

SB

2000

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/93

FURTHER:

Date of 5-Day Notice: _____ DATE TURNED INTO OFFICE: 4-17-93
 (in accordance with Uniform Rule 23)

The Finance Committee considered SB 200

CHARITABLE GAMING; EFD

and recommends:

- replace with _____ CS SB 200 (FINANCE)
- or adopt previous _____ CS _____
- attaches amendment(s)

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

- adopts _____ Letter of Intent
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DCPED	4/16/93	<u>6</u>	

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

George J. Adams

Steve Rein

OTHER RECOMMENDATIONS:

Tim Kelly - Do Not Pass

J. Kofsky - Do Not Pass

Scott Murray N. Rec.

1. _____
Donna D. Pass
 Co-Chair: Signature/Recommendation

2. _____
True Love - [Signature]
 Co-Chair: Signature/Recommendation

STATE OF ALASKA
1993 LEGISLATIVE SESSION

FISCAL NOTE OF
REPORTED DATE OF
SFC 4-17-93

BILL NO. SB-200

Revision Date: _____

Title: An Act relating to gaming

Sponsor: Senator Jacko

Requestor: Senate Finance

Department Affected: Commerce and Economic Development

BRU: _____

Component: _____

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

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

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

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

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: 0

ANALYSIS: (Attach a separate page if necessary.)

This bill would provide Alaska Public Information Network (APIN) the ability to sell a pull-tab series in more than one location, at vendor locations, using MBP permits in conjunction with an opportunity to participate in a raffle.

Prepared by: John Hansen, Gaming Program Manager

Division: Occupational Licensing

Phone: 465-2581

Date: 4/16/93

Approved by Commissioner: Paul Fuhs

Agency: Commerce and Economic Development

Date: 4-16-93

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~~Page 7, line 22:~~
~~Date~~

Page 7, line 24 following "vendor.":

Insert "Not less than 50 percent of the net proceeds from an activity conducted under this subsection must be placed ~~in an endowment fund~~ by the ~~or~~ noncommercial broadcasting stations or networks of those stations in an endowment fund for the purposes ~~and~~ uses, and under the procedures provided in AS 05.15.150.

the earnings of which may be used

Plus title amendment to conform to this change.

SENATE FINANCE COMMITTEE

Amendment Number: ④

Bill Number: SB 250

Sponsor: _____ Date: 9/17/93

Logged In By: BR

4-17-93
advised

~~Page 7, line 24:~~
~~Insert~~

Page 7, line 24 following "vendor.":

Insert "Not less than 50 percent of the net proceeds from an activity conducted under this subsection must be placed ~~in an endowment fund~~ by the ~~the~~ noncommercial broadcasting stations or networks of those stations in an endowment fund for the purposes ~~and~~ uses, and under the procedures provided in ASOS.15.150.

Plus title amendment to conform to this change.

SENATE FINANCE
COMMITTEE
Amendment Number: 3
Bill Number: SB 500
Sponsor: _____ Date: 4/17/93
Logged In By: RN

4-17-93
adoption

8-LS1035E ✓
Luckhaupt
4/16/93

*adopted &
amended*

CS FOR SENATE BILL NO. 200()
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:

Referred:

Sponsor(s): **SENATOR JACKO**

A BILL

FOR AN ACT ENTITLED

1 "An Act allowing the holders of a multiple-beneficiary charitable gaming permit
2 that consists entirely of noncommercial broadcasting stations or networks of such
3 stations to sell a pull-tab series at more than one location during the same day
4 if the sales are made at the customary business location of one or more of the
5 holders, at another location by an employee of one of the stations or networks,
6 or by a registered vendor; allowing permittees that are noncommercial
7 broadcasting stations or networks of such stations to contract with vendors to sell
8 pull-tabs on behalf of the permittee at retail establishments, eating establishments,
9 and establishments with liquor licenses; allowing municipalities to prohibit vendors
10 from conducting gaming activities within the municipality; relating to reports by
11 the commissioner regulating charitable gaming to the legislature; requiring
12 registration of vendors; relating to multiple-beneficiary charitable gaming permits

1 and door prizes for charitable gaming; preventing persons with certain convictions
 2 from being involved in charitable gaming activities as a vendor; prohibiting a
 3 prize or award of more than \$250,000 in a ^{lottery} ~~pull-tab game~~ ^{is entered by} that provides a right
 4 ~~to participate~~ ⁱⁿ in a ^{pull tab game} lottery; requiring a vendor contracting with a permittee to
 5 pay the permittee at least 50 percent of the ideal net for each pull-tab series
 6 delivered to the vendor by the permittee; and providing for an effective date."

