

SB

95

gl

DATE: 2/5/93

FURTHER: L&C
JUDICIARY

Date of 5-Day Notice: 3/4/95
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: 3-9-93

CRA Committee considered SB 95

"An Act relating to multiple-beneficiary charitable gaming permits and door prizes for charitable gaming; and providing for an effective date."

and recommends:

[] replace with _____ CS _____ ()

[] same title
[] new title
[] technical
title change
(HB only)

[] attaches amendment(s)

[] adopts _____ Letter of Intent

[] further referral to the _____

[] do pass

[] do not pass

[] no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
Dept of Commerce	3/2/93		\$51.1

Department	Date	Zero	Fiscal

[] Appropriation No Fiscal Note

[] Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

Ernest J. Handoff Do Pass

Adrian L. Taylor No Rec

CRUD EC AD No Rec
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. _____ **SB 95**

Revision Date: _____ Dept. Affected: Commerce & Economic Development
 Title: An Act relating to multiple-beneficiary BRU: Occupational Licensing
charitable gaming permits..... Component: Operations
 Sponsor: Senator Zharoff
 Requestor: Senate CRA COMPONENT SERIAL NO. 1844

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	40.1	40.1	40.1	40.1	40.1	40.1
TRAVEL						
CONTRACTUAL						
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	51.1	41.1	41.1	41.1	41.1	41.1

CAPITAL						
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REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	51.1	41.1	41.1	41.1	41.1	41.1
1006 GF/MHTIA						
Other						
TOTAL	51.1	41.1	41.1	41.1	41.1	41.1

POSITIONS:

FULL-TIME	1	1	1	1	1	1
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)

SB 95 provides for a new class of permittee (MBP). Two to six permittees could apply to the department to conduct activities at a single facility. Currently regulations provide for 4 permittees to conduct activity at a single facility. (Continued on attached)

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

Phono: 465-2581
 Date: 3/2/93
 Date: _____

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HB 66

Amendment No. 7 was offered by Representatives Brown and Navarre:

Page 2, after line 17:

Insert a new bill section to read:

**** Sec. 4.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.042. MANDATORY DEFERRAL FOR CERTAIN RESIDENCES. (a) Payment of taxes on the first \$150,000 of the assessed value of real property is deferred if the property is owned and occupied as the primary residence and permanent place of abode by a resident of the state who is eligible under (b) of this section and is (1) 65 years of age or older; (2) a disabled veteran; or (3) at least 60 years old and the widow or widower of an individual who qualified for an exemption under former AS 29.45.030(c) or for a deferral under (1) or (2) of this subsection. The taxes become due when the property ceases to be owned by the resident who qualified for the deferral or the spouse if the spouse also qualified for a deferral. Only one deferral may be granted for the same property and, if two or more persons are eligible for a deferral for the same property, the parties shall decide between or among themselves who is to receive the benefit of the deferral. Payment of taxes may not be deferred under this section if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the deferral. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

(b) To qualify for a deferral for a year, the adjusted gross income of an individual for the prior year may not exceed \$24,000 if the individual filed a single return, or \$36,000 if the individual files jointly with another. The determination of adjusted gross income is based upon the federal income tax return filed by the individual.

(c) In this section,

(1) "disabled veteran" means a disabled person separated from the military service of the United States under a condition that is not dishonorable, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as 50 percent or more by the branch of service in which that person served or by the Department of Veterans' Affairs;

(2) "real property" includes mobile homes, whether

HOUSE JOURNAL

890

March 31, 1993

HB 66

classified as real or personal property for municipal tax purposes."

Renumber the following bill sections accordingly.

Representative Brown moved and asked unanimous consent that Amendment No. 7 be adopted.

Representative Porter objected.

The question being: "Shall Amendment No. 7 be adopted?" The roll was taken with the following result:

CSHB 66(FIN) am
Second Reading
Amendment No. 7

YEAS: 19 NAYS: 21 EXCUSED: 0 ABSENT: 0

Yeas: Brice, Brown, Carney, Davidson, Davies, B.Davis, Finkelstein, Grussendorf, Hoffman, Hudson, Mackie, Menard, Navarre, Nicholia, Nordlund, Sitton, Ulmer, Williams, Willis

Nays: Barnes, Bunde, G.Davis, Foster, Green, Hanley, James, Kott, Larson, MacLean, Martin, Moses, Mulder, Olberg, Parnell, Phillips, Porter, Sanders, Therriault, Toohey, Vezev

And so, Amendment No. 7 was not adopted.

ANNOUNCEMENTS

Minority Caucus

1:00 p.m., 3/31

Representative Phillips moved and asked unanimous consent that the House recess until 8:00 p.m. There being no objection, it was so ordered and the House recessed at 12:05 p.m.

Position Title TAX EXAMINER II		No. of Positions 1	Range/Step 12A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location AWA		Election District
TYPE OF EXPENDITURE		AMOUNT		Justification SB 95 authorizes a new class of permittees to conduct charitable gaming. Currently the department has one examiner position issuing permits to qualified organizations. It presently takes 3-4 weeks to process applications due to the backlog of processing time it takes for each applicant. There are approximately 1,000 current permittees. This position would help to process these new permit applications, and help reduce the 3-4 weeks renewal time. Many organizations are forced to delay or cancel planned activities because of the delay in issuing permits timely. This position seeks to enhance services by relieving the delay.
Salary		27.9		
Benefits		12.2		
Premium Pay				
Other				
Total Personal Services		40.1		
Travel				
Contractual				
Commodities		1.0		
Equipment		10.0		
Other				
Total Cost		51.1		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts		1002		
G.F. Match		1003		
General Fund		1004		
I-A Receipts		1007		
CIP Receipts		1061		
Other: GF/PR		1005		
		51.1		

**Request For
New Position**

AGENCY Commerce and Economic Development
 BRU Occupational Licensing
 COMPONENT Operations - #1844

page 2 of 2
 Revised Date:

FY94

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

DRAFT

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CAPITAL						
REVENUE FUND SOURCE:	.0	.0	.0	.0	.0	.0

FUNDING: (Thousands of Dollars)

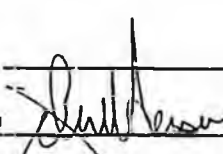
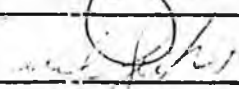
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Prepared by: John Hansen, Jr., Gaming Manager  Phone: 465-2581
 Division: Occupational Licensing Date: 3/2/93
 Approved by Commissioner: Paul Fuhs  Date: _____
 Agency: Commerce & Economic Development

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**Request For
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AGENCY Commerce and Economic Development
 BRU Occupational Licensing
 COMPONENT Operations - #1844

page 2 of 2
Revised Date:

FY94

MEMORANDUM

TO: Representative Carl E. Moses/Senator Randy Phillips/Representative Bill Hudson
FROM: Pat Vincent, Executive Officer, Kenai Peninsula Builders Association
DATE: March 8, 1993
RE: HB168

The Kenai Peninsula Builders Association would oppose HB 168 as it relates to multiple-beneficiary permits. It is our opinion that the system for self-directed gaming joint ventures is already in place, and that the rules and regulations we are currently working under are most satisfactory. We are concerned with added reporting requirements and a possible loss of accountability that will result from this bill. It is our opinion that Section 3 and 4 of the bill would allow a person who is named member-in-charge to act as an unlicensed operator for the multiple-beneficiary permittees so long as he is an employee or a member of one of the organizations.

We would not be opposed to regulations that allow more than four permittees to be engaged in a self-directed gaming joint venture, so long as it is not set up as an operator-run operation, minus a licensed operator. We do not feel that a multiple-beneficiary permit or joint reporting need be a requirement to allow more permittees to participate in a self-directed gaming joint venture.

The Kenai Peninsula Builders Association is a non-profit organization engaged since 1990, in a self-directed gaming joint venture with the Women's Resource & Crisis Center in Kenai, Alaska. Ours has been basically a "Shared Premises/Shared Employees" arrangement and is satisfactory to both organizations and to the State of Alaska who has authorized our joint venture. Our arrangement allows one organization to utilize its permit every other month. We order and maintain separate pull-tab inventories, keep separate books, and are solely responsible for the over-sight of the permits and for our state and federal reporting.

HB 168 would not allow us to continue to conduct our self-directed gaming joint-venture as it is presently operated. The Kenai Peninsula Builders Association would not wish to become less involved in the day-to-day operations of this joint-venture. We feel that a non-profit organization should be solely responsible for maintaining the integrity of their permit - that a member of another organization or an employee of both should not be given that responsibility.

Box 1753 • Kenai, Alaska 99611 • (907) 776-5719

February 24, 1993

Mr. Fred Zharoff, Senator
Alaska State Legislature

Re: Senate Bill No. 95

Dear Representative Zharoff

I am writing to you to express my support of this bill. I am in the process right now of trying to do this very thing under current legislation, and it is very difficult and cumbersome.

The advantage of this legislation is that it would allow multiple permittees to use the efficiencies of economic scale in the raising of funds. It would also allow them to be in control of the fund raising activity.

I do not see this legislation as a threat to the operators, as there are plenty of permit holders who have neither the time, energy or ability to run a business.

One suggestion that I would make, is on page 3, line 12 (e) have it read:


The holders of a multiple-beneficiary permit shall jointly file reports with the department that comply with the reporting requirements imposed on municipalities and qualified organizations under AS 05.15.080.

The gaming department could then require a combined report the same as an operator must file.

The advantage of this change, is that it removes the multiple-beneficiary permit from the operator category, and should operators get ensnared in future legislation, the multiple-beneficiary would not be included.

If I can answer any questions, I would be happy to do so.

Thank You,



Ron Pagenkopf
Operator
Treasurer Juneau Soccer Club.

Phone wk 586-2027
hm 789-1989

TELECOPY COVER SHEET



Kenai Peninsula Builders Association
P.O. Box 1753 Kenai, Alaska 99611 (907) 776-5719
Fax: (907) 776-2925

TO: Senator Randy Phillips, Chairman Senate Community &
Regional Affairs Committee FAX: 465-4979

FROM: Kenai Peninsula Builders Association

INSTRUCTIONS: Testimony HB 168 SB 95

DATE: March 8, 1993

NUMBER OF PAGES (including cover sheet): 2

TRANSMITTED BY: KPBA 776-8925 Fax / 776-5719 phone

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Box 1753 • Kenai, Alaska 99611 • (907) 776-5719

STATEMENT
OF
ALEUTIAN/PRIBILOF ISLANDS ASSOCIATION, INC.

on

H.B. 168, A BILL RELATING TO MULTIPLE-BENEFICIARY
CHARITABLE GAMING PERMITS AND DOOR PRIZES FOR CHARITABLE
GAMING; AND PROVIDING FOR AN EFFECTIVE DATE

PRESENTED BY

DIMITRI PHILEMONOF
EXECUTIVE DIRECTOR

March 9, 1993

Mr. Chairman and members of the Committee, my name is Dimitri Philemonof. I am the Executive Director of the Aleutian/Pribilof Islands Association, Inc. (A/PIA). A/PIA is a non profit corporation whose purpose is to "handle federal, State, and private funds in order to advance the overall economic, social, and cultural development of the Aleutian Region." Because of its non-profit and social welfare nature, A/PIA has been able to qualify as a "qualified organization" within the meaning of the gaming statutes, and has held a gaming permit for many years.

Like many other permittees, A/PIA has tried to use its gaming permit in a way to maximize the revenue that it produces for the economic, social, and cultural development of the Aleut region. Because it wanted to maximize its return from gaming, A/PIA decided that it would operate its gaming permit by itself, which would eliminate all middlemen, and would minimize overhead.

The problem that A/PIA faced was that, by itself, it did not have the resources to obtain or operate the kind of facility that could generate significant revenues from gaming.

Fortunately current regulations allow up to four permittees to join together to conduct gaming activities at a single location. Because A/PIA was able to join forces with three other "qualified organizations"-- the Alaska Native Health Board, the Aleutian Housing Authority, and the Kodiak Area Native Association -- it was

able to marshall the resources to establish and operate a bingo hall in Anchorage known as "Lucky Strike Bingo."

