

**HB**

**447**

**HFIN**

**FILE**



# FISCAL NOTE

STATE OF ALASKA  
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 447(L&C)  
(H) Publish Date: 3/24/06

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title Broadcasting Promoting RDU Tax and Treasury  
Charitable Gaming Component Tax  
Sponsor Rep. McGuire  
Requester (H) L&C Component No. 2476

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
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>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</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>
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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 (Specify Type--Do not abbreviate)						
<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 (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill would allow a permittee (or operator under contract with an authorizing permittee) to broadcast promotion of a raffle or lottery. The means allowable include radio, television and, by extension, the internet; email and web sites. Anyone who can conduct a raffle can promote it with broadcasting.

Though the bill language applies to raffles and lotteries, the statutory definition [AS 08.15.690(38)] equates the two, effectively giving two different names to the same activity. Thus, there is no apparent authorization, to expand the kinds of gaming activity that can be conducted.

Prepared by: Jeff Prather Phone: (907) 485 3410  
Division: Tax Division Date/Time: 3/20/06 10:41 AM  
Approved by: Jerry Burnett Date: 2/20/2006  
Agency: Department of Revenue

*withdrawn*  
CONCEPTUAL AMENDMENT *2*

OFFERED IN THE HOUSE FINANCE  
TO: CSHB 447 (L&C)

REPRESENTATIVE STOLTZE

Page 1, line 8 following "broadcasting":

Insert ", if the broadcasting is limited to public service announcements provided free of charge by a broadcaster to a permittee,"

Renumber accordingly

# Alaska State Legislature

*Session:*  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2995  
Fax: (907) 465-6592



*Interim:*  
716 W 4<sup>th</sup> Avenue, Suite 430  
Anchorage, AK 99501-2133  
Phone: (907) 269-0250  
Fax: (907) 269-0249

## Representative Lesil McGuire

Chair, Judiciary Committee

### Sponsor Statement HB 447

#### "An Act relating to the use of broadcasting to promote raffles and lotteries"

HB 447 would afford an equal playing field for Alaska's broadcasters. Alaska Statute prohibits broadcasters from airing truthful and non-misleading advertisements of lawful "charitable gaming activity". HB 447 would avoid a likely constitutional challenge to the Statute.

As it stands now, AS 05.15.640(a) bans, but only via radio and television, the advertising of lawful charitable gaming or conduct. Newspapers are free to advertise the very same activity and conduct that radio and television stations may not advertise.

In addition, the statute also impedes positive governmental interests. ABA member stations cannot assist deserving not-for-profit organizations in their efforts to raise money to meet their goals.

AS 05.15.640(a) may well deny broadcasters equal protection under the Federal and State Constitutions since the act prohibits, without rational basis, the broadcast media from engaging in conduct which is allowed by the print media, namely the carriage of third party advertising promoting a lawful "charitable gaming activity"

As an example of the current misguided law, local church raffles cannot be promoted by local radio and TV stations. Boy Scout fundraisers involving raffles may not be included in public service announcements. Not-for-profit groups such as the Boys and Girls Club are excluded from promoting fundraisers involving games of chance using radio and TV. Even various statewide fundraising events such as the Iditarod may not be promoted by broadcasters, thus reducing the organizations fundraising ability.

RD

amended

24-LS1664\G

CS FOR HOUSE BILL NO. 447(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/24/06  
Referred: Finance

Sponsor(s): REPRESENTATIVE MCGUIRE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the use of broadcasting to promote charitable classics or charitable  
2 raffles and lotteries."

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

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

5 (a) A person may not use broadcasting to promote or conduct a charitable  
6 gaming activity under this chapter except that a person may use (1) broadcasting to  
7 promote a fish derby or a type of classic, other than animal classics, [OR  
8 SWEEPSTAKES] defined in AS 05.15.690, or (2) radio or television broadcasting  
9 to promote a charitable raffle and lottery. In this subsection, "broadcasting"  
10 includes television and radio transmission by 2,500 megahertz, microwave video and  
11 audio programming, slow-scan television programming, and programming by way of  
12 [VIA] satellite, cable, teletype, or facsimile transmission and distribution methods;  
13 "raffle and lottery" has the meaning given in AS 05.15.690.

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

*House & Senate Finance*

The most feared words in Juneau today are no oil deal, education cuts and gay benefits. Gambling would be. But the one you all hate to hear is "its not fair"

And that describes HB 447 and S282.

Whoever labeled them did broadcasting no favors as it is not about gambling it is about broadcast (and cable) rights to advertise games of chance for non-profits.

