

SB

370

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/8/94

FURTHER:

DATE TURNED INTO OFFICE: 4-26-94

The Finance Committee considered SENATE BILL NO. 370

"An Act providing an exemption from gambling laws for gambling conducted by cruise ships for their ticketed passengers in the offshore water of the state outside of ports; defining 'cruise ship'; and providing for the licensing of certain cruise ships before they can conduct gambling in the offshore water of the state."

and recommends:

- replace with _____ CS SB 370 (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

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
Revenue	4/1/94	<input checked="" type="checkbox"/>	
Revenue	7/27/94		\$43.6

(295.0)
revenue
(620.0)
revenue

Appropriation No Fiscal Note

DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

SEA [Signature] N R
Tom Kelly - No Rec

1. *Grant Do Pass*

Co-Chair: Signature/Recommendation

2. *1 rule change - 10 not pass*

Co-Chair: Signature/Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 370(FIN)

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

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL						
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REVENUE FUND SOURCE:	620.0	620.0	620.0	620.0	620.0	620.0
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FUNDING: (Thousands of Dollars)

1C02 Federal Receipts						
1C03 GF Match						
1C04 GF						
1C05 GF/Program Receipts	43.6	38.6	38.6	38.6	38.6	38.6
1C06 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

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

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared by: Don Stolworthy, Director Phone: 465-2229
 Division: Charitable Gaming Division Date: April 27, 1994
 Approved by Commissioner: Darrel J. Rexwinkel Date: April 27, 1994
 Agency: Department of Revenue

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CSSB 370 (FIN)

Estimated Costs

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

One Time Costs

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

CSSB 370 (FIN)

Estimated Revenues

Fee Schedule

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

8-LS1626D ✓
Luckhaupt
4/26/94

ADOPTED

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

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE TRANSPORTATION COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling laws for gambling conducted by
2 cruise ships for their ticketed passengers in the offshore water of the state;
3 relating to promotions on board cruise ships; defining 'cruise ship'; providing for
4 exemption ^{proceedings} fees for certain cruise ships before they can conduct gambling in the ^{at meet F1}
5 offshore water of the state; and providing for an effective date."

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

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

8 ARTICLE 4. CRUISE SHIP EXEMPTION.

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

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

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

1 and

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

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

6 (1) 500 or fewer passengers \$10,000;

7 (2) 501 - 999 passengers \$20,000;

8 (3) 1000 - 1999 passengers \$30,000;

9 (4) 2,000 passengers or more \$40,000.

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

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

19 (e) In this section,

20 (1) "cruise ship" has the meaning given in AS 11.66.275;

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

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

24 (b) A person who, with the intent to mislead a public servant in the
25 performance of the public servant's duty, submits a false statement in an application
26 for a permit, license, exemption, or vendor registration under this chapter is guilty of
27 unsworn falsification.

28 * Sec. 3. AS 11.66 is amended by adding a new section to read:

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

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(1) the cruise ship is exempt under AS 05.15.250; and
(2) the gambling is ancillary to the cruise and the cruise has as its main purpose scenic cruising and port visits at maritime communities in the state.

(b) In this section,

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

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

* Sec. 4. AS 45.50.471(b) is amended by adding a new paragraph to read:

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

* Sec. 5. AS 45.50 is amended by adding a new section to read:

Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that mentions or features a business in a state port that has paid something of value for the purpose of having the business mentioned or featured, unless the person conducting the promotion clearly and fully discloses orally and in all written materials used in the promotion that the featured businesses have paid to be included in the promotion. A violation of this section constitutes an unfair trade practice under AS 45.50.471. In this section, "cruise ship" has the meaning given in AS 11.66.275.

* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

amend #2

*insert date on regulation only
Dec 30, 1996. Sec 12, #3*

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

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

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

MEMORANDUM

April 27, 1994

SUBJECT: CSSB 370(FIN) (Work Order No. 8-LS1626\I)

TO: Senator Drue Pearce
Attn: Marie Murray

FROM: Jerry Luckhaupt *JEL*
Legislative Counsel

In the above-captioned final committee substitute the committee requested that we sunset the cruise gambling exemption at the end of 1996. To implement this we added a new bill section 7, to repeal AS 05.15.250 (added in sec. 1 of the bill) and AS 11.66.275 (added in sec. 4 of the bill). We were unable to repeal the changes made in section 2 of the bill in this same manner because that section amends an existing section of law that has vitality outside of cruise ship exemption context. As a result we added a new bill section 3 that removes the amendment made in section 2 of the bill and made bill section 3 effective with the sunset of the other provisions. Also since bill section 6 incorporated by reference the definition of cruise ship in section 4 of the bill we were forced to define cruise ship specifically in section 7 of the bill as the definition of cruise ship in section 4 of the bill was being sunsetted.

GPL:gc
94-291.glc

Enclosure

8-LS1626U
Luckhaupt
4/21/94

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

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

1 "An Act providing an exemption from gambling laws for gambling conducted by
2 cruise ships for their ticketed passengers in the offshore water of the state;
3 relating to promotions on board cruise ships; defining 'cruise ship'; relating to
4 funding of the Alaska Tourism Marketing Council; creating the Alaska tourism
5 marketing council fund; and providing for exemption fees for certain cruise ships
6 before they can conduct gambling in the offshore water of the state; and
7 providing for an effective date."

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

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

10 **ARTICLE 4. CRUISE SHIP EXEMPTION.**

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

13 (1) the operator of the cruise ship annually applies on a date set by the

x typo

1 department on a form provided by the department;

2 (2) the operator of the cruise ship agrees to comply with all state laws,
3 including those relating to unfair trade practices; and

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

6 (b) The exemption fee for a cruise ship to conduct gambling under (a) of this
7 section is the greater of

8 (1) for cruise ships with a capacity of

9	500 or fewer passengers	\$7,500;
10	501 - 999 passengers	\$15,000;
11	1000 - 1999 passengers	\$30,000;
12	2,000 passengers or more	\$40,000; or

13 (2) five percent of the adjusted gross proceeds of all gambling activities
14 conducted aboard ship while the cruise ship is in the offshore water of the state.

15 (c) An operator of a cruise ship shall pay the appropriate fee specified in (b)(1)
16 of this section at the time of application for an exemption under this section. Not later
17 than 60 days after the cruise ship completes its last cruise in a calendar year in the
18 offshore water of the state, the operator of the cruise ship shall report to the
19 department the total proceeds from all gambling conducted aboard ship while the
20 cruise ship was in the offshore water of the state, the total amount of prizes or wagers
21 paid out to winners of all gambling conducted aboard ship while the cruise ship was
22 in the offshore water of the state, and the adjusted gross proceeds of all gambling
23 activities conducted aboard ship while the cruise ship was in the offshore water of the
24 state. If the fee specified in (b)(2) exceeds the fee specified in (b)(1) of this section,
25 the operator of the cruise ship shall pay the difference in the amounts to the
26 department at the time the report required under this subsection is submitted.

27 (d) The department shall revoke the exemption of a cruise ship that becomes
28 ineligible to hold an exemption under this section, provides false information in an
29 application for an exemption or in any report required under this section, violates an
30 order issued under AS 05.15.200, or conducts gambling in violation of the provisions
31 of AS 11.66.275. The department may revoke the exemption of a cruise ship that

1 violates a regulation issued under (f) of this section. When revoking an exemption
2 under this subsection, the department may bar a cruise ship from obtaining an
3 exemption under this section in the future or for a specified number of years in the
4 future.

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

7 (f) The department may adopt regulations to implement this section.

8 (g) The legislature may appropriate the annual estimated balance in the account
9 maintained under AS 37.05.142 for money collected under this section to the Alaska
10 tourism marketing council fund for use as provided in AS 44.33.733. Appropriations
11 to the Alaska tourism marketing council fund under this subsection shall be applied
12 to the required contributions of a qualified trade organization under AS 44.33.705. In
13 this subsection, "qualified trade organization" has the meaning given in AS 44.33.735.
14 Nothing in this subsection creates a dedicated fund.