Since its inception in 1986, "Lucky Strike Bingo" has been an unqualified success story. It has paid out significant amounts of revenue to the four permittees who run it. Since 1987, the four permittees have never received a return of less than 19% of adjusted gross revenues, and in most years, the rate of return has been much higher, sometimes going as high as 29% of adjusted gross revenue. I am not aware of any similar gaming activity in Alaska that consistently produces as high a rate of return for its permittees. The attached chart shows in graphic form the consistently high rates of return that the Lucky Strike Bingo permittees have been able to enjoy over the last four years. A/PIA itself has received \$548,000 in gaming revenues from Lucky Strike Bingo as of December 31, 1992.

The money from Lucky Strike Bingo has been particularly valuable to A/PIA because it can be used where it will produce the best results. Most of A/PIA's other funding is restricted by various grant conditions, and there is little flexibility in using these funds to deal with unexpected problems or opportunities. Since our gaming money is not so restricted, it can be spent wherever it will do the most good. To give you some examples of the kinds of things which we have been able to accomplish with our

gaming money, I would like to list some projects that have been funded through gaming.

1. Medivac Transportation. Gaming monies have been spent in assisting medivac transportation for people in the Aleut Region who must travel to Anchorage because of medical emergency. These funds are also used to help with funeral costs in case of death.

2. Food for the Needy. Gaming funds have been spent on food baskets that are distributed to the needy and underprivileged in the Aleut Region, and on turkeys and children's gifts that we distribute to the needy at Christmas time.

3. Youth Programs. Gaming funds are used to bring students to Anchorage for events like the AFN Youth Convention. They are also used to sponsor special school activities within the Region.

4. Aleut Relocation. You may recall that a bill was introduced in Congress to compensate the Japanese-Americans who were relocated during World War II. During the initial phases of this legislation, the similar predicament of the Aleut people was forgotten. It took a considerable effort to educate the members of Congress about the facts of the Aleut relocation. Without our gaming money, we would not have been able to pay for the travel, legal, and other expenses that were necessarily incurred in attempting to make Congress aware of the Aleut relocation. We

believe that our educational efforts were very important in ensuring that the final legislation included \$27,000,000.00 in various individual and group benefits for the Aleut Region. Accordingly, it is no exaggeration to say that our gaming monies were instrumental in producing \$27,000,000.00 of benefits for the Aleut Region.

4. Educational Tape. Because there was widespread ignorance of the Aleut relocation during World War II, we decided to produce an educational film on this aspect of Alaska history. We received a grant from the State which partially funded this project, but it could not have been completed without our gaming monies. Since completion, this film has been shown nationwide on T.V., and it is also being used in many classrooms throughout the country. We are very proud of this film, and have I brought several copies for the Committee's viewing.

To sum up, Lucky Strike Bingo is a success story that demonstrates the good things that can come from a well-regulated gaming program. Moreover, t(T)he Lucky Strike Bingo experience shows that operation of gaming permits by the permittees is the best way of ensuring that the gaming revenues go where they are intended to go: to the permittees, where they can be used as A/PIA has used them, to provide food for the poor, or for educational purposes, or to further other worthwhile social or economic goals.

Our experience at Lucky Strike Bingo has convinced me, however, that there are a few ways in which the State's regulation of gaming could be improved, so that gaming operations would be more efficient, and so that even greater returns can be achieved by the permittees. House Bill 168 incorporates these improvements, and it will ensure that gaming operations that are conducted by more than one permittee, such as Lucky Strike Bingo's, are even more efficient. It will make it possible for permittees such as A/PIA to achieve even better returns on their gaming permits. Here is why:

1. Since H.B.168 allows the costs of a gaming operation to be split among as many as six qualified organizations, it will greatly reduce the overhead costs for each qualified organization. To use Lucky Strike Bingo as an example, the costs of operating its bingo hall are currently split among the four permittees, which is the maximum that the law allows. Under H.B. 168, the Lucky Strike operation could include as many as six qualified organizations. The overhead would therefore be split six ways, instead of four, which would result in a substantial savings for each of the qualified organizations. While some additional personnel would be needed to handle the increased volume of operation produced by six qualified organizations, the total overhead burden for each qualified organization would be greatly reduced.

2. Since the new legislation calls for a multiple beneficiary permit, the accounting for the operation would be centralized into one permit, instead of divided over four permits, as is currently the case. To use Lucky Strike Bingo as an example once again, centralized accounting would produce the following estimated savings:

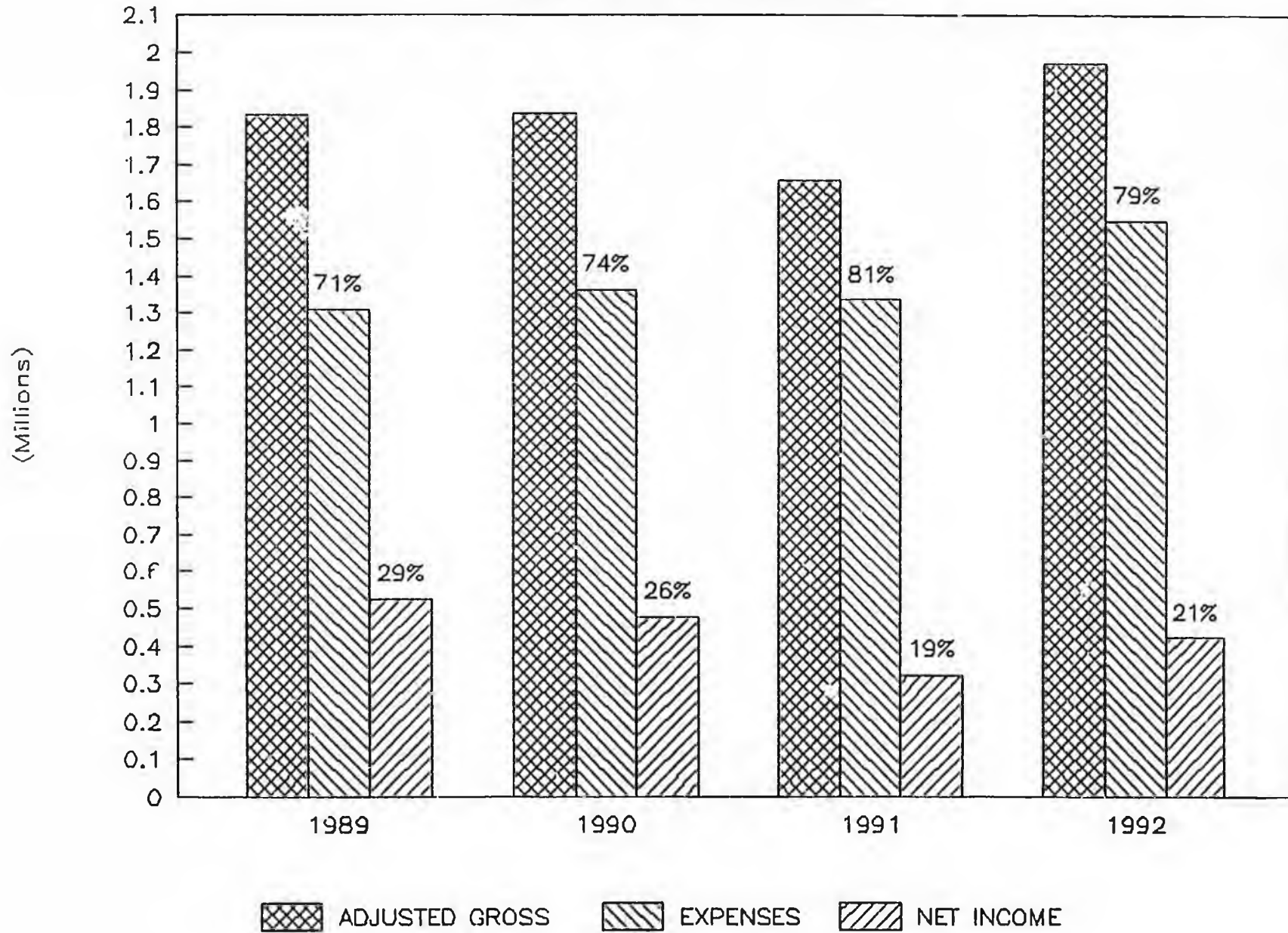
- a. Bookkeeping overhead would be cut by 50% to 75%.
- b. Inventory on hand cost would be cut by approximately \$45,000.00 per year.
- c. Because our accounting and inventorying procedures would be greatly simplified, we could expect to perform these functions more quickly and with fewer mistakes. This would produce additional savings which are difficult to quantify numerically.

In conclusion, I believe that House Bill 168 will make some highly desirable improvements in the gaming statutes. It will make it easier for permittees to run their own operations by joining together with other permittees, it will make joint operations more efficient, and most importantly, it will ensure that more of the gaming revenues go to the place where they are supposed to go: to the permittees, where they can be used for worthwhile social, charitable, and educational purposes.

Thank you, Mr. Chairman and members of the committee.

LUCKY STRIKE BINGO

BASED ON FISCAL YEAR ENDS



SENATE BILL NO. 6

1 "AN ACT RELATING TO MULTIPLE-BENEFICIARY CHARITABLE GAMING PERMITS AND DOOR
PRIZES FOR

2 CHARITABLE GAMING; AND PROVIDING FOR AN EFFECTIVE DATE."

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

4 * SECTION 1. AS 05.15.060(B) IS AMENDED TO READ:

5 (B) THE NUMBER OF ACTIVITIES THAT MAY BE HELD, OPERATED, OR CONDUCTED
UNDER A

6 PERMIT DURING A SPECIFIED PERIOD; HOWEVER, THE DEPARTMENT MAY NOT ALLOW
MORE THAN 14 BINGO

7 SESSIONS A MONTH AND 35 BINGO GAMES A SESSION TO BE CONDUCTED UNDER A
PERMIT; THE HOLDERS OF

8 A MULTIPLE-BENEFICIARY PERMIT UNDER AS 05.15.100(D) MAY HOLD, OPERATE, OR
CONDUCT THE

9 NUMBER OF SESSIONS AND GAMES A MONTH EQUAL TO THE NUMBER ALLOWED AN
INDIVIDUAL PERMITTEE

10 MULTIPLIED BY THE NUMBER OF HOLDERS OF THE MULTIPLE-BENEFICIARY PERMIT;

11 * SEC. 2. AS 05.15.100 IS AMENDED BY ADDING A NEW SUBSECTION TO READ:

12 (D) THE COMMISSIONER MAY ISSUE A MULTIPLE-BENEFICIARY PERMIT TO TWO TO
FOUR

13 MUNICIPALITIES OR QUALIFIED ORGANIZATIONS OR TO A COMBINATION OF TWO TO
FOUR MUNICIPALITIES AND

14 QUALIFIED ORGANIZATIONS THAT APPLY JOINTLY FOR THE PERMIT. THE PERMIT
GIVES THE PERMIT HOLDERS THE

15 PRIVILEGE OF JOINTLY CONDUCTING THE ACTIVITIES SPECIFIED IN (A) AND (B) OF
THIS SECTION, SUBJECT TO THE

16 RESTRICTIONS SET OUT IN (B) OF THIS SECTION.

17 * SEC. 3. AS 05.15.112(A) IS AMENDED TO READ:

18 (A) EACH MUNICIPALITY OR QUALIFIED ORGANIZATION THAT RECEIVES A PERMIT
UNDER THIS CHAPTER

19 SHALL DESIGNATE A MEMBER IN CHARGE. MUNICIPALITIES AND QUALIFIED

this year 2 to 6

ORGANIZATIONS THAT HOLD A

6 MULTIPLE-BENEFICIARY PERMIT SHALL JOINTLY DESIGNATE ONE MEMBER IN CHARGE.

7 * SEC. 4. AS 05.15.112(B) IS AMENDED TO READ:

