

SB

59

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 59(FIN)
(S) Publish Date: 3/14/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue 04
Title Broadcasting Promoting Charitable Gaming RDU Taxation and Treasury
Sponsor Senator Stevens Component Tax Division
Requester (S) Finance Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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						
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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 (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

(see attached)

Prepared by: Larry Meyers and Dan Stickel
Division: Tax Division
Approved by: Jerry Burnett
Agency: Department of Revenue

Phone: (907) 269-6620
Date/Time: 3/13/07 12:00 AM
Date: 3/13/2007

FISCAL NOTE # 2

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSSB 59(FIN)

ANALYSIS CONTINUATION

This bill will impact charitable gaming in Alaska in two ways: it will allow broadcasting to promote charitable gaming and it will formally authorize a specific cabbage classic. These two changes are addressed separately below:

Broadcasting Promoting Charitable Gaming

Section 4 of this bill would allow a permittee (or operator under contract with an authorizing permittee) to broadcast promotion of a charitable raffle or lottery. The means allowable include radio and television. Anyone who can conduct a raffle would be allowed to promote it by broadcasting via radio or television.

Though the bill language applies to raffles and lotteries, the statutory definition [AS 05.15.690(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 promoted or conducted.

We do not anticipate any additional costs or revenues as a result of this section of the bill.

Cabbage Classic

Sections 1-3 and section 5 of this bill formally authorize in statute a cabbage classic. A cabbage classic is defined as "a game of chance where a prize of money is awarded for the closest guess of the weight of the winning cabbage at the Giant Cabbage Weigh-Off." This contest would be formally authorized only for the specific cabbage classic operated and administered by the Palmer Rotary Club at the Alaska State Fair in Palmer. There is no authorization to expand gaming activity other than to formally allow this specific cabbage classic.

Since only one specific cabbage classic is authorized, we expect one additional charitable gaming permit. The cost of this annual permit will range from \$20 to \$100 depending on gross receipts of the permittee. Also, assuming gross receipts are at least \$20,000, a small amount of revenue would be collected from the 1% net proceeds fee. Revenues are shown as indeterminate because they would depend on the amount of net proceeds from the cabbage classic.

We anticipate that any additional costs can be absorbed.

5/1/07

adopted as amended

25-LS0410M.1
Luckhaupt
4/13/07

AMENDMENT 1

OFFERED IN THE HOUSE BY REPRESENTATIVE STOLTZE
TO: HCS CSSB 59(STA)

1 Page 1, line 3, following "gaming":

2 Insert "; relating to the use of the proceeds of charitable gaming"

3

4 Page 2, following line 6:

5 Insert a new bill section to read:

6 "** Sec. 3. AS 05.15.150(a) is amended to read:

7 (a) The authority to conduct the activity authorized by this chapter is
8 contingent upon the dedication of the net proceeds of the charitable gaming activity to
9 the awarding of prizes to contestants or participants and to political, educational, civic,
10 public, charitable, patriotic, or religious uses in the state. "Political, educational, civic,
11 public, charitable, patriotic, or religious uses" means uses benefiting persons either by
12 bringing them under the influence of education or religion or relieving them from
13 disease, suffering, or constraint, or by assisting them in establishing themselves in life,
14 or by providing for the promotion of the welfare and well-being of the membership of
15 the organization within their own community [or through aiding candidates for public
16 office or groups that support candidates for public office,] or by erecting or maintaining
17 public buildings or works, or lessening the burden on government, but does not
18 include

MH →
deleted

19 (1) the direct or indirect payment of any portion of the net proceeds of
20 a bingo or pull-tab game to a lobbyist registered under AS 24.45;

21 (2) the erection, acquisition, improvement, maintenance, or repair of
22 real, personal, or mixed property unless it is used exclusively for one or more of the
23 permitted uses; or

1 (3) the direct or indirect payment of any portion of the net proceeds of
2 a charitable gaming activity [, EXCEPT THE PROCEEDS OF A RAFFLE AND
3 LOTTERY,]

4 (A) to aid candidates for public office or groups that support or
5 oppose candidates for public office;

6 (B) to a political party or to an organization affiliated with a
7 political party; or

8 (C) to a group, as that term is defined in AS 15.13.400, or a
9 political group, as that term is defined in AS 15.60, that seeks to influence the
10 outcome of an election."

