

**HB**

**50**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 21, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/8/97

The FINANCE Committee considered:

HB 50

HOUSE BILL NO. 50

ALLOW BROADCASTING OF RAFFLES AND CLASSIC

“An Act relating to the use of broadcasting to promote or conduct certain classics or sweepstakes; and providing for an effective date.”

recommends it be replaced with the following committee substitute CS HB 50 (FIN)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) Revenue 2/21/97

Discontinued

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Theriault			X	
	Foster	X	<del>X</del>		
	Hanley		X		
	Martin		X	<del>X</del>	
	G. Davis	X			
	J. Davies			X	
	Kelly		X		
	Moses	X			
	Grissendant			X	
		(3)	(3)	(3)	

CO-CHAIR'S SIGNATURE

Theriault

Hanley

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 21, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/9/97

The FINANCE Committee considered:

HB 50

HOUSE BILL NO. 50

ALLOW BROADCASTING OF RAFFLES AND CLASSIC

“An Act relating to the use of broadcasting to promote or conduct certain classics or sweepstakes; and providing for an effective date.”

recommends it be replaced with the following committee substitute CS HB 50 (FIN)  the same title  a new title

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attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) Rev 2/21/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Theriault</i>	Theriault			X	
<i>Mark Hanley</i>	Hanley		X		
<i>Colin Mulder</i>	Mulder	X			
<i>Cerry Martin</i>	Martin		X		
<i>Vick Kohring</i>	Kohring		X	<del>X</del>	UK
<i>John N. S. Davies</i>	Davies		X		
<i>Ben Grussendorf</i>	Grussendorf			X	
<i>Kelly Foster</i>	Kelly Foster	X	X		
<i>John Davis</i>	Davis			X	

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CHAIR'S SIGNATURE

*Gene Theriault* *Mark Hanley*  
 \_\_\_\_\_  
 Theriault Hanley

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Allow Broadcasting of Raffles and Classics BRU: Revenue Operations  
 Component: Charitable Gaming Division  
 Sponsor: Rep. Hodgins  
 Requestor: (H) STA COMPONENT SERIAL NO. 1883

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

House Bill 50 removes the restriction on the use of broadcasting to promote or conduct classics and musing sweepstakes.

The Department of Revenue, Charitable Gaming Division does not anticipate any changes in program receipts as a result of this bill.

Prepared by: Dennis R. Poshard, Director *DRP*  
 Division: Charitable Gaming Division  
 Approved by Commissioner: Wilson L. Condon *Wilson L. Condon*  
 Agency: Revenue

Phone: 465-2279  
 Date: February 14, 1997  
 Date: \_\_\_\_\_

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CS FOR HOUSE BILL NO. 50(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 2/21/97  
Referred: Finance

Sponsor(s): REPRESENTATIVE HODGINS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the use of broadcasting to promote or conduct certain  
2 classics or sweepstakes; and providing for an effective date."

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

4 \* Section 1. AS 05.15.640 is amended to read:

*passed* 5 5/3

6 Sec. 05.15.640. Restrictions on use of broadcasting. (a) A permittee may  
7 use broadcasting to promote or conduct a charitable gaming activity permitted  
8 under this chapter other than bingo, pull-tab games, raffles and lotteries, and  
9 contests of skill. Prior to commencing the broadcasting, a permittee using  
10 broadcasting under this subsection shall notify the department in writing of the  
11 type of broadcasting to be used, what is planned for the broadcasting, and when  
12 the broadcasting is to be conducted. A [UNTIL THE EFFECTIVE DATE OF AN  
13 ACT AUTHORIZING THE USE OF BROADCASTING TO PROMOTE OR  
14 CONDUCT CHARITABLE GAMING ACTIVITY UNDER THIS CHAPTER A]  
person may not use broadcasting to promote or conduct bingo, pull-tab games, raffles

1 and lotteries, or contests of skill [CHARITABLE GAMING ACTIVITY UNDER  
2 THIS CHAPTER]. In this subsection, "broadcasting" includes television and radio  
3 transmission by 2,500 megahertz, microwave video and audio programming, slow-scan  
4 television programming, and programming via satellite, cable, teletype, or facsimile  
5 transmission and distribution methods.

6 (b) Notwithstanding (a) of this section, [A PERSON MAY USE  
7 BROADCASTING TO PROMOTE FISH DERBIES, AND] the department may  
8 authorize a noncommercial broadcasting station or network of stations to broadcast the  
9 conducting of an activity under this chapter, for which broadcasting is not otherwise  
10 permitted under (a) of this section, on the station or network under a permit held by  
11 the station or network. The department may not authorize a station to broadcast the  
12 conducting of an activity for more than 12 hours in a calendar year. In this subsection,  
13 "noncommercial broadcasting station" means a radio or television station that is  
14 licensed by the Federal Communications Commission to a governmental entity or to  
15 an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal  
16 Revenue Code).