It is not about increasing the number of gambling opportunities; it is about first amendment rights

You approve print for all gambling, you approve some lotteries like Nenana Ice Classic and you approve advertising silent auctions. But if you think about it a silent auction is no different, it has a prize, it has chance (you pay to attend the affair at which the auction occurs, you must travel to a single location, and you must wish the value to place on an item), and of course there is chance. Yet other similar lotteries for non-profits can not be advertised on broadcast.

The media playing field has changed and the reasons for not permitting this advertising on broadcast are no longer valid. Fractionalization and the Internet have changed viewing patterns. In Fairbanks alone we now have 4 TV, 9 radio and 17 cable networks accepting advertising. But we are a single daily paper town.

These bills cost the state nothing, and in fact save the state money. How? The more money you allow non-profits to raise the more self-sufficient they become and the less money they ask the state for. And do not forget the non-profits are your MOST IMPORTANT RESOURCE FOR REDUCING STATE COSTS.

HB 447 AND SB 282 COST THE STATE NOTHING

THEY LEVEL THE PLAYING FIELD

THEY HELP NON-PROFITS RAISE MONEY

THEY DO NOT EXPANDING GAMBLING

. ARE CONSISTENT WITH FIRST AMENDMENT RIGHTS

IT IS THE FAIR THING TO DO

*Carsten Crawford 107 Maple  
FBXS 99709  
1752-1395*

*Chris Fay - 70 TV  
3650 Breakfast FBXS AK 99701 374-1505*

Craig Johnson

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**From:** Ric Schmidt [rschmidtknom@nome.net]  
**Sent:** Wednesday, February 15, 2006 4:30 PM  
**To:** Craig Johnson  
**Cc:** Alaska Broadcasters Association  
**Subject:** ABA letter of support for amendment



PO Box 102424 Anchorage AK 99510 P: 907-258-2424 F: 907-258-2414

February 15, 2006

The Honorable Lesil McGuire  
House of Representatives  
State Capitol Room 118,  
Juneau, AK 99801-1182

Dear Representative McGuire:

Alaskan Broadcasters provide millions of dollars in community service annually to the citizens of Alaska. As TV and Radio professionals, we continually pledge an unwavering dedication to the communities we serve. Our support for nonprofit organizations and projects can help guarantee a successful campaign; building a wing on a Children's Clinic, raising awareness for breast cancer detection, or spearheading a critical blood drive.

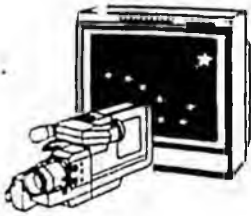
There exists, however, a great many community service projects in which we, as broadcasters, are prohibited. By State Law, we may not promote ANY form of charitable gaming despite the fact that the State of Alaska *allows* the print media to do so.

This misguided law means that local VFW raffles cannot be promoted by local radio and TV stations—local Girl Scout fundraisers may not be included in public service announcements—Non-profit groups such as the Boys and Girls Club are unfairly excluded from promoting fundraisers involving games of chance using Radio and TV. This State of Alaska statute limits worthy fundraising efforts and impedes positive governmental interests. ABA member stations cannot assist deserving not-for-profit organizations in their efforts to raise money to meet their goals.

On behalf of all broadcasters in Alaska, I ask that Alaska Statute §05.15.640(a) be amended in order to allow each of us to better serve our communities fundraising efforts through the power of radio and television broadcasting.

Regards,

Ric Schmidt  
President



# ALASKA COMMUNICATIONS CENTER

520 Lake Street, Sitka, Alaska 99835

(907) 747-8200 FAX (907) 747-8440 (800) 490-8488 foxnet@ptialaska.net

"Bringing Rural and Urban Alaska Together"

February 16, 2006

The Honorable Lesil McGuire  
House of Representatives  
State Capitol Room 118  
Juneau, Alaska 99801-1182

Dear Representative McGuire:

Alaska Communications Center, headquartered in Anchorage, is acquiring TV channel 38 construction permit to produce and to broadcast Alaska programming primarily for rural Alaskans. KACN, featuring these Alaska broadcasts, will initially be presented in Anchorage for the 20,000 plus rural Alaskans. As soon as services are available, the programming will be broadcast statewide via satellite and Internet.

To assist our endeavors to provide interesting and informative Alaska programming for our rural Alaskans, our staff is requesting you to sponsor HB 447. This legislation will amend Alaska Statute 05.15.640 (a) to allow over-the-air broadcasts to air spots or include fund raising information in Public Service Announcements for charitable gaming. This modification will allow KACN (Alaska Community Network) staff to assist many rural non-profits by enhancing their capacity to raise funds for their many projects.