8 (B) THE MEMBER IN CHARGE IS RESPONSIBLE FOR PREPARATION, MAINTENANCE,
9 AND TRANSMITTAL

10 OF ALL RECORDS AND REPORTS REQUIRED OF THE PERMITTEE. THE MEMBER IN CHARGE
11 SHALL BE A MEMBER

12 OF THE QUALIFIED ORGANIZATION OR THE BOARD OF DIRECTORS OF THE QUALIFIED
13 ORGANIZATION OR AN

14 EMPLOYEE OF THE MUNICIPALITY. IN THE CASE OF A MULTIPLE-BENEFICIARY
15 PERMIT, THE MEMBER IN

16 CHARGE SHALL BE A MEMBER OF ONE OF THE QUALIFIED ORGANIZATIONS OR THE BOARD
17 OF DIRECTORS OF

18 ONE OF THE QUALIFIED ORGANIZATIONS OR AN EMPLOYEE OF ONE OF THE
19 MUNICIPALITIES.

20 * SEC. 5. AS 05.15.112(D) IS AMENDED TO READ:

21 (D) THE MUNICIPALITY OR QUALIFIED ORGANIZATION, OR THE HOLDERS OF A
22 MULTIPLE-BENEFICIARY

23 PERMIT, SHALL DESIGNATE ALTERNATE MEMBERS IN CHARGE WHO ARE RESPONSIBLE
24 FOR THE DUTIES OF THE

25 MEMBER IN CHARGE IN THE ABSENCE OF THE MEMBER IN CHARGE.

26 * SEC. 6. AS 05.15 IS AMENDED BY ADDING A NEW SECTION TO READ:

27 (A) SEC. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (A) TWO TO FOUR
28 MUNICIPALITIES

29 OR QUALIFIED ORGANIZATIONS, OR A COMBINATION OF TWO TO FOUR MUNICIPALITIES
30 AND QUALIFIED

31 ORGANIZATIONS, MAY JOINTLY APPLY FOR A MULTIPLE-BENEFICIARY PERMIT UNDER AS
32 05.15.100(D). THE

33 COMMISSIONER MAY NOT ISSUE OR RENEW A PERMIT EXCEPT UPON SATISFACTORY PROOF
34 THAT EACH JOINT

35 APPLICANT IS A MUNICIPALITY OR QUALIFIED ORGANIZATION, THE ACTIVITY MAY BE
36 PERMITTED UNDER THIS

37 CHAPTER, AND THE ISSUANCE OF A PERMIT IS NOT DETRIMENTAL TO THE BEST
38 INTERESTS OF THE PUBLIC. UPON

39 REQUEST OF THE COMMISSIONER, THE JOINT APPLICANTS SHALL PROVE CONCLUSIVELY
40 EACH OF THESE

41 REQUIREMENTS BEFORE A PERMIT MAY BE ISSUED OR RENEWED.

42 (B) THE PROVISIONS OF AS 05.15.140(B) - (D) APPLY TO
43 MULTIPLE-BENEFICIARY PERMITS AND

44 APPLICATIONS FOR THEM.

45 (C) A MUNICIPALITY OR QUALIFIED ORGANIZATION THAT IS AMONG THE HOLDERS
46 OF A MULTIPLE-BENEFICIARY PERMIT MAY NOT

30 HOLD ANOTHER PERMIT UNDER THIS CHAPTER.

31 f (D) A MUNICIPALITY OR QUALIFIED ORGANIZATION THAT IS AMONG THE HOLDERS
OF A MULTIPLE-BENEFICIARY PERMIT MAY

1 WITHDRAW FROM THE PERMIT BY GIVING WRITTEN NOTICE OF INTENT TO WITHDRAW
2 TO THE DEPARTMENT AND TO THE OTHER HOLDERS OF THE PERMIT. THE EFFECTIVE
DATE OF THE WITHDRAWAL

3 IS 30 DAYS AFTER THE DEPARTMENT RECEIVES WRITTEN NOTICE OF INTENT. A
MUNICIPALITY OR QUALIFIED

4 ORGANIZATION THAT WITHDRAWS FROM A MULTIPLE-BENEFICIARY PERMIT MAY APPLY
FOR A PERMIT UNDER

5 AS 05.15.100(A), BUT ITS SHARE OF THE PRIZES AWARDED UNDER THE
MULTIPLE-BENEFICIARY PERMIT AND

6 THE PRIZES IT AWARDS UNDER ITS OWN PERMIT ARE SUBJECT TO THE MAXIMUMS
ESTABLISHED IN

7 AS 05.15.100(G).

8 f (E) THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT SHALL JOINTLY FILE
REPORTS WITH THE

9 DEPARTMENT THAT COMPLY WITH THE REPORTING REQUIREMENTS IMPOSED ON OPERATORS
UNDER

10 AS 05.15.033.

11 * SEC. 7. AS 05.15.100(D) IS AMENDED TO READ:

12 f (D) THE TOTAL VALUE OF DOOR PRIZES OFFERED OR AWARDED UNDER AUTHORITY OF
A PERMIT ISSUED

13 TO A MUNICIPALITY OR QUALIFIED ORGANIZATION UNDER THIS CHAPTER OR UNDER
AUTHORITY OF A MULTIPLE-BENEFICIARY

14 PERMIT... MAY NOT EXCEED \$20,000 A MONTH OR \$240,000 A YEAR.

15 * SEC. 8. AS 05.15.100(E) IS AMENDED TO READ:

16 f (E) THE TOTAL VALUE OF ALL DOOR PRIZES OFFERED OR AWARDED AT A SINGLE
FACILITY OR BINGO HALL

17 OR PARLOR BY AN OPERATOR ON BEHALF OF AUTHORIZING PERMITTEES (OR BY A
PERMITTEE IN

18 CONJUNCTION WITH OTHER PERMITTEES) MAY NOT EXCEED \$20,000 A MONTH OR
\$240,000

19 A YEAR.

20 * SEC. 9. AS 05.15.100(G) IS AMENDED TO READ:

21 f (G) A MUNICIPALITY OR A QUALIFIED ORGANIZATION MAY AWARD A MAXIMUM OF
\$1,000,000 IN

22 PRIZES EACH YEAR IN ACTIVITIES AUTHORIZED UNDER THIS CHAPTER; HOWEVER, IF A
MUNICIPALITY OR A

23 QUALIFIED ORGANIZATION CONTRACTS WITH AN OPERATOR TO CONDUCT ON ITS BEHALF
ACTIVITIES AUTHORIZED

24 UNDER THIS CHAPTER, THE MUNICIPALITY OR QUALIFIED ORGANIZATION MAY AWARD A
MAXIMUM OF \$500,000

25 IN PRIZES EACH YEAR. THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT UNDER
AS 05.15.100(D) MAY

26 AWARD A MAXIMUM IN PRIZES EACH YEAR OF \$1,000,000 TIMES THE NUMBER OF
HOLDERS OF THE

27 PERMIT FOR ACTIVITIES AUTHORIZED UNDER THIS CHAPTER. IN THIS SUBSECTION
"ACTIVITIES AUTHORIZED.

28 UNDER THIS CHAPTER" MEANS ALL ACTIVITIES SUBJECT TO THIS CHAPTER OTHER THAN
BINGO.

29 * SEC. 10. AS 05.15.107(F) IS AMENDED TO READ:

30 1 (F) EACH PERMITTEE (MUNICIPALITY OR QUALIFIED ORGANIZATION) THAT HAS
31 GROSS RECEIPTS EXCEEDING \$100,000 DURING THE PRECEDING YEAR FROM ACTIVITIES
CONDUCTED UNDER THIS

1 CHAPTER OR THAT IS REQUIRED TO REPORT UNDER AS 05.15.060(A), THAT CONDUCTS
A FULL-TAB GAME SHALL

2 MAINTAIN RECORDS FOR TWO YEARS OF EACH PRIZE OF \$50 OR MORE, THE FIRST DAY
AND LAST DAY THAT EACH

3 SERIES WAS DISTRIBUTED, THE SERIAL NUMBER OF EACH SERIES, AND THE
DISTRIBUTOR FROM WHOM EACH SERIES

4 WAS PURCHASED. IN THIS SECTION "PERMITTEE" INCLUDES MUNICIPALITIES AND
QUALIFIED ORGA-

5 NIZATIONS THAT JOINTLY HOLD A MULTIPLE-BENEFICIARY PERMIT.....

6 * SEC. 11. THIS ACT TAKES EFFECT IMMEDIATELY UNDER AS 01.10.070(C).

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 6

1 "AN ACT RELATING TO MULTIPLE-BENEFICIARY CHARITABLE GAMING PERMITS, MAXIMUM
PRIZE AWARDS,

2 AND DOOR PRIZES FOR CHARITABLE GAMING, AND PROVIDING FOR AN EFFECTIVE DATE."

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

4 * SECTION 1. AS 05.15.060(B) IS AMENDED TO READ:

5 1 (B) THE NUMBER OF ACTIVITIES THAT MAY BE HELD, OPERATED, OR CONDUCTED
UNDER A

6 PERMIT DURING A SPECIFIED PERIOD; HOWEVER, THE DEPARTMENT MAY NOT ALLOW
MORE THAN 14 BINGO

7 SESSIONS A MONTH AND 35 BINGO GAMES A SESSION TO BE CONDUCTED UNDER A
PERMIT; THE HOLDERS OF

8 A MULTIPLE-BENEFICIARY PERMIT UNDER AS 05.15.100(D) MAY HOLD, OPERATE, OR
CONDUCT THE

9 NUMBER OF SESSIONS AND GAMES A MONTH EQUAL TO THE NUMBER ALLOWED AN
INDIVIDUAL PERMITTEE

10 MULTIPLIED BY THE NUMBER OF HOLDERS OF THE MULTIPLE-BENEFICIARY PERMIT

11 * SEC. 2. AS 05.15.100 IS AMENDED BY ADDING A NEW SUBSECTION TO READ:

12 (D) THE COMMISSIONER MAY ISSUE A MULTIPLE-BENEFICIARY PERMIT TO TWO TO SIX

13 MUNICIPALITIES OR QUALIFIED ORGANIZATIONS OR TO A COMBINATION OF TWO TO SIX MUNICIPALITIES AND

14 QUALIFIED ORGANIZATIONS THAT APPLY JOINTLY FOR THE PERMIT. THE PERMIT GIVES THE PERMIT HOLDERS THE

15 PRIVILEGE OF JOINTLY CONDUCTING THE ACTIVITIES SPECIFIED IN (A) AND (B) OF THIS SECTION, SUBJECT TO THE

16 RESTRICTIONS SET OUT IN (B) OF THIS SECTION.

17 * SEC. 3. AS 05.15.112(A) IS AMENDED TO READ:

18 (A) EACH MUNICIPALITY OR QUALIFIED ORGANIZATION THAT RECEIVES A PERMIT UNDER THIS CHAPTER

19 SHALL DESIGNATE A MEMBER IN CHARGE. MUNICIPALITIES AND QUALIFIED ORGANIZATIONS THAT HOLD A

20 MULTIPLE-BENEFICIARY PERMIT SHALL JOINTLY DESIGNATE ONE MEMBER IN CHARGE.

21 * SEC. 4. AS 05.15.112(B) IS AMENDED TO READ:

22 (B) THE MEMBER IN CHARGE IS RESPONSIBLE FOR PREPARATION, MAINTENANCE, AND TRANSMITTAL

23 OF ALL RECORDS AND REPORTS REQUIRED OF THE PERMITTEE. THE MEMBER IN CHARGE SHALL BE A MEMBER

24 OF THE QUALIFIED ORGANIZATION OR THE BOARD OF DIRECTORS OF THE QUALIFIED ORGANIZATION OR AN

25 EMPLOYEE OF THE MUNICIPALITY. IN THE CASE OF A MULTIPLE-BENEFICIARY PERMIT, THE MEMBER IN

26 CHARGE SHALL BE A MEMBER OF ONE OF THE QUALIFIED ORGANIZATIONS OR THE BOARD OF DIRECTORS OF

27 ONE OF THE QUALIFIED ORGANIZATIONS OR AN EMPLOYEE OF ONE OF THE MUNICIPALITIES.

28 * SEC. 5. AS 05.15.112(D) IS AMENDED TO READ:

