

HB

61

HFIN

FILE

moved passed 5-3

24-LS0281\G.1

Luckhaupt

3/16/05

~~WITHDRAWN~~ 3/17/05

AMENDMENT # 1

REP STOLTZE

OFFERED IN THE HOUSE

TO: CSHB 61(L&C)

- 1 Page 1, line 1:
- 2 Delete "licensing for a Calcutta pool as a game of chance"
- 3 Insert "Calcutta pools and crane classics as authorized forms of charitable
- 4 gaming"
- 5
- 6 Page 1, line 9, following "animal classics,":
- 7 Insert "crane classics,"
- 8
- 9 Page 2, line 1, following "animal classics,":
- 10 Insert "crane classics,"
- 11
- 12 Page 2, line 7, following "animal classics,":
- 13 Insert "crane classics,"
- 14
- 15 Page 2, line 13:
- 16 Delete "a new paragraph"
- 17 Insert "new paragraphs"
- 18
- 19 Page 2, line 19:
- 20 Delete "event."
- 21 Insert "event;"
- 22
- 23 Page 2, following line 19:

1 Insert a new paragraph to read:

2 "(47) "crane classic" means a game of chance in which a prize of money is awarded

3 for the closest guess of the time of arrival of the first sandhill crane to a particular place."

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 61(L&C)
(H) Publish Date: 2/2/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue 04
Title Charitable Gaming; Calcutta Pools RDU Revenue Programs & Services 509
Sponsor Representatives McGuire and Ramras Component Tax Division
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 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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 EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Ful-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* We do not know how many Calcutta pools may be conducted by qualifying organizations as a result of passage of this bill. Consequently, it is not possible for us to estimate the revenue effects with any degree of accuracy. However, it is likely that the revenue amount would be relatively small. For Calendar year 2003, the estimated revenue to the state from all game types, except for pulltabs and bingo, was less than \$50,000. This does not include revenue from licenses and permits because in most cases Calcutta games would be offered by qualifying organizations that already have gaming licenses and permits. There are at least three states that define Calcuttas as legal gambling: Wyoming, North Dakota and Montana. North Dakota limits the Calcuttas to amateur and professional sports. Total after-prize income in North Dakota for Calcuttas was \$33,916 for FY 2004. This is prior to any deductions for expenses. The other two states do not collect revenue from the Calcuttas.

Prepared by: Larry Meyers Phone 269-1011
Division Tax Division Date/Time 1/28/05 3:33 PM
Approved by: Jerry Burnett Special Assistant to the Commissioner Date 1/28/2005
Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
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(H) Publish Date: 2/2/05

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Part-time						
Temporary						

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Prepared by: Larry Meyers Phone 269-1011
Division: Tax Division Date/Time 1/28/05 3:33 PM
Approved by: Jerry Burnett, Special Assistant to the Commissioner Date 1/28/2005
Agency: Department of Revenue

Adopted

3-16-05

24-LS0281VF
Luckhaupt
3/4/05

CS FOR HOUSE BILL NO. 61()

no objection

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES MCGUIRE, Ramras

*— adopted —
amendment to title*

3/17/05

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to licensing for a Calcutta pool as a game of chance."**

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

3 *** Section 1. AS 05.15.080(a) is amended to read:**

4 (a) A municipality or a qualified organization issued a permit under this
5 chapter shall file a report with the department by the 45th day following each calendar
6 quarter in which the permittee had gross receipts of \$50,000 or more from activities
7 authorized under this chapter. The report must include the type of activity conducted,
8 the date and location of the activity, the amount of gross receipts, the amount of
9 authorized expenses, the value of prizes awarded, the amount of net proceeds, and
10 other information the department may require. However, if the only activity
11 conducted by a municipality or qualified organization during a calendar quarter is a
12 raffle or lottery or a Calcutta pool, then the municipality or qualified organization is
13 not required to file a report under this subsection until the raffle or lottery or a
14 Calcutta pool is completed.

15 *** Sec. 2. AS 05.15.080 is amended by adding a new subsection to read:**

1 (c) A permittee that conducts a Calcutta pool shall file a report for each pool
2 conducted on a form prescribed by the department that lists

3 (1) the date of the pool and the event;

4 (2) the amount of wagers;

5 (3) the amount of prizes distributed to the winners of the pool;

6 (4) the amount and nature of each expense;

7 (5) the amount remaining after the payment of the prizes and expenses;

8 (6) any other information that the department requests or requires.