11

12 Renumber the following bill sections accordingly.

adopted

25-LS0410\M.2
Luckhaupt
4/18/07

AMENDMENT

2

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOULE

TO: HCS CSSB 59(STA)

1 Page 1, line 2, following "lotteries":

2 Insert ", to the maximum amount of prizes that may be awarded for charitable
3 gaming activities other than bingo,"

4

5 Page 2, following line 17:

6 Insert a new bill section to read:

7 **** Sec. 4. AS 05.15.180(g) is amended to read:**

8 (g) A municipality or a qualified organization may award a maximum of
9 \$2,000,000 [\$1,000,000] in prizes each year in activities authorized under this chapter;
10 however, if a municipality or a qualified organization contracts with an operator to
11 conduct on its behalf activities authorized under this chapter, the municipality or
12 qualified organization may award a maximum of \$500,000 in prizes each year. A
13 municipality or a qualified organization that conducts a contest of skill and awards
14 more than \$1,000,000 [\$500,000] in prizes to the participants in that contest of skill
15 may exclude \$1,000,000 [\$500,000] in prizes awarded to those participants from the
16 \$2,000,000 [\$1,000,000] maximum allowed in this subsection. The holders of a
17 multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in prizes
18 each year of \$2,000,000 [\$1,000,000] times the number of holders of the permit for
19 activities authorized under this chapter. In this subsection, "activities authorized under
20 this chapter" means all activities subject to this chapter other than bingo."

21

22 Renumber the following bill sections accordingly.

ch 59 SLA 1983; am §§ 15, 16 ch 99 SLA 1988; am E.O. No. 74 § 3 (1989); am §§ 18, 37 ch 70 SLA 1993; am E.O. No. 82 § 9 (1993)

Sec. 05.15.145. Multiple-beneficiary permits. (a) Two to six municipalities or qualified organizations, or a combination of two to six municipalities and qualified organizations, may jointly apply for a multiple-beneficiary permit under AS 05.15.100(d). The commissioner may not issue or renew a permit except upon satisfactory proof that each joint applicant is a municipality or qualified organization, the activity may be permitted under this chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon request of the commissioner, the joint applicants shall prove conclusively each of these requirements before a permit may be issued or renewed.

(b) The provisions of AS 05.15.140(b) — (d) apply to multiple-beneficiary permits and applications for them.

(c) A municipality or qualified organization that is among the holders of a multiple-beneficiary permit may withdraw from the permit by giving written notice of intent to withdraw to the department and to the other holders of the permit. The effective date of the withdrawal is 30 days after the department receives written notice of intent. A municipality or qualified organization that withdraws from a multiple-beneficiary permit may apply for a permit under AS 05.15.100(a), but its share of the prizes awarded under the multiple-beneficiary permit and the prizes it awards under its own permit are subject to the maximums established in AS 05.15.180(g).

(d) The holders of a multiple-beneficiary permit shall jointly file reports with the department that comply with the reporting requirements imposed on operators under AS 05.15.083. (§ 19 ch 70 SLA 1993)

NOTES TO DECISIONS

Cited in *Botelho v. Griffin*, 25 P3d 689 (Alaska 2001).

Sec. 05.15.150. Limitation on use of proceeds. (a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the charitable gaming activity to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic, or religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious uses" means uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life, or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or through aiding candidates for public office or groups that support candidates for public office, or by erecting or maintaining public buildings or works, or lessening the burden on government, but does not include

(1) the direct or indirect payment of any portion of the net proceeds of a bingo or pull-tab game to a lobbyist registered under AS 24.45;

(2) the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property unless it is used exclusively for one or more of the permitted uses; or

(3) the direct or indirect payment of any portion of the net proceeds of a charitable gaming activity, except the proceeds of a raffle and lottery,

(A) to aid candidates for public office or groups that support or oppose candidates for public office;

(B) to a political party or to an organization affiliated with a political party; or

(C) to a group, as that term is defined in AS 15.13.400, or a political group, as that term is defined in AS 15.60, that seeks to influence the outcome of an election.