29 (D) THE MUNICIPALITY OR QUALIFIED ORGANIZATION, OR THE HOLDERS OF A MULTIPLE-BENEFICIARY

30 PERMIT, SHALL DESIGNATE ALTERNATE MEMBERS IN CHARGE WHO ARE RESPONSIBLE FOR THE DUTIES OF THE

31 MEMBER IN CHARGE IN THE ABSENCE OF THE MEMBER IN CHARGE.

32 * SEC. 6. AS 05.15 IS AMENDED BY ADDING A NEW SECTION TO READ:

33 SEC. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (A) TWO TO SIX MUNICIPALITIES

34 OR QUALIFIED ORGANIZATIONS, OR A COMBINATION OF TWO TO SIX MUNICIPALITIES AND QUALIFIED

35 ORGANIZATIONS, MAY JOINTLY APPLY FOR A MULTIPLE-BENEFICIARY PERMIT UNDER AS

- 22 COMMISSIONER MAY NOT ISSUE OR RENEW A PERMIT EXCEPT UPON SATISFACTORY PROOF THAT EACH JOINT
- 23 APPLICANT IS A MUNICIPALITY OR QUALIFIED ORGANIZATION, THE ACTIVITY MAY BE PERMITTED UNDER THIS
- 24 CHAPTER, AND THE ISSUANCE OF A PERMIT IS NOT DETRIMENTAL TO THE BEST INTERESTS OF THE PUBLIC. UPON
- 25 REQUEST OF THE COMMISSIONER, THE JOINT APPLICANTS SHALL PROVE CONCLUSIVELY EACH OF THESE
- 26 REQUIREMENTS BEFORE A PERMIT MAY BE ISSUED OR RENEWED.
- 27 1 (B) THE PROVISIONS OF AS 05.15.140(B) - (D) APPLY TO MULTIPLE-BENEFICIARY PERMITS AND
- 28 APPLICATIONS FOR THEM.
- 29 1 (C) A MUNICIPALITY OR QUALIFIED ORGANIZATION THAT IS AMONG THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT MAY NOT
- 30 HOLD ANOTHER PERMIT UNDER THIS CHAPTER.
- 31 1 (D) A MUNICIPALITY OR QUALIFIED ORGANIZATION THAT IS AMONG THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT MAY
- 1 WITHDRAW FROM THE PERMIT BY GIVING WRITTEN NOTICE OF INTENT TO WITHDRAW
- 2 TO THE DEPARTMENT AND TO THE OTHER HOLDERS OF THE PERMIT. THE EFFECTIVE DATE OF THE WITHDRAWAL
- 3 IS 30 DAYS AFTER THE DEPARTMENT RECEIVES WRITTEN NOTICE OF INTENT. A MUNICIPALITY OR QUALIFIED
- 4 ORGANIZATION THAT WITHDRAWS FROM A MULTIPLE-BENEFICIARY PERMIT MAY APPLY FOR A PERMIT UNDER
- 5 AS 05.15.100(A), BUT ITS SHARE OF THE PRIZES AWARDED UNDER THE MULTIPLE-BENEFICIARY PERMIT AND
- 6 THE PRIZES IT AWARDS UNDER ITS OWN PERMIT ARE SUBJECT TO THE MAXIMUMS ESTABLISHED IN
- 7 AS 05.15.180(G).
- 8 1 (E) THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT SHALL JOINTLY FILE REPORTS WITH THE
- 9 DEPARTMENT THAT COMPLY WITH THE REPORTING REQUIREMENTS IMPOSED ON OPERATORS UNDER
- 10 AS 05.15.083.
- 11 * SEC. 7. AS 05.15.100(D) IS AMENDED TO READ:
- 12 1 (D) THE TOTAL VALUE OF DOOR PRIZES OFFERED OR AWARDED UNDER AUTHORITY OF A PERMIT ISSUED
- 13 TO A MUNICIPALITY OR QUALIFIED ORGANIZATION UNDER THIS CHAPTER OR UNDER AUTHORITY OF A MULTIPLE-BENEFICIARY
- 14 PERMIT... MAY NOT EXCEED \$20,000 A MONTH OR \$240,000 A YEAR.

15 * SEC. 8. AS 05.15.180(E) IS AMENDED TO READ:

16 1 (E) THE TOTAL VALUE OF ALL DOOR PRIZES OFFERED OR AWARDED AT A SINGLE FACILITY OR BINGO HALL

17 OR PARLOR BY AN OPERATOR ON BEHALF OF AUTHORIZING PERMITTEES OR BY A PERMITTEE IN

18 CONJUNCTION WITH OTHER PERMITTEES] MAY NOT EXCEED \$20,000 A MONTH OR \$240,000

19 A YEAR.

20 * SEC. 9. AS 05.15.180(G) IS AMENDED TO READ:

21 1 (G) A MUNICIPALITY OR A QUALIFIED ORGANIZATION MAY AWARD A MAXIMUM OF \$1,500,000

22 [\$1,000,000] IN PRIZES EACH YEAR IN ACTIVITIES AUTHORIZED UNDER THIS CHAPTER; HOWEVER, IF A

23 MUNICIPALITY OR A QUALIFIED ORGANIZATION CONTRACTS WITH AN OPERATOR TO CONDUCT ON ITS BEHALF

24 ACTIVITIES AUTHORIZED UNDER THIS CHAPTER, THE MUNICIPALITY OR QUALIFIED ORGANIZATION MAY AWARD A

25 MAXIMUM OF \$500,000 IN PRIZES EACH YEAR. THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT

26 UNDER AS 05.15.100(D) MAY AWARD A MAXIMUM IN PRIZES EACH YEAR OF \$1,500,000 TIMES THE

27 NUMBER OF HOLDERS OF THE PERMIT FOR ACTIVITIES AUTHORIZED UNDER THIS CHAPTER. IN THIS

28 SUBSECTION "ACTIVITIES AUTHORIZED UNDER THIS CHAPTER" MEANS ALL ACTIVITIES SUBJECT TO THIS CHAPTER

29 OTHER THAN BINGO.

30 * SEC. 10. AS 05.15.187(F) IS AMENDED TO READ:

31 1 (F) EACH PERMITTEE [MUNICIPALITY OR QUALIFIED ORGANIZATION] THAT HAS

1 GROSS RECEIPTS EXCEEDING \$100,000 DURING THE PRECEDING YEAR FROM ACTIVITIES CONDUCTED UNDER THIS

2 CHAPTER OR THAT IS REQUIRED TO REPORT UNDER AS 05.15.030(A), THAT CONDUCTS A PULL-TAB GAME SHALL

3 MAINTAIN RECORDS FOR TWO YEARS OF EACH PRIZE OF \$50 OR MORE, THE FIRST DAY AND LAST DAY THAT EACH

4 SERIES WAS DISTRIBUTED, THE SERIAL NUMBER OF EACH SERIES, AND THE DISTRIBUTOR FROM WHOM EACH SERIES

5 WAS PURCHASED. IN THIS SECTION "PERMITTEE" INCLUDES MUNICIPALITIES AND QUALIFIED

6 ORGANIZATIONS THAT JOINTLY HOLD A MULTIPLE-BENEFICIARY PERMIT.

7 * SEC. 11. THIS ACT TAKES EFFECT IMMEDIATELY UNDER AS 01.10.070(C).

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 6 (L&C)

1 "AN ACT RELATING TO CHARITABLE GAMING; PROVIDING FOR MULTIPLE-BENEFICIARY CHARITABLE GAMING

2 PERMITS; PROHIBITING PERSONS CONVICTED OF FELONIES, CRIMES OF THEFT OR DISHONESTY, AND

3 GAMBLING VIOLATIONS FROM PARTICIPATING IN CHARITABLE GAMING ACTIVITIES AS PERMITTEES, LICENSEES,

4 OR VENDORS, OR AS EMPLOYEES OR INDEPENDENT CONTRACTORS OF PERMITTEES, LICENSEES, OR VENDORS;

5 AND PROVIDING FOR AN EFFECTIVE DATE."

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

7 * SECTION 1. AS 05.15.020(A) IS AMENDED TO READ:

8 1 (A) A MUNICIPALITY OR QUALIFIED ORGANIZATION MAY CONDUCT AN ACTIVITY PERMITTED UNDER THIS

9 CHAPTER (,) IF THE MUNICIPALITY OR QUALIFIED ORGANIZATION PAYS THE APPROPRIATE PERMIT FEE AND

10 RECEIVES AN ANNUAL PERMIT ISSUED BY THE DEPARTMENT. THE ANNUAL PERMIT FEE IS

11 1 (1) \$20 FOR AN APPLICANT THAT DID NOT HOLD A PERMIT DURING THE PRECEDING YEAR;

12 1 (2) \$20 FOR AN APPLICANT THAT HAD GROSS RECEIPTS OF LESS THAN \$20,000 FROM

13 ACTIVITIES CONDUCTED UNDER THIS CHAPTER DURING THE PRECEDING YEAR;

14 1 (3) \$50 FOR AN APPLICANT THAT HAD GROSS RECEIPTS OF \$20,000 OR MORE BUT NOT

1 EXCEEDING \$100,000 FROM ACTIVITIES CONDUCTED UNDER THIS CHAPTER DURING THE PRECEDING YEAR; OR

2 1 (4) \$100 FOR AN APPLICANT THAT HAD GROSS RECEIPTS EXCEEDING \$100,000 FROM

3 ACTIVITIES CONDUCTED UNDER THIS CHAPTER DURING THE PRECEDING YEAR OR THAT IS ONE OF THE APPLICANTS

4 FOR A MULTIPLE-BENEFICIARY PERMIT UNDER AS 05.15.100(D).

5 * SEC. 2. AS 05.15.030(A) IS AMENDED TO READ:

6 1 (A) AT THE TIME OF FILING AN APPLICATION FOR A PERMIT OR LICENSE UNDER THIS CHAPTER THE

7 APPLICANT SHALL NOTIFY THE CITY OR BOROUGH NEAREST TO THE LOCATION OF THE PROPOSED ACTIVITY OF THE

8 APPLICATION. A LOCAL GOVERNMENT UNIT MAY PROTEST THE CONDUCT OF THE ACTIVITY IN ITS JURISDICTION

9 BY RESOLUTION STATING THE REASONS FOR THE PROTEST FILED WITH THE DEPARTMENT; PROTESTS ARE LIMITED TO

10 THE LACK OF QUALIFICATIONS PRESCRIBED BY THIS CHAPTER. THIS RESOLUTION IS ONLY A RECOMMENDATION

11 BY THE LOCAL GOVERNMENT THAT MAY BE CONSIDERED BY THE COMMISSIONER IN

DETERMINING WHETHER TO

- 12 ISSUE OR REFUSE TO ISSUE A PERMIT OR LICENSE. THE COMMISSIONER MAY NOT
13 CONSIDER A RESOLUTION
- 14 UNDER THIS SUBSECTION IF IT IS NOT ADOPTED WITHIN 15 DAYS OF THE DATE THAT
15 THE CITY OR BOROUGH
- 16 RECEIVES NOTICE OF THE APPLICATION.
- 17 * SEC. 3. AS 05.15.060 IS AMENDED TO READ:
- 18 1 SEC. 05.15.060. REGULATIONS. THE DEPARTMENT SHALL ADOPT REGULATIONS
19 UNDER THE
- 20 ADMINISTRATIVE PROCEDURE ACT (AS 44.62) NECESSARY TO CARRY OUT THIS CHAPTER
21 COVERING, BUT NOT
- 22 LIMITED TO,
- 23 1 (1) THE ISSUANCE, RENEWAL, AND REVOCATION OF PERMITS, LAND
24 LICENSES, AND VENDOR
- 25 REGISTRATIONS;
- 26 2 (2) A METHOD OF ASCERTAINING NET PROCEEDS, THE DETERMINATION OF ITEMS
27 OF EXPENSE
- 28 THAT MAY BE INCURRED OR PAID, AND THE LIMITATION OF THE AMOUNT OF THE ITEMS
29 OF EXPENSE TO PREVENT
- 30 THE PROCEEDS FROM THE ACTIVITY PERMITTED FROM BEING DIVERTED TO
31 NONCHARITABLE, NONEDUCATIONAL,
- 32 NONRELIGIOUS, OR PROFIT-MAKING ORGANIZATIONS, INDIVIDUALS, OR GROUPS;
- 33 3 (3) THE IMMEDIATE REVOCATION OF PERMITS, LAND LICENSES, AND VENDOR
34 REGISTRATIONS AUTHORIZED UNDER THIS CHAPTER IF THIS CHAPTER OR REGULATIONS
35 ADOPTED UNDER IT ARE
- 36 VIOLATED,
- 37 4 (4) THE REQUIRING OF DETAILED, SWORN, FINANCIAL REPORTS OF OPERATIONS
38 FROM PERMITTEES
- 39 AND LICENSEES INCLUDING DETAILED STATEMENTS OF RECEIPTS AND PAYMENTS;
- 40 5 (5) THE INVESTIGATION OF PERMITTEES, LICENSEES, REGISTERED VENDORS,
41 AND THEIR
- 42 EMPLOYEES, INCLUDING THE FINGERPRINTING OF THOSE PERMITTEES, LICENSEES,
43 REGISTERED VENDORS, AND
- 44 EMPLOYEES WHOM THE COMMISSIONER CONSIDERS IT ADVISABLE TO FINGERPRINT;
- 45 6 (6) THE LICENSING AND REGULATION OF FULL-TAB TICKET DISPENSING MACHINES
46 AUTHORIZED BY AS 05.15.167(K) EXCLUSION FROM PARTICIPATION AS A PERMITTEE,
47 LICENSEE, OR EMPLOYEE OF A PERMITTEE OR LICENSEE, OF A PERSON
48 CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN THE
49 PRECEDING FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING THEFT OR