17 \* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Adopted

0-LS0288\B.1  
Luckhaupt  
4/9/97

AMENDMENT 2

OFFERED IN THE HOUSE

TO: CSHB 50(FIN)

1 Page 1, line 6, following "promote":

2       Insert ", but not conduct,"

3 Page 2, lines 9 - 10:

4       Delete ", for which broadcasting is not otherwise permitted under (a) of this  
5 section."

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH 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 8, 1997

**SUBJECT:** Charitable Gaming Broadcasting (CSHB 50(FIN))

**TO:** Representative Gene Therriault  
Attn: Mike Tibbles

**FROM:** Gerald P. Luckhaupt *gpl*  
Legislative Counsel

Enclosed is the Final CS(FIN) you requested. While I understand the committee's intent in the changes that were proposed and which are now embodied in the CS(FIN), those changes have caused a couple of problems with the CS(FIN).

First, AS 05.15.640(a), amended in sec. 1 of the CS(FIN), allows the use of broadcasting to **promote** forms of charitable gaming, other than bingo, pull-tabs, raffles and lotteries, and contests of skill. That subsection also provides that broadcasting may not be used to **promote or conduct** bingo, pull-tabs, raffles and lotteries, and contests of skill. The subsection does not prohibit the use of broadcasting to conduct charitable gaming that may utilize broadcasting for promotion.

Second, AS 05.15.640(b) continues the exemption provided under current law that authorizes the commissioner of revenue to allow a noncommercial broadcasting station to use broadcasting to conduct an activity "**for which broadcasting is not otherwise permitted under (a) of this section**". The activities under (a) that are allowed to use broadcasting to promote the activity are not explicitly prohibited from conducting the activity, as explained earlier. Considering the changes made to (a), the language being added to (b) should be deleted.

GPL:jdr:glc  
97-253.jdr

Enclosure

# LEGAL SERVICES

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### MEMORANDUM

February 19, 1997

**SUBJECT:** Sectional Summary of HB 50. (Work Order No. 20-LS0288\A)

**TO:** Representative Mark Hodgins  
Attn: Pat Carter

**FROM:** Gerald P. Luckhaupt  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

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

Section 1 of the bill amends AS 05.15.640(a) to allow a charitable gaming permittee to use broadcasting to promote or conduct certain classics and sweepstakes. The classics and sweepstakes listed are those classics and sweepstakes which the legislature has limited - no one can conduct one of these classics and sweepstakes listed without legislative approval. This bill section amends subsection (b) by removing the reference to fishing derbies and continuing the limited authority noncommercial broadcasting stations have to broadcast certain charitable gaming activities.

Section 2 of the bill amends AS 05.15.640(a), amended in sec. 1 of the bill, to remove the reference to "mushing sweepstakes" which are sunsetted effective December 31, 1999 by ch.13, SLA 1995.

Section 3 of the bill provides an effective date for sec. 2 of the bill.

Section 4 of the bill provides an immediate effective date for the rest of the bill.

GPL:glc  
97-105.glc

# LEGAL SERVICES

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

## MEMORANDUM

December 23, 1996

**SUBJECT:** Charitable Gaming Broadcasting (Work Order No. 20-LS0288\A)

**TO:** Representative-Elect Mark Hodgins

**FROM:** Gerald P. Luckhaupt *GLP*  
Legislative Counsel

Enclosed is the bill draft you requested. As with any legislation that selects certain limited entities to perform an activity or to receive some benefit there is a potential that this bill draft violates Art. II, § 19 of the Alaska Constitution prohibiting local and special legislation. The test employed by the Alaska Supreme Court under Art. II, § 19 is substantially the same as that applied to equal protection analysis. Upon examining the legislative goals and the means used to advance them, the court determines whether the legislation bears a fair and substantial relationship to a legitimate state purpose. State v. Lewis, 559 P.2d 630, 643 (Alaska 1977), cert. denied, 432 U.S. 901 (1977). To satisfy the fair and substantial relationship standard, the classification established by the legislation must be tailored to the purpose of the legislation. The classification must be neither overinclusive nor underinclusive. Isakson v. Rickey, 550 P.2d 350, 362 (Alaska 1976). If the "fair and substantial relationship" standard is met, the bill will not be invalidated because of incidental local or private advantages. Lewis, 559 P.2d at 643. In Lewis, the court agreed that an Act of statewide significance need not have an effect in all parts of the state; legislation does not become "local" merely because it operates only on a limited number of geographical areas rather than on a statewide geographical basis. The Lewis case involved the Cook Inlet land exchange and the court accepted the premise that the application, while only affecting land in Southcentral Alaska, required legislation to be accomplished and was of statewide significance. The court relied heavily on the record developed by the legislature in support of the need for the land exchange and the decision to resolve serious issues surrounding Native land selections under the Alaska Native Claim Settlement Act through legislation authorizing the Cook Inlet land exchange.