§ 3 (1989); am §§ 18, 37

to six municipalities or municipalities and qualified it under AS 05.15.100(d). on satisfactory proof that on, the activity may be t detrimental to the best nt applicants shall prove e issued or renewed.

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authority to conduct the ion of the net proceeds estants or participants r religious uses in the "religious uses" means uence of education or r by assisting them in on of the welfare and community, or through tes for public office, or ening the burden on

roceeds of a bingo or

ur of real, personal, or e permitted uses; or eceeds of a charitable

oppose candidates for

litical party; or al group, as that term lection.

(b) The net proceeds derived from the activity must be devoted within one year to one or more of the uses stated in (a) of this section. A municipality or qualified organization desiring to hold the net proceeds for a period longer than one year must apply to the department for special permission and upon good cause shown the department may grant the request. (§ 1 e ch 27 SLA 1960; am § 2 ch 66 SLA 1976; am § 5 ch 27 SLA 1982; am § 20 ch 70 SLA 1993; am E.O. No. 82 § 10 (1993); am § 2 ch 48 SLA 1996)

Opinions of attorney general. — Proceeds from raffles may be donated, not loaned, to a political candidate and may not exceed the \$1000 limitation imposed by AS 15.13.070. This limit applies even if the permit holder is a "controlled group" under AS 15.13.130(4). June 15, 1987, Op. Att'y Gen.

A political entity could obtain a permit for and conduct bingo or pull-tab games, but it could not use any of the proceeds for general operating funds, or for

any purpose connected to the entity's objectives. For all purposes, there is virtually nothing that a political entity could do for itself with funds raised from the conduct of charitable games other than raffles and lotteries. A political entity could, though, raise funds using pull-tabs or bingo and donate these in their entirety to an eleemosynary organization, or a municipality. May 16, 1997 Op. Att'y Gen.

NOTES TO DECISIONS

Municipal sales tax on charitable gaming activities. — This section serves as a general use restriction on the proceeds of gaming and did not preempt a municipal sales tax on gaming activities of a charitable organization. *Kotzebue Lions Club v. City of Kotzebue*, 955 P.2d 921 (Alaska 1998).

Authority of attorney general. — The attorney general's authority to enforce charitable trusts gives

him the power to assert a charity's cause of action if the charity dismisses or compromises a claim against a third party for less than the amount the charity is owed under the state's gaming laws. *Botelho v. Griffin*, 25 P.3d 689 (Alaska 2001).

Quoted in *State v. A.L.I.V.E. Voluntary*, 606 P.2d 769 (Alaska 1980).

Sec. 05.15.160. Authorized expenses. (a) The only expenses that may be incurred or paid in connection with the operation of an activity under a permit issued under this chapter are bona fide expenses reasonably necessary for

(1) goods, wares, and merchandise necessary for the operation of the activity;

(2) personal services involved with the operation of the activity, including those performed by

(A) an employee of the permittee; or

(B) an operator hired by the permittee to conduct the activity if the compensation is not related to the receipts from the activity.

(b) Municipalities, qualified organizations, and operators may pay their employees a reasonable amount in wages or other compensation for personal services rendered by their employees while the employees are engaged in activities subject to this chapter. A reasonable amount of compensation is an amount approximating the amount ordinarily paid by similar businesses for similar work performed under similar circumstances.

(c) The total amount of authorized expenses that may be incurred under (a) of this section in connection with a pull-tab activity may not exceed 70 percent of the adjusted gross income from that pull-tab activity.

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

(e) The total amount of expenses that may be incurred and prizes that may be awarded under (a) of this section in connection with a Calcutta pool may not exceed 50 percent of the pool of wagers. (§ 1 e ch 27 SLA 1960; am § 4 ch 59 SLA 1983; am §§ 17, 18 ch 99 SLA 1988; am § 21 ch 70 SLA 1993; am §§ 6, 7 ch 43 SLA 2005)

Effect of amendments. — The 2005 amendment, effective September 5, 2005, inserted "or Calcutta pools" in subsection (d) and added subsection (e).

failed

25-LS0410AM.3
Luckhaupt
4/30/07

AMENDMENT 3

OFFERED IN THE HOUSE

BY REPRESENTATIVE CRAWFORD

TO: HCS CSSB 59(STA)