1 RECORDS, AND OTHER DOCUMENTS.

2 * SEC. 5. AS 05.15.100 IS AMENDED BY ADDING A NEW SUBSECTION TO READ:

3 f (D) THE COMMISSIONER MAY ISSUE A MULTIPLE-BENEFICIARY PERMIT TO TWO TO
4 SIX

4 MUNICIPALITIES OR QUALIFIED ORGANIZATIONS OR TO A COMBINATION OF TWO TO SIX
MUNICIPALITIES AND

5 QUALIFIED ORGANIZATIONS THAT APPLY JOINTLY FOR THE PERMIT. THE PERMIT
GIVES THE PERMIT HOLDERS THE

6 PRIVILEGE OF JOINTLY CONDUCTING THE ACTIVITIES SPECIFIED IN (A) AND (B) OF
THIS SECTION, SUBJECT TO THE

7 RESTRICTIONS SET OUT IN (B) OF THIS SECTION.

8 * SEC. 6. AS 05.15.112(A) IS AMENDED TO READ:

9 f (A) EACH MUNICIPALITY OR QUALIFIED ORGANIZATION THAT RECEIVES A PERMIT
UNDER THIS CHAPTER

10 SHALL DESIGNATE A MEMBER IN CHARGE. MUNICIPALITIES AND QUALIFIED
ORGANIZATIONS THAT HOLD A

11 MULTIPLE-BENEFICIARY PERMIT SHALL JOINTLY DESIGNATE ONE MEMBER IN CHARGE.

12 * SEC. 7. AS 05.15.112(B) IS AMENDED TO READ:

13 f (B) THE MEMBER IN CHARGE IS RESPONSIBLE FOR PREPARATION, MAINTENANCE,
AND TRANSMITTAL

14 OF ALL RECORDS AND REPORTS REQUIRED OF THE PERMITTEE. THE MEMBER IN CHARGE
SHALL BE A MEMBER

15 OF THE QUALIFIED ORGANIZATION OR THE BOARD OF DIRECTORS OF THE QUALIFIED
ORGANIZATION OR AN

16 EMPLOYEE OF THE MUNICIPALITY. IN THE CASE OF A MULTIPLE-BENEFICIARY
PERMIT, THE MEMBER IN

17 CHARGE SHALL BE A MEMBER OF ONE OF THE QUALIFIED ORGANIZATIONS OR THE BOARD
OF DIRECTORS OF

18 ONE OF THE QUALIFIED ORGANIZATIONS OR AN EMPLOYEE OF ONE OF THE
MUNICIPALITIES.

19 * SEC. 8. AS 05.15.112(D) IS AMENDED TO READ:

20 f (D) THE MUNICIPALITY OR QUALIFIED ORGANIZATION, OR THE HOLDERS OF A
MULTIPLE-BENEFICIARY

21 PERMIT, SHALL DESIGNATE ALTERNATE MEMBERS IN CHARGE WHO ARE RESPONSIBLE
FOR THE DUTIES OF THE

22 MEMBER IN CHARGE IN THE ABSENCE OF THE MEMBER IN CHARGE.

23 * SEC. 9. AS 05.15.115 IS AMENDED BY ADDING A NEW SUBSECTION TO READ:

24 f (E) A CONTRACT BETWEEN A PERMITTEE AND AN OPERATOR UNDER THIS SECTION
FOR THE CONDUCT OF

25 PULL-TAB GAMES SHALL PROVIDE THAT THE PERMITTEE MUST RECEIVE AT LEAST 40
PERCENT OF THE IDEAL NET

- 7 DISHONESTY OR OF A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL
- 8 GAMBLING LAW;
- 9 I (7) THE METHOD AND MANNER OF CONDUCTING AUTHORIZED ACTIVITIES AND
AWARDING OF
- 10 PRIZES OR AWARDS, AND THE EQUIPMENT THAT MAY BE USED;
- 11 I ... (8) THE NUMBER OF ACTIVITIES THAT MAY BE HELD, OPERATED, OR CONDUCTED
UNDER A
- 12 PERMIT DURING A SPECIFIED PERIOD; HOWEVER, THE DEPARTMENT MAY NOT ALLOW
MORE THAN 14 BINGO
- 13 SESSIONS A MONTH AND 35 BINGO GAMES A SESSION TO BE CONDUCTED UNDER A
PERMIT; THE HOLDERS OF
- 14 A MULTIPLE-BENEFICIARY PERMIT UNDER AS 05.15.100(B) MAY HOLD, OPERATE, OR
CONDUCT THE
- 15 NUMBER OF SESSIONS AND GAMES A MONTH EQUAL TO THE NUMBER ALLOWED AN
INDIVIDUAL PERMITTEE
- 16 PER MONTH MULTIPLIED BY THE NUMBER OF HOLDERS OF THE MULTIPLE-BENEFICIARY
PERMIT;
- 17 I ... (9) A METHOD OF ACCOUNTING FOR RECEIPTS AND DISBURSEMENTS BY
OPERATORS, INCLUDING
- 18 THE KEEPING OF RECORDS AND REQUIREMENTS FOR THE DEPOSIT OF ALL RECEIPTS IN
A BANK;
- 19 I ... (10) THE DISPOSITION OF FUNDS IN POSSESSION OF A PERMITTEE, ... (OR) A
PERSON,
- 20 MUNICIPALITY, OR QUALIFIED ORGANIZATION THAT POSSESSES AN OPERATOR'S
LICENSE, OR A REGISTERED
- 21 VENDOR, AT THE TIME A PERMIT, ... (OR) A LICENSE, OR A VENDOR REGISTRATION
IS SURRENDERED, REVOKED,
- 22 OR INVALIDATED;
- 23 I ... (11) RESTRICTIONS ON THE PARTICIPATION BY EMPLOYEES OF THE DEPARTMENT
OF FISH AND
- 24 GAME IN SALMON CLASSICS;
- 25 I ... (12) OTHER MATTERS THE COMMISSIONER CONSIDERS NECESSARY TO CARRY OUT
THIS CHAPTER
- 26 OR PROTECT THE BEST INTEREST OF THE PUBLIC.
- 27 * SEC. 4. AS 05.15.070 IS AMENDED TO READ:
- 28 I SEC. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. THE COMMISSIONER MAY
- 29 EXAMINE OR HAVE EXAMINED THE BOOKS AND RECORDS OF A PERMITTEE, AN OPERATOR,
... A REGISTERED
- 30 VENDOR, ... OR A PERSON LICENSED TO MANUFACTURE OR TO DISTRIBUTE FULL-TAB
GAMES IN THE STATE. THE
- 31 COMMISSIONER MAY ISSUE SUBPOENAS FOR THE ATTENDANCE OF WITNESSES AND THE
PRODUCTION OF BOOKS.

26 FOR EACH PULL-TAB SERIES SOLD BY THE OPERATOR UNDER THE CONTRACT.

27 * SEC. 10. AS 05.15.122(B) IS AMENDED TO READ:

28 (B) THE DEPARTMENT MAY ISSUE AN OPERATOR'S LICENSE TO A NATURAL PERSON,
MUNICIPALITY, OR

29 QUALIFIED ORGANIZATION THAT

30 (1) APPLIES ON THE FORM PROVIDED BY THE DEPARTMENT,

31 (2) PAYS THE ANNUAL FEE OF \$500,

32 (3) DISCLOSES THE IDENTITY OF PERSONS EMPLOYED BY THE APPLICANT IN
ANY LA

33 MANAGERIAL OR SUPERVISORY CAPACITY,

34 (4) SUBMITS PROOF OF LIABILITY INSURANCE SATISFACTORY TO THE
DEPARTMENT; AND

35 (5) POSTS A BOND OR SECURITY SATISFACTORY TO THE DEPARTMENT IN THE
AMOUNT OF

36 \$25,000 FOR EACH PERMIT UNDER WHICH THE OPERATOR OPERATES UP TO A MAXIMUM
OF \$100,000.

37 * SEC. 11. AS 05.15.122(C) IS AMENDED TO READ:

38 (C) THE DEPARTMENT MAY NOT ISSUE AN OPERATOR'S LICENSE TO AN APPLICANT
IF THE APPLICANT

39 OR A PERSON EMPLOYED BY THE APPLICANT IN ANY CAPACITY LA MANAGERIAL OR
SUPERVISORY

40 CAPACITY, HAS BEEN CONVICTED OF (1) IN PRISON FOR, OR ON PAROLE FOR) A
FELONY,

41 (WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF) A CRIME INVOLVING THEFT
OR

42 DISHONESTY, OR (OF) A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL
GAMBLING LAW.

43 * SEC. 12. AS 05.15.122(D) IS AMENDED TO READ:

44 (D) A LICENSEE MAY NOT EMPLOY A PERSON IN ANY LA MANAGERIAL OR

45 SUPERVISORY CAPACITY IF THE PERSON HAS BEEN CONVICTED OF A CRIME
DESCRIBED IN (C) OF THIS

46 SECTION, (1) IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN THE PRECEDING

47 FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING THEFT OR DISHONESTY, OR

48 OF A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL GAMBLING LAW.

49 * SEC. 13. AS 05.15.124 IS AMENDED TO READ:

50 SEC. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A MUNICIPALITY MAY

51 BY ORDINANCE PROHIBIT AN OPERATOR OR A VENDOR FROM CONDUCTING ACTIVITIES
UNDER THIS CHAPTER

52 WITHIN THE MUNICIPALITY.

22 * SEC. 14. AS 05.15.128(A) IS AMENDED TO READ:

23 (A) THE DEPARTMENT SHALL REVOKE THE LICENSE OF AN OPERATOR WHO DOES NOT

24 (1) REPORT AN ADJUSTED GROSS INCOME OF AT LEAST 15 PERCENT OF GROSS
INCOME FOR TWO

25 CONSECUTIVE QUARTERS FOR EACH TYPE OF ACTIVITY CONDUCTED BY, BASED ON THE
TOTAL

26 OPERATION OF THE OPERATOR; OR

27 (2) PAY TO EACH AUTHORIZING PERMITTEE FOR TWO CONSECUTIVE QUARTERS

28 (A) AT LEAST 15 PERCENT OF THE ADJUSTED GROSS INCOME, AS DETERMINED

29 UNDER (1) OF THIS SUBSECTION, RECEIVED FROM ACTIVITIES CONDUCTED ON BEHALF
OF

30 THE AUTHORIZING PERMITTEE OTHER THAN PULL-TAB GAMES; AND

31 (B) AT LEAST 40 PERCENT OF THE IDEAL NET RECEIVED FROM PULL-TAB GAMES

1 CONDUCTED ON BEHALF OF THE AUTHORIZING PERMITTEE.

2 * SEC. 15. AS 05.15.140(B) IS AMENDED TO READ:

