB 76 Charitable Gaming Restrictions

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
John Hansen	DLED	Box D		5-2581		<input checked="" type="radio"/> Y <input type="radio"/> N	SB-76
Paul Fullis	"	"			5-2500	<input checked="" type="radio"/> Y <input type="radio"/> N	SB 76
JERRY LUCKHAUPT	LAA - LEGAL SERVICES				2450	<input type="radio"/> Y <input type="radio"/> N	SB76 Available for questions
Ken Erickson	Sponsor ^{Sen} Pearce				4993	<input checked="" type="radio"/> Y <input type="radio"/> N	SB-76
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 22, 1993
Place: Capitol Room 120

Subject of Meeting:
SB 76 Charitable Gaming Restrictions

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
Russell Heath	ALC ENO. LOBBY	PO Box 22151 - Denver	79802		463- 3366	<input checked="" type="radio"/> Y <input type="radio"/> N	SB76
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
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