Please let us know how we can be helpful as you in this process. If you would like to have additional information, please give me a call at (907) 747-8200.

With best regards,

*Dan Etulain Ph.D.*

Dr. Dan Etulain President  
Alaska Community Network  
Anchorage/Sitka

DRE/d

P. S.: As the owner of KATH-TV, Juneau, and KSCT-TV, Sitka, our local staff is also in support of your sponsoring HB 447.



PUBLIC BROADCASTING  
FROM ALASKA'S CAPITAL

February 15, 2006

The Honorable Lesil McGuire  
House of Representatives  
State Capitol Room 118  
Juneau, Alaska 99801-1182

Dear Representative McGuire:

I am writing in support of your bill HB 447, which would lift the ban on promoting charitable gaming on radio and television stations in Alaska.

We know that many Alaska charities depend substantially on the proceeds of charitable gaming to fund their operations and provide needed services to their local communities. The ban on advertising these activities on radio and television limits the effectiveness of the charities' efforts, especially in places where radio and television provides the best opportunity at an affordable cost to get the message out.

Even though I'm a long-time public broadcaster in Alaska, I know that our commercial radio and television stations in the state could provide an enormous public service if your bill passes. There's no public policy reason that I can think of that would support this ban. Lifting the restriction would allow charities a choice of media for promoting their fundraising activities.

Thank you for your interest and for all of your efforts to help Alaska's non-profit groups.

Sincerely,

Bill Legere  
President and General Manager



Kodiak Island Broadcasting Co., Inc  
P.O. Box 708 1315 Mill Bay Road Kodiak, Alaska 99615  
(907) 486-5159 Fax (907) 486-3044

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February 1, 2006

The Honorable Lesil McGuire  
House of Representatives  
State Capitol Room 118,  
Juneau, AK 99801-1182

Dear Representative McGuire:

As a Kodiak Broadcaster we provide thousand's of dollars in community service annually to the residents of Kodiak. As Radio professionals, we continually pledge an unwavering dedication to the island of Kodiak that we serve. Our support for nonprofit organizations and projects can help guarantee a successful campaign; supporting local high school programs, raising awareness for local community events, or spearheading a fundraiser for the Salvation Army.

However, there are many community service projects in which we, as Kodiak broadcasters, are prohibited. By State Law, we may not promote ANY form of charitable gaming despite the fact that the State of Alaska *allows* the print media to do so.

This misguided law means that local non-profit raffles cannot be promoted by our local radio station—local Girl Scout fundraisers may not be included in public service announcements—Non-profit groups such as the Special Olympics are unfairly excluded from promoting fundraisers involving games of chance using Radio. This State of Alaska statute limits worthy fundraising efforts and impedes positive governmental interests. We cannot assist deserving not-for-profit organizations in their efforts to raise money to meet their goals.

On behalf of the staff of KVOK / KRXX, I ask that Alaska Statute §05.15.640(a) be amended in order to allow each of us throughout the state to better serve our communities fundraising efforts through the power of radio and television broadcasting.

Regards,

Matt Wilson  
General Manager  
ABA Board Member  
KVOK-AM/KRXX-FM  
Kodiak, Alaska



KUAC FM/TV  
University of Alaska Fairbanks  
P.O. Box 755820  
Fairbanks, Alaska 99775-5620  
Phone (907) 474-7491  
Fax (907) 474-5064  
www.kuac.org

February 15, 2006

The Honorable Lesil McGuire  
House of Representatives  
State Capitol Room 118  
Juneau, Alaska 99801-1182

Dear Representative McGuire:

I am writing in support of your bill HB 447, which would lift the ban on promoting charitable gaming on radio and television stations in Alaska.

Alaskan charities provide greatly needed services to their local communities. Critical to the charities' success, however, is the operational revenue derived from the proceeds of charitable gaming. The current ban on advertising charitable gaming activities on radio and television unnecessarily limits an organizations' effectiveness, especially in places where broadcast media provides the best opportunity for informing the public with regard to their service missions.

Broadcasters are always eager to help through service to their local communities; and even though I work at a public broadcast station, I support your efforts to give commercial radio and television stations in the state an opportunity to extend their service back to the communities they serve. By lifting this restriction, it will allow Alaskan charities a choice of media for promoting their fundraising activities.

Thank you for your interest and for all of your efforts to help Alaska's non-profit groups.