15 (h) In this section,

16 (1) "adjusted gross proceeds" means the total gross of gambling activity
17 conducted aboard ship while a cruise ship is in the offshore water of the state less
18 prizes or wagers paid to winners of the gambling activity;

19 (2) "cruise ship" has the meaning given in AS 11.66.275;

20 (3) "offshore water of the state" has the meaning given in
21 AS 11.66.275.

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

23 (b) A person who, with the intent to mislead a public servant in the
24 performance of the public servant's duty, submits a false statement in an application
25 for a permit, license, exemption, or vendor registration under this chapter is guilty of
26 unsworn falsification.

27 * Sec. 3. AS 11.66 is amended by adding a new section to read:

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

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

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

3 (b) In this section,

4 (1) "cruise ship" means a ship that operates at least 120 days a year
5 anywhere in the world, provides cruises of at least 72 hours in length for ticketed
6 passengers, provides overnight accommodations and meals for those passengers, and
7 is operated by an authorized cruise ship operator certified under the International
8 Convention for the Safety of Life at Sea;

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

11 * Sec. 4. AS 44.33 is amended by adding a new section to read:

12 Sec. 44.33.733. ALASKA TOURISM MARKETING COUNCIL FUND. The
13 Alaska tourism marketing council fund is created in the general fund. The fund
14 consists of appropriations made by the legislature to the fund. The legislature may
15 appropriate to the fund the annual estimated balance in the accounts maintained under
16 AS 37.05.142 for money collected under AS 05.15.250, AS 44.33.705, and 44.33.727.
17 The money collected under AS 05.15.250, AS 44.33.727, and contributed by a
18 qualified trade organization under AS 44.33.705 that is appropriated to the fund should
19 equal at least 25 percent of the total appropriations to the fund. The council may
20 expend money from the fund to carry out its powers and perform its duties under
21 AS 44.33.700 - 44.33.735. Nothing in this section creates a dedicated fund.

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

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

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

25 Sec. 45.50.474. REQUIRED DISCLOSURES IN PROMOTIONS ON BOARD
26 CRUISE SHIPS. A person may not conduct a promotion on board a cruise ship that
27 mentions or features a business in a state port that has paid something of value for the
28 purpose of having the business mentioned or featured, unless the person conducting
29 the promotion clearly and fully discloses orally and in all written materials used in the
30 promotion that the featured businesses have paid to be included in the promotion. A
31 violation of this section constitutes an unfair trade practice under AS 45.50.471. In

- 1 this section, "cruise ship" has the meaning given in AS 11.66.275.
- 2 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 370(JUD)

Page 2, line 7:

Delete "\$5,000"

Insert "\$ 7,500"

Page 2, line 8:

Delete "more than 500 passengers but fewer than 1,000 passengers"

Insert "501 - 999 passengers"

Page 2, line 9:

Delete "\$10,000"

Insert "\$15,000"

Page 2, line 10:

Delete "1,000 passengers or more"

Insert "1,000 - 1,499 passengers"

Delete "\$15,000"

Insert "\$25,000;

(4) 1,500 - 1,999 passengers \$30,000;

(5) 2,000 passengers or more \$40,000"

SENATE FINANCE
COMMITTEE
Amendment Number: 1
Bill Number: SB 370
Sponsor: _____ Date: 4/14/94
Logged In By: [Signature]

FISCAL NOTE

Replaced
~~REVISED~~

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 370(JUD)

Revision Date: April 11, 1994 Dept. Affected: Revenue
 Title: "An Act providing an exemption from gambling laws for gambling
conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska BRU: Revenue Operations
 Sponsor: Senate Transportation Committee by request Component: Charitable Gaming Division
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL

REVENUE FUND SOURCE: 295.0 310.0 310.0

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Waiting for
Bill's OK
EC 4-27
2:10P

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary.)

Based upon the exemption fee structure in CSSB 370, total program receipts should equal \$295.0 in 1994 and \$310.0 in 1995. See attached.