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

8 * Section 1. AS 05.15.060 is amended to read:

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

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

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

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

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

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

27 (6) exclusion from participation as a permittee, licensee, vendor, or
 28 employee of a permittee, [OR] licensee, or vendor of a person convicted of, in prison
 29 for, or on parole for a felony within the preceding five years, or convicted of a crime

1 involving theft or dishonesty or of a violation of a municipal, state, or federal
2 gambling law;

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

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

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

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

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

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

24 * Sec. 2. AS 05.15.070 is amended to read:

25 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The commis-
26 sioner may examine or have examined the books and records of a permittee, an
27 operator, a registered vendor, or a person licensed to manufacture or to distribute
28 pull-tab games in the state. The commissioner may issue subpoenas for the attendance
29 of witnesses and the production of books, records, and other documents.

30 * Sec. 3. AS 05.15.090 is amended to read:

31 Sec. 05.15.090. REPORTS TO THE LEGISLATURE. Before April 15 of each

1 year the commissioner shall submit a detailed report containing a (1) summary of all
2 reports required of permittees, vendors, and operators, and (2) review of all activities
3 conducted under AS 05.15.187(h). The attorney general and the commissioner of
4 public safety shall, within 10 days after the convening of the legislature each year,
5 submit a jointly prepared, detailed report outlining the effect, if any, of the operation
6 of this chapter on the legal and law enforcement activities of the state.

7 * Sec. 4. AS 05.15.090 is repealed and reenacted to read:

8 Sec. 05.15.090. REPORTS TO THE LEGISLATURE. Before April 15 of each
9 year the commissioner shall submit a detailed report containing a summary of all
10 reports required of permittees, vendors, and operators. The attorney general and the
11 commissioner of public safety shall, within 10 days after the convening of the
12 legislature each year, submit a jointly prepared, detailed report outlining the effect, if
13 any, of the operation of this chapter on the legal and law enforcement activities of the
14 state.

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

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

21 * Sec. 6. AS 05.15.112(a) is amended to read:

22 (a) Each municipality or qualified organization that receives a permit under
23 this chapter shall designate a member in charge. Municipalities and qualified
24 organizations that hold a multiple-beneficiary permit shall jointly designate one
25 member in charge.

26 * Sec. 7. AS 05.15.112(b) is amended to read:

27 (b) The member in charge is responsible for preparation, maintenance, and
28 transmittal of all records and reports required of the permittee. The member in charge
29 shall be a member of the qualified organization or the board of directors of the
30 qualified organization or an employee of the municipality. In the case of a multiple-
31 beneficiary permit, the member in charge shall be a member of one of the

1 qualified organizations or the board of directors of one of the qualified
2 organizations or an employee of one of the municipalities.

3 * Sec. 8. AS 05.15.112(d) is amended to read:

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

7 * Sec. 9. AS 05.15.124 is amended to read:

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

11 * Sec. 10. 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. 11. AS 05.15.180(d) is amended to read:

4 (d) The total value of door prizes offered or awarded under authority of a
5 permit issued to a municipality or qualified organization under this chapter or under
6 authoritv of a multiple-beneficiary permit may not exceed \$20,000 a month or
7 \$240,000 a year.

8 * Sec. 12. AS 05.15.180(e) is amended to read:

9 (e) The total value of all door prizes offered or awarded at a single facility or
10 bingo hall or parlor by an operator on behalf of authorizing permittees [OR BY A
11 PERMITTEE IN CONJUNCTION WITH OTHER PERMITTEES] may not exceed
12 \$20,000 a month or \$240,000 a year.

13 * Sec. 13. AS 05.15.180(g) is amended to read:

14 (g) A municipality or a qualified organization may award a maximum of
15 \$1,000,000 in prizes each year in activities authorized under this chapter; however, if
16 a municipality or a qualified organization contracts with an operator to conduct on its
17 beha^{it} activities authorized under this chapter, the municipality or qualified
18 organization may award a maximum of \$500,000 in prizes each year. The holders of
19 a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in
20 prizes each year of \$1,000,000 times the number of holders of the permit for
21 activities authorized under this chapter. In this subsection "activities authorized
22 under this chapter" means all activities subject to this chapter other than bingo.