Sincerely,

A handwritten signature in cursive script that reads "Greg Petrowich".

Greg Petrowich  
General Manager & CEO

**Craig Johnson**

**From:** Al Bramstedt [bramstedt@ktuu.com]  
**Sent:** Thursday, February 16, 2006 9:36 AM  
**To:** Craig Johnson  
**Cc:** akba@gci.net; dianna@ktuu.com; Laura Swen  
**Subject:** HB477

Craig,

If you would pass this e-mail on to Representative Lesil McGuire I would be grateful.

The Honorable Lesil McGuire, House of Representatives,

Dear Representative McGuire,

I submit this letter of support for your HB 477. Thank you very much for creating this bill. Its passage is important for two reasons:

- by allowing radio and television stations to broadcast promotions for non profit organizations that constitute a lottery or game of chance will help Alaska's non profits increase needed income in a decreasingly unstable funding environment. The increase in funding resulting from the inclusion of radio and television in the promotion of these fund raising lotteries for non profits is clearly in the public interest.
- your bill creates fairness. Unlike radio and television, Newspaper in Alaska has always been allowed to run advertising for non profits involved in promotional lotteries. This discrimination should never have been allowed to happen and should be stopped. Your bill stops this unfair treatment.

In the public interest, in service to Alaska's non profits, who desperately need to maximize their funding opportunities, and to finally eliminate an unfairness to Alaska Broadcasters, I urge swift adoption of your HB 477. Again, on behalf of Alaska Broadcasters and non profits, thank your for proposing this legislation.

Sincerely,  
Al Bramstedt, Jr.  
General Manager  
KTUU-TV Channel 2

Alpine Alternatives

and

Spinnell HOMES

present

The Tenth Annual

Who Wants A New Home?

# RAFFLE

DRAWING SUNDAY MARCH 19TH, 2006 - 4:00PM  
AHBA HOME AND REMODELING SHOW - SULLIVAN ARENA

LESS THAN  
900  
TICKETS  
LEFT!

Proceeds to benefit Alpine Alternatives

Tickets \$100 or Book of Ten for \$800 ~ only 3500 printed Home located at 1590 N. Heather Meadows Loop

OPEN HOUSE TODAY & TOMORROW from 12 noon - 4pm  
For directions, call Chemene at 952-6518

Tickets available at the Open House or by calling 561-6655 or at any of our Ticket Locations →

Permit #657

Prudential



Jack White/Vista Real Estate

An Independently Owned & Operated Member of the Prudential Real Estate Affiliates, Inc.

Inlet Tower Hotel & Suites

Anchorage Daily News DELIVERING HOME



Specialty Home Services

HABITAT Housewares

Thad & Seane Charlen

ahba

Alaska Airlines

Alaska Railroad

stewart



## ~ Ticket ~ Locations

Thru March 12th

Habitat Housewares  
University Center - 561-1856

Spinnell Homes  
1900 W.N.Lights #200 - 344-5678  
Palmer  
8620 E. Westside Dr. - 745-1976

Prudential Jack White/Vista Real Estate  
3801 Centerpoint Dr #200 - 562-6464

Northwind Kites  
5th Ave Mall - 279-4386

Stewart Title of Alaska  
2600 Denali - 274-2562

Excallbur Sports Stuff  
Northway Mall - 277-7467

Heritage Art & Frames  
5915 Lake Otis - 563-7535

Douleys Athletic  
3203 Arctic Blvd - 272-5669

Hair By Geneva  
4973 E. 6th Ave - 338-6211

AWSEM Enterprises  
Diamond Center - 3121 Arctic Blvd.  
171 Muldoon Road  
1014 W. Northern Lights

Natural Wonders Gallery  
The Mall at Sears - 277-2266

After March 12th  
call 561-6655

Alpine Alternatives

3 DAYS LEFT

Spinnell HOMES

The Tenth Annual Raffle

## WIN A NEW HOME!

\*Home located at 1590 N. Heather Meadows Loop

OPEN HOUSE Sat. 10am until all Open House Tickets are sold

Call Chemene at 952-6518 for directions

Tickets available at the Open House or by calling 561-6655

Tickets \$100 ~ Proceeds to benefit Alpine Alternatives

Drawing Sunday March 19, 2006 - AHBA Home & Remodeling Show, Sullivan Arena 4pm

Permit #657

*Bridge* a new culinary experience

ENTER TO WIN Airfare for Two to Hawaii!!  
Drawing to be held April 28th

Spanning scenic & historic Ship Creek. Our decor and cuisine bridging both Asian and European cultures, brings a new taste to Anchorage.