Replaced w/ 4/22/94 note

Prepared by: Don Stolworthy, Director *Don Stolworthy* Phone: 465-2229
 Division: Charitable Gaming Division Date: April 11, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 11, 1994
 Agency: Department of Revenue

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 370

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	102.4	102.4	102.4	102.4	102.4	102.4
TRAVEL	7.0	7.0	7.0	7.0	7.0	7.0
CONTRACTUAL	30.0	30.0	30.0	30.0	30.0	30.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	160.4	140.4	140.4	140.4	140.4	140.4

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	160.4	140.4	140.4	140.4	140.4	140.4
1006 GF/MHTIA						
Other						
TOTAL	160.4	140.4	140.4	140.4	140.4	140.4

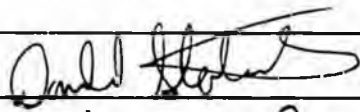
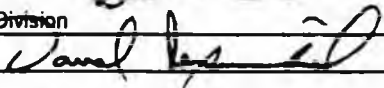
POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary.)

Based upon the licensing fee structure in SB 370 and the scheduled number of vessels sailing in Alaska waters in 1994, total program receipts should equal \$295.0.

Prepared by: Don Stolworthy, Director  Phone: 465-2229
 Division: Charitable Gaming Division Date: April 6, 1994
 Approved by Commissioner: Darrel J. Rexwinkel  Date: April 6, 1994
 Agency: Department of Revenue

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FISCAL NOTE

Replaced
~~REVISED~~

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 370(JUD)

Revision Date: April 11, 1994 Dept. Affected: Revenue
 Title: An Act providing an exemption from gambling laws for gambling BRU: Revenue Operations
 conducted by cruise ships for their ticketed passengers in the offshore waters of Alaska Component: Charitable Gaming Division
 Sponsor: Senate Transportation Committee by request
 Requestor: Senate Judiciary COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:	295.0				310.0	310.0
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FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

*Writing for Bill's OK
EX 4-27-94*

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary.)

Based upon the exemption fee structure in CSSB 370, total program receipts should equal \$295.0 in 1994 and \$310.0 in 1995. See attached.

Replaced w/ 4/27/94 note

Prepared by: Don Stolworthy, Director *Don Stolworthy* Phone: 465-2229
 Division: Charitable Gaming Division Date: April 11, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *Darrel J. Rexwinkel* Date: April 11, 1994
 Agency: Department of Revenue

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CSSB 370

Alaska Cruise Ship Sailings

1994

1995

Passengers	Fee	Total Ships	Total Ships
Fewer than 500	\$5,000	10	10
500 to 1,000	\$10,000	08	08
1,000 or more	\$15,000	11	12
	Total Revenue	\$295.0	\$310.0

Prepared by: Alaska Department of Revenue
Charitable Gaming Division
April 11, 1994

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 370

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

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	102.4	102.4	102.4	102.4	102.4	102.4
TRAVEL	7.0	7.0	7.0	7.0	7.0	7.0
CONTRACTUAL	30.0	30.0	30.0	30.0	30.0	30.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	20.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	160.4	140.4	140.4	140.4	140.4	140.4

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

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

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	160.4	140.4	140.4	140.4	140.4	140.4
1006 GF/MHTIA						
Other						
TOTAL	160.4	140.4	140.4	140.4	140.4	140.4

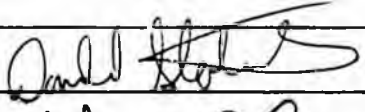
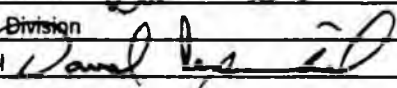
POSITIONS:

FULL-TIME	2	2	2	2	2	2
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary.)

Based upon the licensing fee structure in SB 370 and the scheduled number of vessels sailing in Alaska waters in 1994, total program receipts should equal \$295.0.