9 * Sec. 3. AS 05.15.100(a) is amended to read:

10 (a) The department may issue a permit to a municipality or qualified
11 organization. The permit gives the municipality or qualified organization the privilege
12 of conducting bingo, raffles and lotteries, pull-tab games, ice classics, race classics,
13 rain classics, goose classics, mercury classics, deep freeze classics, canned salmon
14 classics, salmon classics, king salmon classics, dog mushers' contests, snow machine
15 classics, fish derbies, animal classics, Calcutta pools, and contests of skill.

16 * Sec. 4. AS 05.15.100(c) is amended to read:

17 (c) The department may issue an operator's license to a natural person to
18 conduct an activity permitted under this chapter, other than a Calcutta pool, on
19 behalf of a municipality or a qualified organization. The department may also issue an
20 operator's license to a municipality or a qualified organization to conduct an activity,
21 other than a Calcutta pool, on behalf of another municipality or qualified
22 organization.

23 * Sec. 5. AS 05.15.160(d) is amended to read:

24 (d) The total amount of authorized expenses that may be incurred under (a) of
25 this section in connection with any gaming activity other than pull-tabs or Calcutta
26 pools may not exceed 90 percent of the adjusted gross income from that gaming
27 activity.

28 * Sec. 6. AS 05.15.160 is amended by adding a new subsection to read:

29 (e) The total amount of expenses that may be incurred and prizes that may be
30 awarded under (a) of this section in connection with a Calcutta pool may not exceed
31 70 percent of the pool of wagers.

1 * Sec. 7. AS 05.15.180(b) is amended to read:

2 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, race
3 classics, rain classics, goose classics, mercury classics, deep freeze classics, dog
4 mushers' contests, snow machine classics, canned salmon classics, salmon classics,
5 animal classics, Calcutta pools, and king salmon classics, an activity may not be
6 licensed under this chapter unless it existed in the state in substantially the same form
7 and was conducted in substantially the same manner before January 1, 1959. A snow
8 machine classic may not be licensed under this chapter unless it has been in existence
9 for at least five years before the licensing. An animal classic may not be licensed
10 under this chapter unless it was in existence before November 1, 2002.

11 * Sec. 8. AS 05.15.180 is amended by adding a new subsection to read:

12 (h) A Calcutta pool may not be conducted for elementary, secondary, or post-
13 secondary school sporting events or for youth organization events. A permittee may
14 not accept a wager on a competitor in a Calcutta pool unless the competitor is 18 years
15 of age or older. A person may not place a wager on a competitor in a Calcutta pool
16 unless the competitor is 18 years of age or older. A Calcutta pool may not be
17 conducted unless the rules for the pool are publicly posted and available to all
18 participants in the pool.

19 * Sec. 9. AS 05.15.690 is amended by adding a new paragraph to read:

20 (46) "Calcutta pool" means a game of chance where a prize of money
21 is awarded from a pool of wagers on a contest of skill limited to amateur and
22 professional sporting events in the state in which those who wager bid at auction for
23 the exclusive right to purchase or wager upon a particular contestant or entrant in the
24 event.

conceptual title change

Amendment 3 - HB 61

adopted - 3/17/05

An Act making Calcutta pools an authorized form of charitable gaming.

withdrawn

AMENDMENT

2 Stolte

OFFERED IN THE HOUSE

TO: CSHB 61(), Draft Version "F"

1 Page 1, line 1:

2 Delete "licensing for a Calcutta pool as a game of chance"

3 Insert "authorizing golf-event Calcutta pools as a charitable gaming game of
4 chance"

5

6 Page 3, line 22:

7 Delete "sporting"

8 Insert "golfing"

24-LS0281\F
Luckhaupt
3/4/05

CS FOR HOUSE BILL NO. 61()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

BY

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Referred:**

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24 event.

Alaska State Legislature

Session
State Capitol Building, Room 118
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (307) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
Fax (907) 269-0249



Chair, Judiciary Committee
Vice-Chair, House Committee on
Economic Development,
Trade and Tourism

Member
Oil & Gas Committee

Representative Lesil McGuire *House District 28*

SPONSOR STATEMENT

HB 61

"An Act relating to licensing for a Calcutta pool as a game of chance."