23 * Sec. 14. AS 05.15.183 is amended by adding a new subsection to read:

24 (e) A distributor may not

25 (1) take an order for the purchase of a pull-tab series from a vendor;

26 (2) sell a pull-tab series to a vendor; or

27 (3) deliver a pull-tab series to a vendor.

28 * Sec. 15. AS 05.15.187(f) is amended to read:

29 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION]
30 that had gross receipts exceeding \$100,000 during the preceding year from activities
31 conducted under this chapter or that is required to report under AS 05.15.080(a), that

1 conducts a pull-tab game shall maintain records for two years of each prize of \$50 or
2 more, the first day and last day that each series was distributed, the serial number of
3 each series, and the distributor from whom each series was purchased. In this section
4 "permittee" includes municipalities and qualified organizations that jointly hold
5 a multiple-beneficiary permit.

6 * Sec. 16. AS 05.15.187(g) is amended to read:

7 (g) Notwithstanding other provisions of this chapter, a pull-tab game that
8 confers an additional right upon all or some of the purchasers of a pull-tab series to
9 participate in a lottery for additional prizes may not be conducted in the state unless

10 (1) a surety bond in the amount of \$250,000 conditioned upon payment
11 of all prizes and awards when due is submitted to the department by the operator or
12 authorizing permittee and approved by the attorney general; and

13 (2) each prize or award under the ~~pull-tab series or the lottery~~ does
14 not exceed \$250,000.

15 * Sec. 17. AS 05.15.187 is amended by adding a new subsection to read:

16 (h) Notwithstanding (b) of this section, the department shall allow the
17 permittees of a multiple-beneficiary charitable gaming permit that is held solely by
18 noncommercial broadcasting stations or networks of those stations to sell a pull-tab
19 series at more than one location during the same day if the sales are made

20 (1) at the customary place of business of one or more of the
21 participating stations or networks;

22 (2) at another location if the sales are made by an employee of one of
23 the stations or networks; or

24 (3) by a registered vendor.

25 * Sec. 18. AS 05.15 is amended by adding a new section to article 2 to read:

26 Sec. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF
27 PERMITTEES THAT ARE NONCOMMERCIAL BROADCASTING STATIONS OR
28 NETWORKS OF SUCH STATIONS; VENDOR REGISTRATION. (a) A permittee
29 that is a noncommercial broadcasting station or a network of such stations may
30 contract with a vendor to sell pull-tabs on behalf of the permittee, if the permittee first
31 registers the vendor with the department by applying for registration on a form pre-

1 scribed by the department and by submitting the registration fee of \$50 for each
2 location at which the vendor will sell pull-tabs.

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

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

12 (d) A separate endorsement shall be issued for each vendor location. The
13 permittee shall inform the department when a vendor with whom the permittee is
14 contracting changes the physical location at which pull-tabs are sold, and shall return
15 to the department all copies of a permit endorsed to a vendor that is no longer selling
16 pull-tabs on behalf of the permittee. Failure to inform the department of a change in
17 vendor location, or to return the endorsed copies of a permit to the department after
18 a vendor change, may constitute grounds for the suspension or revocation of a
19 permittee's permit.

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

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

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

31 (h) If a permittee contracts with a vendor under (a) of this section, the contract

1 must provide that the permittee shall receive no less than 50 percent of the ideal net.

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

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

7 * Sec. 19. AS 05.15.200(b) is amended to read:

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

12 * Sec. 20. AS 05.15.210 is amended by adding new paragraphs to read:

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

16 (37) "noncommercial broadcasting station" means a radio or television
17 station that is licensed by the Federal Communications Commission to a governmental
18 entity or to an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3)
19 (Internal Revenue Code);

20 (38) "vendor" means a business whose primary activity is not regulated
21 by this chapter but that is engaged in the sale of pull-tabs on behalf of a permittee,
22 holds a business license under AS 43.70, and is

23 (A) a retail establishment;

24 (B) an eating establishment; or

25 (C) an establishment licensed under AS 04.11.