3 (B) IN AN APPLICATION FOR A PERMIT, A MUNICIPALITY OR QUALIFIED
ORGANIZATION SHALL DISCLOSE

4 THE NAME AND ADDRESS OF EACH PERSON RESPONSIBLE FOR THE OPERATION OF THE
ACTIVITY, INCLUDING A

5 MEMBER, AN EMPLOYEE, AND AN INDEPENDENT CONTRACTOR, AND WHETHER ANY PERSON
NAMED

6 (1) HAS BEEN CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A
FELONY,

7 (WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF) A CRIME INVOLVING THEFT
OR

8 DISHONESTY, OR (OF) A VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL
GAMBLING LAW; OR

9 (2) HAS A PROHIBITED FINANCIAL INTEREST, AS DEFINED IN REGULATIONS
ADOPTED BY THE

10 COMMISSIONER, IN THE OPERATION OF THE ACTIVITY.

11 * SEC. 16. AS 05.15.140(C) IS AMENDED TO READ:

12 (C) THE COMMISSIONER MAY NOT ISSUE A PERMIT FOR AN ACTIVITY OPERATED BY
A PERSON WHO

13 HAS BEEN CONVICTED OF A CRIME DESCRIBED IN (B)(1) OF THIS SECTION, IN
PRISON FOR, OR ON

14 PAROLE FOR A FELONY, WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF

15 A CRIME INVOLVING THEFT OR DISHONESTY, OR OF A VIOLATION OF A

16 MUNICIPAL, STATE, OR FEDERAL GAMBLING LAW.

17 * SEC. 17. AS 05.15.140 IS AMENDED BY ADDING A NEW SUBSECTION TO READ:

18 1 (E) A PERMITTEE MAY NOT GIVE ANY RESPONSIBILITY FOR AN ACTIVITY UNDER
THIS CHAPTER TO A

19 MEMBER, EMPLOYEE, OR INDEPENDENT CONTRACTOR WHO HAS BEEN CONVICTED OF A
CRIME DESCRIBED IN

20 (B)(1) OF THIS SECTION.

21 * SEC. 18. AS 05.15 IS AMENDED BY ADDING A NEW SECTION TO READ:

22 1 SEC. 05.15.145. MULTIPLE-BENEFICIARY PERMITS. (A) TWO TO SIX
MUNICIPALITIES

23 OR QUALIFIED ORGANIZATIONS, OR A COMBINATION OF TWO TO SIX MUNICIPALITIES
AND QUALIFIED

24 ORGANIZATIONS, MAY JOINTLY APPLY FOR A MULTIPLE-BENEFICIARY PERMIT UNDER AS
05.15.100(D). THE

25 COMMISSIONER MAY NOT ISSUE OR RENEW A PERMIT EXCEPT UPON SATISFACTORY PROOF
THAT EACH JOINT

26 APPLICANT IS A MUNICIPALITY OR QUALIFIED ORGANIZATION. THE ACTIVITY MAY BE
PERMITTED UNDER THIS

27 CHAPTER, AND THE ISSUANCE OF A PERMIT IS NOT DETRIMENTAL TO THE BEST
INTERESTS OF THE PUBLIC. UPON

28 REQUEST OF THE COMMISSIONER, THE JOINT APPLICANTS SHALL PROVE CONCLUSIVELY
EACH OF THESE

29 REQUIREMENTS BEFORE A PERMIT MAY BE ISSUED OR RENEWED.

30 1 (B) THE PROVISIONS OF AS 05.15.140(B) - (D) APPLY TO
MULTIPLE-BENEFICIARY PERMITS AND

31 APPLICATIONS FOR THEM.

1 1 (C) A MUNICIPALITY OR QUALIFIED ORGANIZATION THAT IS AMONG THE HOLDERS
OF A MULTIPLE-BENEFICIARY PERMIT MAY NOT

2 HOLD ANOTHER PERMIT UNDER THIS CHAPTER.

3 1 (D) A MUNICIPALITY OR QUALIFIED ORGANIZATION THAT IS AMONG THE HOLDERS
OF A MULTIPLE-BENEFICIARY PERMIT MAY

4 WITHDRAW FROM THE PERMIT BY GIVING WRITTEN NOTICE OF INTENT TO WITHDRAW

5 TO THE DEPARTMENT AND TO THE OTHER HOLDERS OF THE PERMIT. THE EFFECTIVE
DATE OF THE WITHDRAWAL

6 IS 30 DAYS AFTER THE DEPARTMENT RECEIVES WRITTEN NOTICE OF INTENT. A
MUNICIPALITY OR QUALIFIED

7 ORGANIZATION THAT WITHDRAWS FROM A MULTIPLE-BENEFICIARY PERMIT MAY APPLY
FOR A PERMIT UNDER

8 AS 05.15.100(A), BUT THE TOTAL OF ITS SHARE OF THE PRIZES AWARDED UNDER THE
MULTIPLE-BENEFICIARY

9 PERMIT AND THE PRIZES IT AWARDS UNDER ITS OWN PERMIT ARE SUBJECT TO THE
MAXIMUMS ESTABLISHED IN

10 AS 05.15.180(G).

11 y (E) THE HOLDERS OF A MULTIPLE-BENEFICIARY PERMIT SHALL JOINTLY FILE
REPORTS WITH THE
12 DEPARTMENT THAT COMPLY WITH THE REPORTING REQUIREMENTS IMPOSED ON OPERATORS
UNDER
13 AS 05.15.063.

14 * SEC. 19. AS 05.15.150(b) IS AMENDED TO READ:

15 y (A) THE ONLY EXPENSES THAT MAY BE INCURRED OR PAID IN CONNECTION WITH
THE OPERATION OF
16 AN ACTIVITY UNDER A PERMIT ISSUED UNDER THIS CHAPTER ARE BONA FIDE EXPENSES
REASONABLY NECESSARY
17 FOR
18 y (1) GOODS, WARES, AND MERCHANDISE NECESSARY FOR THE OPERATION OF THE
ACTIVITY;
19 y (2) PERSONAL SERVICES INVOLVED WITH THE OPERATION OF THE ACTIVITY,
INCLUDING THOSE
20 PERFORMED BY
21 y (A) AN EMPLOYEE OF THE PERMITTEE; OR
22 y (B) AN OPERATOR HIRED BY THE PERMITTEE TO CONDUCT THE ACTIVITY [IF THE
23 COMPENSATION IS NOT RELATED TO THE RECEIPTS FROM THE ACTIVITY].

24 * SEC. 20. AS 05.15.170 IS REPEALED AND REENACTED TO READ:

25 y SEC. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT, LICENSE, OR
26 VENDOR REGISTRATION. (A) THE DEPARTMENT MAY SUSPEND, FOR A PERIOD OF UP
TO ONE YEAR,
27 OR REVOKE A PERMIT, LICENSE, OR VENDOR REGISTRATION, AFTER GIVING NOTICE TO
AND AN OPPORTUNITY TO
28 BE HEARD BY THE PERMITTEE, LICENSEE, OR VENDOR, IF THE PERMITTEE, LICENSEE,
OR VENDOR
29 y (1) VIOLATES OR FAILS TO COMPLY WITH A REQUIREMENT OF THIS CHAPTER OR
OF A REGULATION
30 ADOPTED UNDER THIS CHAPTER;
31 y (2) BREACHES A CONTRACTUAL AGREEMENT WITH A PERMITTEE, LICENSEE, OR
REGISTERED
1 VENDOR;
2 y (3) IS CONVICTED OF A FELONY, OF A CRIME INVOLVING THEFT OR DISHONESTY,
OR OF A
3 VIOLATION OF A MUNICIPAL, STATE, OR FEDERAL GAMBLING LAW; FOR THE PURPOSES
OF THIS PARAGRAPH, A
4 PERMITTEE, LICENSEE, OR VENDOR THAT IS NOT A NATURAL PERSON IS CONSIDERED
CONVICTED IF AN OWNER OR
5 MANAGER OF THE PERMITTEE, LICENSEE, OR VENDOR IS CONVICTED; OR

- 6 I (4) KNOWINGLY SUBMITS FALSE INFORMATION TO THE DEPARTMENT OR, IN THE
CASE OF A
- 7 REGISTERED VENDOR, TO A PERMITTEE OR OPERATOR WHEN THE VENDOR KNOWS THAT
THE FALSE INFORMATION
- 8 WILL BE SUBMITTED TO THE DEPARTMENT AS PART OF AN APPLICATION FOR
REGISTRATION.
- 9 I (B) IF THE DEPARTMENT REVOKES A LICENSE OR VENDOR REGISTRATION UNDER
THIS SECTION, IT MAY
- 10 PROHIBIT THE LICENSEE OR VENDOR FROM REAPPLYING FOR A LICENSE OR VENDOR
REGISTRATION FOR A PERIOD
- 11 OF NOT MORE THAN FIVE YEARS. IF THE DEPARTMENT REVOKES A PERMIT UNDER THIS
SECTION, IT MAY
- 12 PROHIBIT THE PERMITTEE FROM REAPPLYING FOR A PERMIT FOR A PERIOD OF NOT
MORE THAN ONE YEAR.
- 13 * SEC. 21. AS 05.15.180(D) IS AMENDED TO READ:
- 14 I (D) THE TOTAL VALUE OF DOOR PRIZES OFFERED OR AWARDED UNDER AUTHORITY OF
A PERMIT ISSUED
- 15 TO A MUNICIPALITY OR QUALIFIED ORGANIZATION UNDER THIS CHAPTER OR UNDER
AUTHORITY OF A MULTIPLE-BENEFICIARY
- 16 PERMIT MAY NOT EXCEED \$20,000 A MONTH OR \$240,000 A YEAR.
- 17 * SEC. 22. AS 05.15.180(E) IS AMENDED TO READ:
- 18 I (E) THE TOTAL VALUE OF ALL DOOR PRIZES OFFERED OR AWARDED AT A SINGLE
FACILITY OR BINGO HALL
- 19 OR PARLOR BY AN OPERATOR ON BEHALF OF AUTHORIZING PERMITTEES OR BY A
PERMITTEE IN
- 20 CONJUNCTION WITH OTHER PERMITTEES MAY NOT EXCEED \$20,000 A MONTH OR
\$240,000
- 21 A YEAR.
- 22 * SEC. 23. AS 05.15.180(G) IS AMENDED TO READ:
- 23 I (G) A MUNICIPALITY OR A QUALIFIED ORGANIZATION MAY AWARD A MAXIMUM OF
\$1,500,000
- 24 (\$1,000,000) IN PRIZES EACH CALENDAR YEAR IN ACTIVITIES AUTHORIZED
UNDER THIS CHAPTER, HOWEVER,
- 25 IF A MUNICIPALITY OR A QUALIFIED ORGANIZATION CONTRACTS WITH AN OPERATOR TO
CONDUCT ON ITS BEHALF
- 26 ACTIVITIES AUTHORIZED UNDER THIS CHAPTER, THE MUNICIPALITY OR QUALIFIED
ORGANIZATION MAY AWARD A
- 27 MAXIMUM OF \$500,000 IN PRIZES EACH CALENDAR YEAR. THE HOLDERS OF A
MULTIPLE-BENEFICIARY
- 28 PERMIT UNDER AS 05.15.180(D) MAY AWARD A MAXIMUM IN PRIZES EACH CALENDAR
YEAR OF
- 29 \$1,500,000 TIMES THE NUMBER OF HOLDERS OF THE PERMIT FOR ACTIVITIES
AUTHORIZED UNDER THIS

30 CHAPTER. . . . IN THIS SUBSECTION "ACTIVITIES AUTHORIZED UNDER THIS CHAPTER"
MEANS ALL ACTIVITIES SUBJECT

31 TO THIS CHAPTER OTHER THAN BINGO.

1 * SEC. 24. AS 05.15.180 IS AMENDED BY ADDING NEW SUBSECTIONS TO READ:

2 1 (H) IF A BINGO GAME UNDER THIS CHAPTER IS CONDUCTED BY AN OPERATOR, THE
OPERATOR, OR AN

3 OWNER, MANAGER OR EMPLOYEE OF THE OPERATOR, MAY NOT CONTEST FOR THE PRIZES
AWARDED IN THAT

4 BINGO GAME. IF A BINGO GAME IS CONDUCTED BY A PERMITTEE, THE PERMITTEE'S
MEMBER IN CHARGE, OR

5 AN ALTERNATE MEMBER IN CHARGE, MAY NOT CONTEST FOR THE PRIZES AWARDED IN
THAT BINGO GAME.

6 1 (I) EACH BINGO CARD, OR OTHER SINGLE OPPORTUNITY TO PARTICIPATE IN A
BINGO GAME, SHALL COST

7 \$1.