In a case where a violation of § 19 was found, the court said that legislation establishing the Eagle River Borough was special and peculiar to the locality where the borough was established. Since there was nothing in the nature of the Eagle River-Chugiak area that justified a departure from the general law scheme for the establishment of boroughs, the Act violated § 19. Abrams v. State, 534 P.2d 91 (Alaska 1975). It has consistently been my opinion that the limitation by the legislature of who can undertake charitable gaming classics

Representative-Elect Mark Hodgins

December 23, 1996

Page 2

to a single identified group or a couple of identified groups probably is local and special legislation violative of the constitution; the legislature, though, has been limiting who can perform certain charitable gaming activities in this matter for many years now. This bill draft, by limiting who can utilize broadcasting to promote charitable gaming to those groups the legislature has previously singled out, also appears to implicate Art. II, § 19. If this limited authorization was challenged a court would have to accept the justification advanced by Senator Torgerson during our conference call the other day. Failing that, this authorization could be found to be unconstitutional. But in any event I do not consider this bill draft any more violative than those previous enactments limiting the operation of certain classics to particular groups that have not as of yet been challenged by anyone as being unconstitutional.

Also, per your further request, this memorandum lists all of the charitable gaming events that have been specifically identified in statute and a concise explanation of what the bill draft does.

1. Legislatively identified classics.

**Canned salmon classic** - Petersburg Chamber of Commerce;

**Deep freeze classic** - Delta Chamber of Commerce;

**Goose classic** - Kenai Chamber of Commerce and Fairbanks Montessori Association or the Friends of Creamer's Field;

**Ice classic** - Nenana and Chena Ice Pools, Kuskokwim Ice Classic operated by Bethel Social Services, Inc., Kenai River Ice Classic operated by the Kenai and Soldotna Rotary Clubs, Yukon River Ice Classic operated by the City of Fort Yukon, Alaska-Soviet Ice Classic operated by CAMAI, Inc., and the City of Diomed. Big Lake Ice Classic operated by the Houston Junior-Senior High School Booster Club and the Big Lake Chamber of Commerce, and the McGrath Ice Classic operated by the Kuskokwim Public Broadcasting Company;

**King salmon classic** - Greater Juneau Chamber of Commerce;

**Mercury classic** - Greater Fairbanks Chamber of Commerce and the Fairbanks Convention and Visitors' Bureau;

**Mushing sweepstakes** - Iditarod Trail Committee;

**Salmon classic** - United Fishermen of Alaska.

2. Section 1 of the bill amends As 05.15.640 by identifying certain charitable gaming events that may avail themselves of broadcasting to promote the charitable gaming activity.

Section 2 of the bill deals with the repeal of mushing sweepstakes which is scheduled to occur on January 1, 2000. See ch. 13, SLA 1995. Sections 1 and 2 allow mushing sweepstakes to utilize broadcasting until their repeal.

Section 3 provides that Section 2 takes effect January 1, 2000.

SECTION 4 - ALL CITATIONS SECTIONS  
IMMEDIATE DATE

# Alaska State Legislature



Official Business

State Capitol  
Juneau AK  
99801-1182

FROM THE OFFICE  
OF  
**REPRESENTATIVE MARK HODGINS**

## **SPONSOR STATEMENT**

**HB 50 - "An Act relating to the use of broadcasting to promote or conduct certain classics or sweepstakes; and providing an effective date."**

This legislation amends AS 05.15.640 by removing the prohibition on broadcast advertising for the following Legislatively identified classics as per statute: The removal of the prohibition shall be limited to only Legislatively identified classics as follows.

**Canned salmon classic-** Petersburg Chamber of Commerce;  
**Deep freeze classic-** Delta Chamber of Commerce;  
**Goose Classics-** Kenai Chamber of Commerce and Fairbanks Montessori Association or the Friends of Creamer's Field;  
**Ice Classics-** Nenana and Chena Ice Pools, Kuskokwim Ice Classic operated by Bethel Social Services, Inc., Kenai River Ice Classic operated by the Kenai and Soldotna Rotary Clubs, Yukon River Ice Classic operated by the City of Fort Yukon, Alaska-Soviet Ice Classic operated by CAMAI, Inc., and the City of Diomed, Big Lake Ice Classic operated by the Houston Junior-Senior High School Booster Club and the Big Lake Chamber of Commerce, and the McGrath Ice Classic operated by the Kuskokwim Public Broadcasting Company;  
**King salmon classic-** Greater Juneau Chamber of Commerce;  
**Mercury classics-** Greater Fairbanks Chamber of Commerce and the Fairbanks Convention and Visitors' Bureau;  
**Mushing sweepstakes-** Iditarod Trail Committee;  
**Salmon classic-** United Fisherman of Alaska.

At present the only classics that are allowed to use broadcasting for promotion are fishing derbies. By providing these advertising vehicles we will assist these organizations by increasing public awareness of each event.