Prepared by: Don Stolworthy, Director  Phone: 465-2229
 Division: Charitable Gaming Division Date: April 6, 1994
 Approved by Commissioner: Darrel J. Rexwinkel  Date: April 6, 1994
 Agency: Department of Revenue

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

MEMORANDUM

April 8, 1994

SUBJECT: Cruise Ship Gambling - CSSB 370(JUD)
(Work Order No. 8-LS1626\K)

TO: Senator Robin Taylor
Attn: Kevin Sullivan

FROM: Jerry Luckhaupt *JEL*
Legislative Counsel

Enclosed is the final committee substitute you requested. I have one comment. The committee substitute removes the authority of the Department of Revenue to revoke a license, or in the case of the committee substitute an exemption, if the cruise ship provides false information in seeking the exemption or conducts gambling in violation of AS 11.66.275 (i.e., is not a cruise ship, conducts gambling other than in the offshore water of the state, conducts gambling within three nautical miles of a port the ship visits, or conducts gambling that is not merely ancillary to the purpose of the cruise which must be scenic cruising and port visits) the bill does not provide a mechanism for the department to revoke the exemption.^{1/} While criminal sanctions would be available for violations of AS 11.66 if the cruise ship violates the provisions of AS 11.66.275, it might also be desirable to revoke the exemption of such a cruise ship.

GPL:lmb:pl
94-109.lmb

Enclosure

^{1/} While an argument can be made that false statements in the application for an exemption would render it void ab initio it would be much easier just to give the department the authority to revoke an exemption on that ground.

SECTIONAL ANALYSIS

CSSB-370(JUD)

Section 1. AS 05.15 is amended by adding a new section.

Section 05.15.250(a) allows cruise ships to conduct gambling under AS 11.66.275 in offshore waters if the following criteria is met:

(1) the operator of the cruise ship applies for an annual exemption form provided by the state;

(2) the operator of the cruise ship agrees to comply with all state laws relating to unfair trade practices;

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

(b) the exemption for a cruise ship for gambling under (a) is for cruise ships with the following capacity:

(b)(1)	500 or fewer passengers	\$5,000;
(b)(2)	500 to 1000 passengers	\$10,000;
(b)(3)	over 1000 passengers	\$15,000.

Section (1)(c) Exempts cruise ships from other provisions of the chapter.

Section (1)(d) The definition of "cruise ship" and "offshore water of the state" mean the same as in AS 11.66.275.

Section 2. AS 11.66.275 adds Cruise Ship Exemption.

Section 2(a) Exempts cruise ships from the provision in AS.11.66.200 and 11.66.280 if it meets the following criteria;

Sen. Shano.

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

(a)(2) the cruise ship is three nautical miles from the nearest port; and

(a)(3) the main purpose of the cruise is for something other than gambling.

Section 2(b) Defines "cruise ship" and "offshore water of the state".

Section 3. AS 45.50.471(b) is amended by adding new paragraph to read that on board violations will be in violation of AS 45.50.474.

Section 4. Defines required disclosures in promotions on board cruise ships.



Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

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CAPITOL BUILDING
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE:

4/12/94

TO SENATE
COMMITTEE:

S. Finance - Kathy Halmquist

FROM: Office of the Senate Secretary

The attached fiscal note(s) relate to the following bill(s) pending in your Committee.

Please place the fiscal note inside the front cover of the blue or yellow committee folder.

Thanks.

Jank

Thank you.

SIGNATURE OF PERSON RECEIVING THIS NOTE

JR/s

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERR.

jud

DATE: 3/30/94

FURTHER: FINANCE

Date of 5-Day Notice: 3/31/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/8/94

The Judiciary Committee considered

SENATE BILL NO. 370

"An Act providing an exemption from gambling laws for ~~gambling conducted by~~^{on} cruise ships for their ticketed passengers in the offshore water of the state outside of ports; defining 'cruise ship'; and providing for the licensing of certain cruise ships before they can conduct gambling in the offshore water of the state."

- and recommends:
- replace with _____ CS SB 370 (JUD) **and recommends it be replaced with**
 - attaches amendment(s) **and report it back as follows**
 - adopts _____ Letter of Intent
 - further referral to the _____
 - do pass
 - do not pass
 - no recommendation
 - individual recommendations

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

Fov's

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

1 *Regina Jones*

Rick Halford - NO REC

1 *Adrian Taylor do pass*
Chair: Signature and Recommendation