8 * SEC. 25. AS 05.15.183 IS AMENDED BY ADDING NEW SUBSECTIONS TO READ:

9 1 (E) A DISTRIBUTOR MAY NOT

10 1 (1) TAKE AN ORDER FOR THE PURCHASE OF A PULL-TAB SERIES FROM A VENDOR;

11 1 (2) SELL A PULL-TAB SERIES TO A VENDOR; OR

12 1 (3) DELIVER A PULL-TAB SERIES TO A VENDOR, EXCEPT AS AUTHORIZED BY AS
05.15.185.

13 1 (F) THE DEPARTMENT MAY NOT ISSUE A LICENSE UNDER THIS SECTION TO AN
APPLICANT IF THE

14 APPLICANT OR A PERSON EMPLOYED BY THE APPLICANT HAS BEEN CONVICTED OF A
FELONY, A CRIME

15 INVOLVING THEFT OR DISHONESTY, OR A VIOLATION OF A MUNICIPAL, STATE, OR
FEDERAL GAMBLING LAW. A

16 LICENSEE UNDER THIS SECTION MAY NOT EMPLOY IN ANY CAPACITY, OR ENTER INTO A
CONTRACT FOR PERSONAL

17 SERVICES WITH, A PERSON WHO HAS BEEN CONVICTED OF A CRIME DESCRIBED IN THIS
SUBSECTION.

18 * SEC. 26. AS 05.15.184 IS AMENDED TO READ:

19 1 SEC. 05.15.184. PULL-TAB TAX. A PULL-TAB DISTRIBUTOR SHALL COLLECT ON
EACH SERIES OF

20 PULL-TABS DISTRIBUTED, A TAX OF ONE (THREE) PERCENT OF THE TOTAL SALES
PRICE OF ALL THE PULL-TABS

21 IN THE SERIES. (AN AMOUNT EQUAL TO THE GROSS RECEIPTS LESS PRIZES AWARDED

22 ON EACH SERIES OF PULL-TABS DISTRIBUTED). THE PULL-TAB DISTRIBUTOR SHALL
PAY TO THE

23 DEPARTMENT THE TAX COLLECTED IN THE PRECEDING MONTH AT THE TIME THAT THE
REPORT UNDER

24 AS 05.15.183(D) IS FILED WITH THE DEPARTMENT.

25 * SEC. 27. AS 05.15.185 IS AMENDED TO READ:

26 § SEC. 05.15.185. DISTRIBUTION OF PULL-TAB GAMES. EACH SERIES OF PULL-TABS

27 DISTRIBUTED IN THE STATE MUST BE SEALED AND HAVE A SERIAL NUMBER LABEL
ISSUED BY THE NATIONAL

28 ASSOCIATION OF FUNDRAISING TICKET MANUFACTURERS OR OTHER SERIAL NUMBER
LABEL APPROVED BY THE

29 DEPARTMENT AND MAY BE DISTRIBUTED ONLY TO

30 1. (1) A MUNICIPALITY OR A QUALIFIED ORGANIZATION THAT HAS OBTAINED A
PERMIT ISSUED

31 UNDER THIS CHAPTER;

1. (2) FOR TO AN OPERATOR ON BEHALF OF AN AUTHORIZING PERMITTEE, OR

2. (3) A VENDOR REGISTERED UNDER THIS CHAPTER WHEN

3. IF (A) A PERMITTEE OR OPERATOR HAS RECEIVED PAYMENT FROM THE VENDOR IN

4 THE AMOUNT AND FORM SET OUT IN AS 05.15.188(J), AND THE PERMITTEE OR
OPERATOR HAS

5 AUTHORIZED THE DISTRIBUTOR TO DISTRIBUTE THE SERIES TO THE VENDOR; AND

6. IF (B) THE PERMITTEE OR OPERATOR HAS PAID TO THE DISTRIBUTOR THE PULL-TAB

7 TAX UNDER AS 05.15.184.

8 * SEC. 28. AS 05.15.187(F) IS AMENDED TO READ:

9. (F) EACH PERMITTEE..... [MUNICIPALITY OR QUALIFIED ORGANIZATION] THAT HAD

10 GROSS RECEIPTS EXCEEDING \$100,000 DURING THE PRECEDING YEAR FROM ACTIVITIES
CONDUCTED UNDER THIS

11 CHAPTER OR THAT IS REQUIRED TO REPORT UNDER AS 05.15.080(A), THAT CONDUCTS
A PULL-TAB GAME SHALL

12 MAINTAIN RECORDS FOR TWO YEARS OF EACH PRIZE OF \$50 OR MORE, THE FIRST DAY
AND LAST DAY THAT EACH

13 SERIES WAS DISTRIBUTED, THE SERIAL NUMBER OF EACH SERIES, AND THE
DISTRIBUTOR FROM WHOM EACH SERIES

14 WAS PURCHASED. IN THIS SECTION "PERMITTEE" INCLUDES MUNICIPALITIES AND
QUALIFIED

15 ORGANIZATIONS THAT JOINTLY HOLD A MULTIPLE-BENEFICIARY PERMIT.....

16 * SEC. 29. AS 05.15.187 IS AMENDED BY ADDING NEW SUBSECTIONS TO READ:

17. (H) AN OWNER, MANAGER, OR EMPLOYEE OF A PERSON HOLDING A PERMIT OR
LICENSE UNDER THIS

18 CHAPTER, OR REGISTERED UNDER THIS CHAPTER AS A VENDOR, MAY NOT PURCHASE A
PULL-TAB FROM A PULL-TAB

19 SERIES MANUFACTURED, DISTRIBUTED, OR SOLD BY THE PERMITTEE, LICENSEE, OR
REGISTERED VENDOR.

20 I (I) A PERMITTEE, OPERATOR, OR REGISTERED VENDOR MAY NOT TURN OVER A
PRIZE OF \$50 OR MORE

21 TO A PERSON WITH A PULL-TAB CARD ENTITLING THE PERSON TO THAT PRIZE UNLESS
THE PERSON SIGNS A RECEIPT

22 FOR THE PRIZE AND RETURNS THE RECEIPT TO THE PERMITTEE, OPERATOR, OR
VENDOR. THE PULL-TAB CARD

23 ENTITLING THE PERSON TO THE PRIZE MAY BE SIGNED AS THE RECEIPT.

24 I (J) A PERMITTEE, OPERATOR, OR REGISTERED VENDOR MAY SELL PULL-TABS ONLY
AT A FIXED LOCATION,

25 AND MAY NOT SELL PULL-TABS FROM A CART, VEHICLE, OR SIMILAR LOCATION THAT
IS CAPABLE OF MOBILITY.

26 PULL-TAB SALES MAY BE MADE ONLY WHEN THE PERSON PURCHASING THE PULL-TAB IS
PHYSICALLY PRESENT

27 AT THE SALE LOCATION.

28 I (K) A PERMITTEE, OPERATOR, OR REGISTERED VENDOR MAY SELL PULL-TABS
THROUGH A PULL-TAB TICKET

29 DISPENSING MACHINE.

30 * SEC. 30. AS 05.15 IS AMENDED BY ADDING A NEW SECTION TO ARTICLE 2 TO
READ:

31 I SEC. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF PERMITTEES
1 AND OPERATORS; VENDOR REGISTRATION. (A) A PERMITTEE OR OPERATOR MAY
CONTRACT

2 WITH A VENDOR TO SELL PULL-TABS ON BEHALF OF THE PERMITTEE OR OPERATOR. IF
THE PERMITTEE OR OPERATOR

3 FIRST REGISTERS THE VENDOR WITH THE DEPARTMENT BY APPLYING FOR REGISTRATION
ON A FORM PRESCRIBED

4 BY THE DEPARTMENT AND BY SUBMITTING THE REGISTRATION FEE OF \$50 FOR EACH
LOCATION AT WHICH THE

5 VENDOR WILL SELL PULL-TABS.

6 I (B) THE DEPARTMENT SHALL APPROVE OR DISAPPROVE AN INITIAL VENDOR
REGISTRATION REQUEST

7 WITHIN 30 WORKING DAYS OF RECEIPT OF THE REGISTRATION FORM FROM A PERMITTEE
OR OPERATOR.

8 I (C) UPON APPROVAL OF THE VENDOR REGISTRATION, THE DEPARTMENT SHALL ISSUE
AN ENDORSEMENT

9 TO THE PERMITTEE'S PERMIT OR THE OPERATOR'S LICENSE THAT AUTHORIZES THE
CONDUCT OF PULL-TAB SALES AT

10 THAT VENDOR LOCATION.

11 I (D) THE ENDORSEMENT ISSUED UNDER (C) OF THIS SECTION IS AN EXTENSION OF
THE PERMITTEE'S

12 OR OPERATOR'S PRIVILEGE UNDER AS 05.15.100 TO CONDUCT PULL-TAB SALES IN
THIS STATE. A VENDOR MAY

- 13 NOT SELL A FULL-TAB SERIES UNTIL A COPY OF THE PERMIT OR LICENSE CONTAINING THE ENDORSEMENT FOR THE
- 14 NEW VENDOR LOCATION HAS BEEN POSTED BY THE PERMITTEE OR OPERATOR IN THE REGISTERED VENDOR
- 15 ESTABLISHMENT. THE ENDORSED PERMIT OR LICENSE MUST BE CLEARLY VISIBLE TO THE GAMING PUBLIC.
- 16 1 (E) A SEPARATE ENDORSEMENT SHALL BE ISSUED FOR EACH VENDOR LOCATION. THE PERMITTEE OR
- 17 OPERATOR SHALL INFORM THE DEPARTMENT WHEN A VENDOR WITH WHOM THE PERMITTEE OR OPERATOR IS
- 18 CONTRACTING CHANGES THE PHYSICAL LOCATION AT WHICH FULL-TABS ARE SOLD, AND SHALL RETURN TO THE
- 19 DEPARTMENT ALL COPIES OF A PERMIT OR LICENSE ENDORSED TO A VENDOR THAT IS NO LONGER SELLING FULL-TABS ON BEHALF OF THE
- 20 PERMITTEE OR OPERATOR. FAILURE TO INFORM THE DEPARTMENT OF A CHANGE IN
- 21 VENDOR LOCATION, OR TO RETURN THE ENDORSED COPIES OF A PERMIT OR LICENSE TO THE DEPARTMENT AFTER
- 22 A VENDOR CHANGE, MAY CONSTITUTE GROUNDS FOR THE SUSPENSION OR REVOCATION OF A PERMITTEE'S PERMIT
- 23 OR AN OPERATOR'S LICENSE.
- 24 1 (F) AT THE TIME THAT A PERMITTEE OR OPERATOR ANNUALLY RENEWS ITS PERMIT OR LICENSE, IT SHALL
- 25 ALSO RENEW THE REGISTRATION OF ALL LOCATIONS WHERE A VENDOR IS SELLING FULL-TABS ON THE PERMITTEE'S
- 26 OR OPERATOR'S BEHALF AND SHALL PAY A REGISTRATION FEE OF \$50 FOR EACH VENDOR LOCATION.
- 27 1 (G) A PERMITTEE OR OPERATOR THAT USES A VENDOR TO SELL FULL-TABS ON ITS BEHALF SHALL ENTER
- 28 INTO A WRITTEN CONTRACT WITH THAT VENDOR. THE DEPARTMENT MAY INSPECT THIS CONTRACT. IF THE
- 29 CONTRACT CONTAINS PROVISIONS THAT VIOLATE THIS CHAPTER OR THE REGULATIONS ADOPTED UNDER IT, THE
- 30 DEPARTMENT MAY DECLARE THE CONTRACT VOID, AND MAY SUSPEND OR REVOKE THE REGISTRATION OF THE
- 31 VENDOR AND THE LICENSE OF THE OPERATOR OR THE PERMIT OF THE PERMITTEE.
- 1 1 (H) EXCEPT AS PROVIDED IN AS 93.15.185, A PERSON, OTHER THAN A PERMITTEE'S MEMBER-IN-CHARGE OR AN OPERATOR, MAY
- 2 NOT DIRECTLY SUPPLY A FULL-TAB SERIES TO A REGISTERED VENDOR FOR SALE
- 3 BY THAT VENDOR ON BEHALF OF THE PERMITTEE OR OPERATOR.
- 4 1 (I) IF A PERMITTEE OR OPERATOR CONTRACTS WITH A VENDOR UNDER (A) OF THIS SECTION, THE
- 5 CONTRACT MUST PROVIDE THAT THE PERMITTEE OR OPERATOR SHALL RECEIVE NO LESS