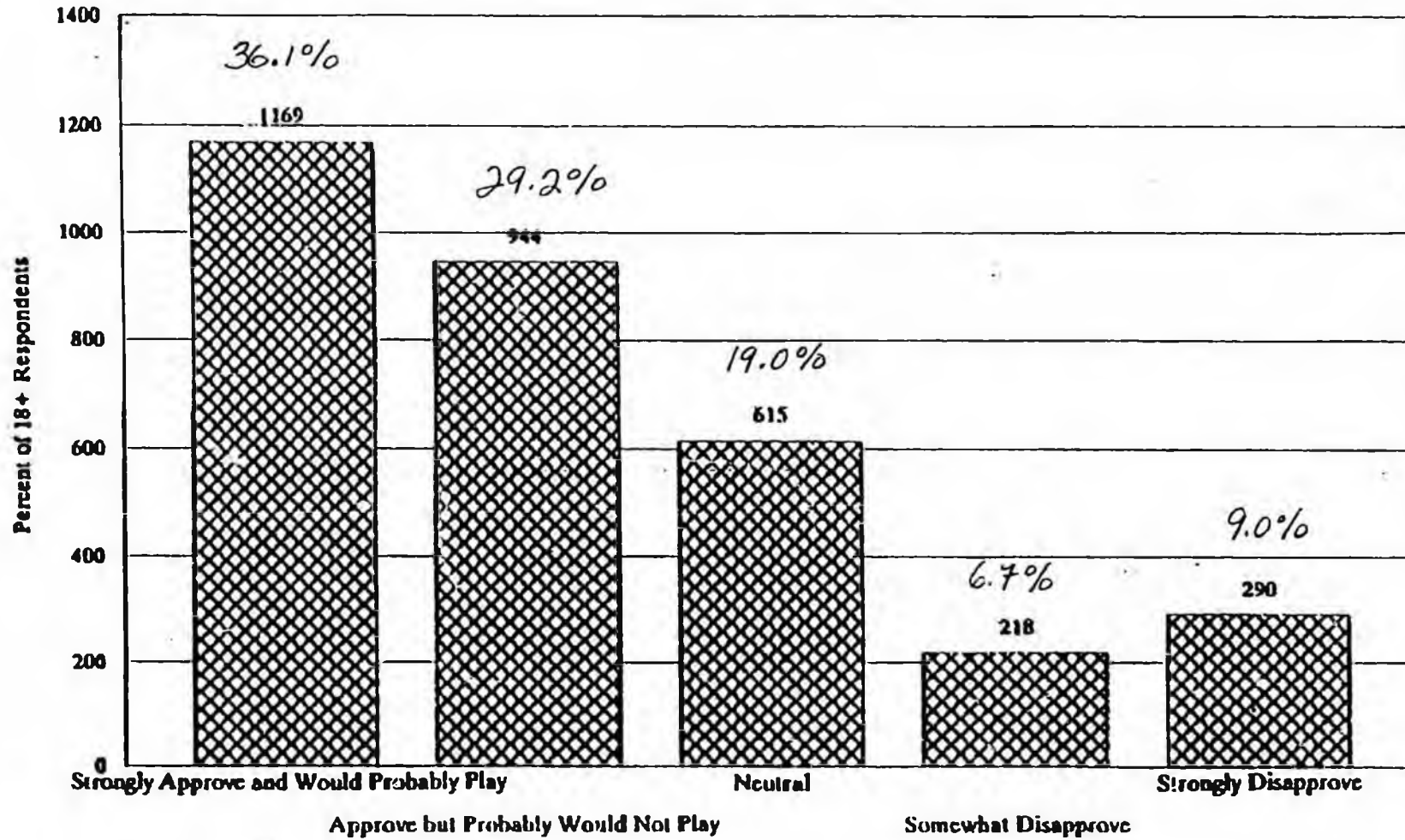
26 * Sec. 21. AS 05.15.187(h) is repealed July 1, 1996.

27 * Sec. 22. Except for sec. 4 of this Act, this Act takes effect immediately under
28 AS 01.10.070(c).

29 * Sec. 23. Section 4 of this Act takes effect July 1, 1996.

Area: State of Alaska (NSTSA)

Date: Dec. 12, 1991 - Feb. 5, 1992



Question: The Alaska legislature passed a law last year allowing public radio and TV stations to raise money for the operations by conducting an on-air lottery game. The law allows public radio and TV stations to broadcast fund-raising games over the air up to 12 hours each year. How do you feel about public radio and TV stations conducting on on-air lottery game to raise money?

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