Alaska State law authorizes the Department of Revenue to issue permits to a municipality or qualified organization to conduct games of chance for charitable purposes. This bill would simply add "Calcutta pool" to the to the list of games of chance and give eligible organizations the opportunity to hold such events as a method of charitable fundraising.

The intent of HB 61 is to protect this traditional game of chance, which is strongly supported by many Alaskans and the charity organizations that rely on funds raised by this event. Organizations such as CIRC held Calcutta pools during their annual CIRC Golf Classic since 1983. In 2001, the last year the CIRC Calcutta Pool operated, the CIRC Golf Classic raised \$852,000 for programs focusing on youths and education. The Boys and Girls Club and the Alaska Academic Decathlon were two organizations that benefited from the Calcutta Pool fundraisers.

The Calcutta fundraising mechanism was discontinued in 2002 when the Department of Revenue construed state law as prohibiting Calcutta events as a method of charitable giving. Calcutta pools are a time-honored method of charitable fundraising uniquely suited to golfing events. They have been employed not just by CIRC, but also by other prominent charitable organizations throughout the State. Calcutta pools raise substantial amounts of money for charitable purposes, and certainly present no more harm to the public than other charitable giving activities, including "rat races," classics, and pull tabs which are already legal under the current state law.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



DOYON FOUNDATION

1 Doyon Place, Suite 300, Fairbanks, Alaska 99701

Verbal Testimony in support of proposed House Bill 61 Doyon Foundation

Thank you for the invitation to speak to proposed House Bill 61 regarding Calcutta's. For the record, my name is Sharon McConnell Gillis, Executive Director of Doyon Foundation in Fairbanks.

Doyon Foundation is a 501 (c) (3) private Foundation established in 1989 by Doyon, Limited, the regional Native corporation for Interior Alaska. Our mission is "to promote self-reliance and the economic and social well-being of Doyon's shareholders and descendants and to strengthen our Native culture and heritage through education."

To accomplish our mission, Doyon Foundation provides scholarships for higher education to over 300 students each year totaling some \$350,000. To award this amount the Foundation relies on a yearly contribution from Doyon, Limited and revenue from corporate and individual donors. We also hold various fundraisers throughout the year to help sustain our scholarship programs. As you can imagine, student tuition can be expensive and the amounts we award do not nearly fund the student's needs.

Doyon Foundation does have a State of Alaska gaming permit that allows us to hold raffles. This has proven very beneficial to raise needed funds. However, if Calcuttas were legal, the amount raised could be substantially more, which in turn would mean more scholarship dollars that we could provide to Alaska Natives.

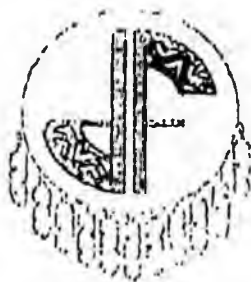
Therefore Doyon Foundation is in support of House Bill 61. Legalizing Calcutta's would provide an additional revenue stream for non-profits such as Doyon Foundation.

Thank you for this opportunity to address your committee.

Respectfully submitted,

Sharon McConnell Gillis

Sharon McConnell Gillis
Executive Director



DOYON FOUNDATION

1 Doyon Place, Suite 300, Fairbanks, Alaska 99701

Doyon Foundation Written Testimony Proposed House Bill 61

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Doyon Foundation is a 501 (c) (3) private Foundation established in 1989 by Doyon, Limited, the regional Native corporation for Interior Alaska. Our mission is "to promote self-reliance and the economic and social well-being of Doyon's shareholders and descendents and to strengthen our Native culture and heritage through education."

To accomplish our mission, Doyon Foundation provides scholarships for higher education to over 300 students each year totaling some \$350,000. To award this amount the Foundation relies on a yearly contribution from Doyon, Limited and revenue from corporate and individual donors. Tuition and living costs are high and the amounts awarded do not nearly fund the student's needs.

Doyon Foundation does have a State of Alaska gaming permit that allows us to hold raffles. This has proven very beneficial to raise needed funds for our scholarship programs. However, if Calcuttas were legal, the amount raised could be substantially more, which in turn would mean more scholarship dollars that we could provide.

Therefore, legalizing Calcutta's would provide an additional revenue stream for non-profits such as Doyon Foundation.

Thank you.

Respectfully submitted,

Sharon McConnell Gillis
Sharon McConnell Gillis
Executive Director