THAN 70 PERCENT OF THE

6 IDEAL NET.

7 I (J) EXCEPT AS PROVIDED IN AS 65.15.185(3)(A), AN AMOUNT EQUAL TO THE
8 IDEAL NET LESS THE

9 COMPENSATION OWED TO THE VENDOR SHALL BE PAID BY THE VENDOR TO THE MEMBER
10 IN CHARGE, OPERATOR,

11 OR DISTRIBUTOR UPON DELIVERY OF A FULL-TAB SERIES TO THE VENDOR FOR SALE.
12 THE AMOUNT REQUIRED TO

13 BE PAID BY THE VENDOR SHALL BE PAID BY CHECK OR, IF PAID BY OTHER MEANS,
14 SHALL BE DEPOSITED

15 DIRECTLY INTO THE GAMING CHECKING ACCOUNT OF THE PERMITTEE OR OPERATOR.

16 I (K) ALL MONEY PAID TO A REGISTERED VENDOR UNDER THIS SECTION BY A
17 PERMITTEE OR OPERATOR

18 SHALL BE PAID BY CHECK ONLY, AND THE CHECK MAY NOT BE DRAWN IN A MANNER
19 THAT THE PAYEE IS NOT

20 IDENTIFIED.

21 I (L) THE DEPARTMENT MAY NOT ISSUE A VENDOR REGISTRATION FOR A PERSON WHO
22 HAS BEEN

23 CONVICTED OF A FELONY, A CRIME INVOLVING THEFT OR DISHONESTY, OR A
24 VIOLATION OF A MUNICIPAL, STATE,

25 OR FEDERAL GAMBLING LAW, OR WHO EMPLOYS IN ANY CAPACITY INVOLVING GAMING
26 ACTIVITY A PERSON WHO

27 HAS BEEN CONVICTED OF A CRIME DESCRIBED IN THIS SUBSECTION.

28 I (M) A REGISTERED VENDOR MAY NOT EMPLOY A PERSON IN ANY CAPACITY
29 INVOLVING GAMING

30 ACTIVITY IF THE PERSON HAS BEEN CONVICTED OF A CRIME DESCRIBED IN (L) OF
31 THIS SECTION.

32 * SEC. 31. AS 65.15 IS AMENDED BY ADDING A NEW SECTION TO READ:

33 I SEC. 65.15.195. ORDER PROHIBITING ACTION IN VIOLATION OF CHAPT (A)

34 IF THE COMMISSIONER DETERMINES THAT A PERSON HAS ENGAGED IN AN ACT OR
35 PRACTICE IN VIOLATION OF THIS

36 CHAPTER OR A REGULATION ADOPTED UNDER THIS CHAPTER, THE COMMISSIONER MAY,
37 AFTER GIVING REASONABLE

38 NOTICE TO THE PERSON AND AN OPPORTUNITY FOR THE PERSON TO BE HEARD, ISSUE
39 AN ORDER PROHIBITING THE

40 VIOLATION BY THE PERSON. THE ORDER REMAINS IN EFFECT UNTIL THE PERSON HAS
41 SUBMITTED EVIDENCE

42 ACCEPTABLE TO THE COMMISSIONER SHOWING THAT THE VIOLATION HAS BEEN
43 CORRECTED.

44 I (B) IF THE PUBLIC INTEREST REQUIRES, THE COMMISSIONER MAY ISSUE AN
45 EMERGENCY ORDER

46 PROHIBITING AN ACT OR PRACTICE IN VIOLATION OF THIS CHAPTER OR A REGULATION

ADOPTED UNDER THIS

- 30 CHAPTER WITHOUT NOTICE TO OR AN OPPORTUNITY TO BE HEARD BY THE PERSON AFFECTED BY THE ORDER; THE
- 31 COMMISSIONER SHALL IMMEDIATELY SERVE THE PERSON WITH A COPY OF THE EMERGENCY ORDER, AND
- 1 EMERGENCY ORDER EXPIRES 60 DAYS AFTER THE DATE IT IS ISSUED, IF THE PERSON AFFECTED BY THE ORDER
- 2 REQUESTS A HEARING WITHIN 15 DAYS OF RECEIPT OF THE ORDER. IF THE PERSON DOES NOT REQUEST A HEARING
- 3 WITHIN 15 DAYS OF RECEIPT OF THE EMERGENCY ORDER, THE ORDER BECOMES PERMANENT. FOLLOWING A
- 4 HEARING, THE COMMISSIONER MAY RESCIND, MODIFY, OR MAKE PERMANENT THE EMERGENCY ORDER.
- 5 I (C) A PARTY AGGRIEVED BY AN ORDER UNDER THIS SECTION MAY APPEAL TO THE SUPERIOR COURT.
- 6 * SEC. 32. AS 05.15.200(B) IS AMENDED TO READ:
- 7 I (B) A PERSON WHO, WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF THE
- 8 PUBLIC SERVANT'S DUTY, SUBMITS A FALSE STATEMENT IN AN APPLICATION FOR A PERMIT, LICENSE, OR VENDOR
- 9 REGISTRATION UNDER THIS CHAPTER 1,1 IS GUILTY OF UNSWORN FALSIFICATION.
- 10 * SEC. 33. AS 05.15.210 IS AMENDED BY ADDING NEW PARAGRAPHS TO READ:
- 11 I (35) "IDEAL NET" MEANS AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF RECEIPTS THAT WOULD
- 12 BE RECEIVED IF EVERY INDIVIDUAL PULL-TAB TICKET IN A SERIES WERE SOLD AT FACE VALUE, LESS THE PRIZES
- 13 TO BE AWARDED FOR THAT SERIES;
- 14 I (36) "PERMITTEE" MEANS A MUNICIPALITY OR A QUALIFIED ORGANIZATION THAT HOLDS A
- 15 VALID PERMIT UNDER AS 05.15.160;
- 16 I (37) "VENDOR" MEANS A BUSINESS WHOSE PRIMARY ACTIVITY IS NOT REGULATED BY THIS
- 17 CHAPTER BUT THAT IS ENGAGED IN THE SALE OF PULL-TABS OR BEHALF OF A PERMITTEE OR OPERATOR, HOLDS A
- 18 BUSINESS LICENSE UNDER AS 43.70, AND IS
- 19 II (A) A RETAIL ESTABLISHMENT;
- 20 II (B) AN EATING ESTABLISHMENT; OR
- 21 II (C) AN ESTABLISHMENT LICENSED UNDER AS 09.11.
- 22 * SEC. 34. THIS ACT TAKES EFFECT IMMEDIATELY UNDER AS 01.10.070(C).



MAR 3 1993

SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 488-5259 (FAX ALSO)

DURING SESSION:

STATE CAPITOL, JUNEAU, ALASKA 99801-1182 • (907) 485-3473 • FAX: (907) 483-3043

DISTRICT C

KODIAK ISLAND • RURAL SOUTHEAST • SOUTH KENAI PENINSULA

MEMORANDUM

TO: Senator Randy Phillips, Chairman
Senate Community & Regional Affairs Committee

FROM: Senator Fred F. Zharoff

DATE: March 2, 1993

SUBJ: Scheduling Request

I would appreciate your consideration in scheduling SB 95, "An Act relating to multiple-beneficiary charitable gaming permits and door prizes for charitable gaming; and providing for an effective date" for a hearing before the Senate Community & Regional Affairs Committee.

I have attached a copy of SB 95 as well as a sponsor statement and sectional analysis. A fiscal note and position paper have been requested from the Department of Commerce & Economic Development on this bill.

Thank you for your consideration of this request

Attachments



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99815 (907) 488-5259 (FAX ALSO)

DURING SESSION:

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DISTRICT C

KODIAK ISLAND • RURAL SOUTHEAST • SOUTH KENAI PENINSULA

SB 95 Sponsor Statement-Sen. Zharoff

SB 95 attempts to clarify what is inherently permissible in statute and would create a new charitable gaming permit called a "Multiple-Beneficiary" permit.

Under this permit, two to six qualified organizations would be allowed to jointly apply for the multiple beneficiary permit. With this permit, the holders could conduct as many games and session as allowed under law for individual permittees multiplied by the number of holders of the multiple beneficiary permit.

Currently, Lucky Strike Bingo, operates under this configuration. Lucky Strike consists of four qualified organizations who join together to conduct gaming activity without the use of an operator.

The motivation behind this bill surfaced a few years ago when the Department of Commerce proposed, but did not adopt, regulations that would prohibit activities such as those conducted by Lucky Strike. In response to that situation, I introduced SB 6 in 1991 that would establish a multiple beneficiary permit. Other provisions relating to gaming were added to SB 6 as is moved through the legislature, but in the final analysis, SB 6 did not pass the Seventeenth Legislature.

SB 95 is a reintroduction of SB 6, in its original form. I believe it is a non-controversial gaming measure and I would appreciate the committee's affirmative action.

SB 95 - An Act relating to multiple-beneficiary charitable permits and door prizes for charitable gaming; and providing for an effective date

SECTIONAL ANALYSIS - Sen. Zharoff

SECTION 1: Adds language that would allow holders of multiple beneficiary permits to conduct the number of sessions and games per month equal to the number that would be allowed for an individual permittee multiplied by the number of permittees that are holders of the multiple beneficiary permit.

SECTION 2: Allows the commissioner to issue a multiple beneficiary permit to two to six qualified organizations that apply jointly for the permit. The permit would allow the permittees the ability to conduct games allowed under this section which include bingo and pull tabs.

SECTION 3: Requires that permittees holding a multiple beneficiary permit must designate one member in charge.

SECTION 4: Clarifies that the member in charge of a multiple beneficiary permit must be a member of, or on the board of directors of, one of the qualified organizations or an employee of a municipality that may be a holder of a multiple beneficiary permit.

SECTION 5: Requires that a holder of a multiple beneficiary permit designate an alternate member in charge.

SECTION 6: Adds a new section in AS 05.15 that establishes Multiple Beneficiary Permits. Delineates that 2 to 6 qualified organizations or municipalities may join together and apply for a multiple beneficiary permit. This section also requires applicants for multiple beneficiary permits to comply with the same requirements as individual applicants for gaming permits. This section also clarifies that holders of multiple beneficiary permits may not hold any other gaming permits

under AS 05.15. This section also delineates the procedure for an entity that is a joint holder of a multi beneficiary permit to withdraw from the permit and clarifies that the entity that has withdrawn may apply for an individual permit, but its share of prizes awarded while holding the multi beneficiary permit apply toward awards under its individual permit. This section also requires the holders of multi beneficiary permits to file reports that comply with the same requirements as the reports of operators.

SECTION 7: Adds language that restricts door prizes for a multi beneficiary permit to \$20,000 per month or \$240,000 per year. This is the same restriction as applies to other permittees.

SECTION 8: Removes language relating to permittees working in conjunction with each other since this would be done under multi-beneficiary permits under this bill.

SECTION 9: This section allows the holders of a multi-beneficiary permit to pay out prize awards equal to \$1 million multiplied by the number of holders of the multi beneficiary permit.

SECTION 10: Amends the definition of "permittee" to include municipalities and qualified organizations holding multi beneficiary permits.

SECTION 11: Immediate Effective Date.