*The Bridge Restaurant*  
221 W. Ship Creek Avenue  
Conveniently located downtown by Railroad Depot, behind Ulu Factory.

677-6773  
RESERVATIONS  
Monday-Friday 5:30pm-10pm  
Saturday 12pm-10pm  
FREE PARKING!

come in & enter to win a trip to AUSTRALIA

guess how many CROCODILES are in our SUPER CAPACITY OI WASHER, guess right and IT'S YOURS!

guessing you are automatically entered in the DRAWING FOR THE TRIP FOR TWO TO AUSTRALIA!

come to any location to enter!

### Craig Johnson

**From:** clark gruening [clarkg@alaska.net]  
**Sent:** Tuesday, April 04, 2006 3:12 PM  
**To:** Craig Johnson  
**Subject:** Support for the HB 447 file

FYI, Clark

# HomerNews.com



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Story last updated at 7:06 PM on Wednesday, March 22, 2006

### Fishing for funding replaces cooking for cash

By McKibben Jackinsky  
 Staff writer

Time was, schools held bake sales to raise money for uniforms. Or to pay a team's travel expenses. Or to hold a science fair.

But Ninilchik School has something that exceeds the same old same old — a raffle for the "Alaskan Dream Trip," an 11-day adventure for two that includes airfare, accommodations, sightseeing, halibut and king salmon fishing and bear viewing.

"The whole idea comes back to my wife making cookies, me carrying the cookies to school, my daughter buying them, multiplied throughout the households here in town," Ninilchik School Principal Terry Martin said of typical fund-raising efforts that repeatedly involve families in this small Kenai Peninsula community of 800. "How could we get past that? What was the grand slam going to be? For us, (the raffle) is it."



Tickets began selling for \$25 each in 2005; the winning ticket will be drawn April 3. In addition to round-trip airfare, the vacation package includes fishing

## Calendar

April				
S	M	T	W	
2	3	4	5	
9	10	11	12	:
16	17	18	19	:
23	24	25	26	:
30				

## Local Weather

Last update  
 Tue, 04-Apr-2006  
 Temperature  
 43° F  
 Rel. Humid  
 76%  
 Wind:  
 from the SW at  
 Pressure  
 29.5 in. H  
 Visibility  
 10 miles  
 Condition  
 overcast

Choose Your

## Online Poll

Yes (53%)

No (47%)

TO1



• Tourism Guide

with Lucky Pierre Charters in Homer; Niniichik charter businesses Captain Steve's Saltwater Charters and Lodge, Chihuly's Charters and Butt Chasers; fishing on the Kenai River with Harry Gaines Kenai River Fishing Guides; fishing, accommodations and fly-out bear-viewing with Timber Wolf Lodge in Soldotna; and processing of catch at Deep Creek Custom Packing in Niniichik. Other support has been donated by Niniichik Traditional Council, USA Fishing, Fish Alaska Magazine and Tesoro Alaska Company.

"(Ticket) sales are starting to wind down and the odds are way better than they should be," Martin said, referring to the learning process the school has faced in sponsoring the event.



Originally, plans for marketing the raffle included a Web site to advertise and to sell tickets, an e-mail address and fax number the public could use to order tickets and Web casting of the ticket draw. However, Alaska's gaming rules altered those plans.

"The statute allows certain organizations to advertise using broadcasting, which includes television, radio,

satellite cable, facsimile and the Internet," said Jeff Prather, the state's gaming manager.

Among the events having legislative approval for such advertising are the Nenana Ice Classic, Fairbanks' Goose Classic and Petersburg's Canned Salmon Classic. However, misunderstanding of Alaska's gaming laws is evident by the number of organizations using the Internet, radio and television to advertise such things as raffles for new vehicles.

"The organizations that are doing that are violating gaming laws," Prather said.

Careful to stay within the law, the school recalled brochures advertising the raffle so that a sticker could be placed over the e-mail address and fax number. When Martin was asked to do a radio interview about the raffle, he also politely declined.

"As the obstacles came up, we just kept working through them and figuring out what we needed to do," Martin said.

In spite of the limitations, orders for 150 tickets have come in from across the country, helped by distribution of brochures through the Soldotna Chamber of Commerce and the Kenai Visitors and Convention Bureau.

"We've got wonderful letters in the mail from people saying this is a great idea," Martin said. "One gentleman, a retired schoolteacher in California, said he thought it was a fantastic idea. And everybody loves Alaska and has a story related to it, whether they visited Fairbanks once or have an aunt in Soldotna."