

SB

277



Alaska State Legislature

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MAR 25 1996

Please enter into the record my testimony to the Senate Judiciary ^{Ans'd}.....
committee name

committee on SB 277, dated 3/20/96
bill/subject

Passage of this bill will financially
cripple non profits state wide.
The Mat-Su Home builders assoc and
myself personally are fully against
the passage of this Bill

Signed: William H Brun
Testifier

Mat-Su Home Builders Assoc.
Representing (Optional)

351 W Paris Highway Ste 212 Wasilla 99654
Address

907 373 2296
Phone No.



ALASKA INDEPENDENT BLIND

1102 W. International Airport Road • Anchorage, AK 99518 • Phone: 563-2525 • Fax: 562-5051



March 22, 1966

Senate Judicial Committee

Dear Senate Committee Members:

RE: Senate Bill 277

I am writing in regard to Senate Bill 277. I have a number of reasons why this bill should not be passed. As the state president of the largest organization of the blind, I am asking you to repress this bill.

If this bill is passed, we would almost have to file a class action law suit, because these machines could be a violation of the ADA regulations. These machines are new to this state and are visual only; therefore, a blind person cannot play these machines. A blind person cannot read a Black Jack machine to see if they need a hit, or a Poker machine to tell which numbers to discard for the draw. KENO you have to pick the numbers you want.

I cannot comprehend how any charity could possibly afford to purchase these machines when they cost \$7,000 a piece. Each charity can have gaming in five separate locations and can install 10 machines in each. The total purchase price of the machines would be \$350,000.

There is a potential profit of \$200,000. The charity would get 30% or \$60,000, the bar would get \$60,000, the state would get \$30,000, and the municipality would get \$50,000. These percentages show that it could take a charity, at \$60,000 profit per year, just under six years of machine earnings to pay for the machines. This is not feasible.

If you want to put in machines that would satisfy the blind, slot machines that pay out coins would be satisfactory - the old One-Armed Bandits.

Sorry, but you must vote against this bill.

Sincerely,

Allen Sanderson
President

AS:bc

TELECONFERENCE, March 20, 1996. SB 277, introduced by Sen. Robin Taylor titled, "An Act relating to charitable gaming and gaming on State ferries; and providing for an effective date."

Commenting: Donna Kowalski, Co-Chairman Seward Emblem Club #250 Charitable Gaming Committee

This Bill, SB 277, seems to have been presented for one reason only - to make pull-tabs in our charitable gaming organizations illegal, and to replace them with video gaming machines. Its title is misleading: "An Act relating to charitable gaming and gaming on State ferries; and providing for an effective date." Sounds innocent enough, doesn't it?

Although the Bill does address gaming on State Ferries, its predominant concern is with replacing pull-tabs with expensive gaming machines, thus making it mandatory for a Permittee to work with a Vendor in order to earn monies for charitable works.

Section 18. AS 05.15.690 (43) reads: "Vendor means a business whose primary activity is not regulated by this chapter, but that

- A. Conducts video lotteries on behalf of the Permittee
- B. Holds a business license, and
- C. Is an establishment holding a valid Beverage Dispensing License from the Alcohol Control Board!"

Dispersing Net Machine Income, which is defined in the Bill as "Money put into a video lottery machine, minus credits paid out in cash", is explained in Section 19 of the Bill, As Amended. Of this "Net", 30% goes to the Permittee, 30% to the Vendor, 15% to the State, and 25% to the Municipality or to the State if located outside municipalities in unorganized Boroughs -- presumably to include State Ferries, from which the State would then derive 40%. See Section 05.15.340.

Under Section 05.15.330, the Permittee is the only legal purchaser of the machines, reaping the same percentage as the vendor, and often less than the State. Neither the vendor nor the State has any investment here. How does the Permittee get back the thousands of dollars that were spent on purchasing the machines, handling repairs, depreciation, etc.?

Small Clubs and Organizations such as ours, holding gaming permits, do their own Bingo, Pull-tabs, Raffles, etc. and will be left out if pull-tabs are no longer available. This is a VERY important moneymaker for us. Our Club has 57 members, and volunteers do all our own work, including bookkeeping and reporting. No one is paid. At the end of the year we come up with approximately \$25,000 for charity. Every penny goes for scholarships, hospital equipment, medical assistance, travel aid for families in distress, local school projects, home monitors for senior citizens, Christmas baskets and other help for needy families, donations to cancer, special olympics, and much much more! Our Club would not purchase video lottery machines and install them with a vendor to replace our pulltabs. Where would we place them? Who would monitor them in the bar or lounge? Who would repair them? - Move them from place to place?

This Bill is well thought out, with an eye to confusing and obscuring an issue. It is well written by experts, but says the wrong things. Seward Emblem Club #250 wishes to go on record AGAINST it. Thank you.



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Ans'd.....

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committee on SB 277, dated 3/11/96
bill/subject

You may have received several P.O.M.'s AGAINST
THIS BILL TODAY. THEY WERE BASED ON THE BILL DATED
2/9/96 (INTRODUCED). AFTER SEEING THE "WORK DRAFT"
DATED 3/11/96, WE ARE IN FAVOR OF IT. THIS IS
BASED ON THE WORDING AS PRESENTED IN THE
"WORK DRAFT."

Signed: Maria M. Matthews
Testifier

VALLEY VETERANS
Representing (Optional)

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Alaska State Legislature

Chairman,
Judiciary Committee

Vice Chairman,
Transportation Committee

Member,
Resources Committee
Western Legislative Forestry Task Force



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Senator Robin L. Taylor

Sponsor Statement

CSSB 277 (JUD)

The language of this committee substitute is intended to bring charitable gaming in Alaska at least part of the way into the world of modern technology.

The original version of SB 277 envisioned doing away with pull tabs, replacing them entirely with video lottery machines. Comment from charitable organizations from around the state presents a convincing argument that many of the smaller operations would be seriously hurt by a total ban on pull tabs. The committee substitute is a compromise proposal.

The bill would still prohibit the funding of political activities from income derived from charitable gaming, including contributions to candidates for public office or to groups that support candidates for public office. It would delete political and labor organizations from the definition of a bona fide civic or service organization qualified for a charitable gaming permit.

The main thrust of SB 277, however, is the introduction of video lottery machines. These machines will make charitable gaming in Alaska more accountable. They are capable of being linked to a central computer and can keep a permanent record of all transactions.

SPONSOR STATEMENT

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CSSB 277 (JUD)
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SB 277 also directs that proceeds from video lottery machines will be distributed differently than those from pull tabs. It gives 30 percent to the permittee, or charity; 30 percent to the vendor; 15 percent to the state and 25 percent to the municipality where the machine is located. If the machine is located in the unorganized borough, outside municipalities, that share would also go to the state.

If the Alaska Marine Highway System so desires, SB 277 contains a provision stating it may be licensed to operate video gaming on the state ferries.

It is the sponsor's conviction that as Alaska's charities become familiar with video gaming and its accountability, they will gradually phase out the less accountable pull tabs we have today for this new technology.