1 Page 1, lines 1 - 2:

2 Delete "dog mushers' contests and charitable raffles and lotteries"

3 Insert "certain charitable gaming activities"

4

5 Page 2, line 23, following "lottery":

6 Insert "Broadcasting allowed under this subsection is limited to public service

7 announcements provided free of charge by a broadcaster to a permittee"

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 59(FIN)
(S) Publish Date: 3/14/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue 04
Title: Broadcasting Promoting Charitable Gaming RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senator Stevens
Requester: (S) Finance Component No.: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
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Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

(see attached)

Prepared by: Larry Moyers and Dan Slickel
Division: Tax Division
Approved by: Jerry Burnett
Agency: Department of Revenue

Phone: (907) 269-6620
Date/Time: 3/13/07 12:00 AM
Date: 3/13/2007

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. CSSB 59(FIN)

ANALYSIS CONTINUATION

This bill will impact charitable gaming in Alaska in two ways: it will allow broadcasting to promote charitable gaming and it will formally authorize a specific cabbage classic. These two changes are addressed separately below:

Broadcasting Promoting Charitable Gaming

Section 4 of this bill would allow a permittee (or operator under contract with an authorizing permittee) to broadcast promotion of a charitable raffle or lottery. The means allowable include radio and television. Anyone who can conduct a raffle would be allowed to promote it by broadcasting via radio or television.

Though the bill language applies to raffles and lotteries, the statutory definition [AS 05.15.690(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 promoted or conducted.

We do not anticipate any additional costs or revenues as a result of this section of the bill.

Cabbage Classic

Sections 1-3 and section 5 of this bill formally authorize in statute a cabbage classic. A cabbage classic is defined as "a game of chance where a prize of money is awarded for the closest guess of the weight of the winning cabbage at the Giant Cabbage Weigh-Off." This contest would be formally authorized only for the specific cabbage classic operated and administered by the Palmer Rotary Club at the Alaska State Fair in Palmer. There is no authorization to expand gaming activity other than to formally allow this specific cabbage classic.

Since only one specific cabbage classic is authorized, we expect one additional charitable gaming permit. The cost of this annual permit will range from \$20 to \$100 depending on gross receipts of the permittee. Also, assuming gross receipts are at least \$20,000, a small amount of revenue would be collected from the 1% net proceeds fee. Revenues are shown as indeterminate because they would depend on the amount of net proceeds from the cabbage classic.

We anticipate that any additional costs can be absorbed.

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens Majority Leader

Sponsor Statement for House CS for SB 59 (STA) (updated April 19, 2007)

“An Act relating to the use of broadcasting to promote dog mushers’ contests and charitable raffles and lotteries and to establishing cabbage classics as a form of charitable gaming”

Passage of CS for SB 59 will assure an equal playing field for Alaska’s broadcasters. Alaska Statute prohibits broadcasters from airing truthful and non-misleading advertisements of lawful “charitable gaming activity.”

Currently, AS 05.15.640 (a) bans radio and television 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.

Additionally, 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.

CS for SB 59 also allows for the use of broadcasting to promote dog mushers’s contests, and cabbage classics to the list of allowable charitable gaming. These addition will greatly benefit fundraising efforts of the charitable organizations who partake in these fundraising activities.

I ask for your support of CS for SB 59.

WORK ORDER REQUEST FORM

W.O. 25-LS0920

KEYWORDS: UNIFORM RULES

ASSIGNEE: Luckhaupt

REQUEST FOR: Resolution

TAKEN BY: Weed

SUBJECT: Suspend UN RLS: Title Change for SB 59

REQUESTED FOR: HC HFIN

BY: Shar

PHONE: 465-2378

DELIVER TO: House Finance; Attn: Shar -- Cap. 519

INSTRUCTIONS:

Draft title change resolution for HCS CSSB 59(FIN)

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED []
AUTHORIZED TO CONFER WITH

RETURN

TO REQUESTOR

APPROVED DIRECTOR, LEGAL SERVICES

REVIEWED _____

IN 05/01/07 DUE _____

TYPED: DRAFT _____ DATE _____

FINAL _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS to TYPING/PROOFING
(SB 59 Passed Cmte)

Request for FINAL

25-LS0861A
Luckhaupt
4/12/07

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State
2 Legislature, concerning Senate Bill No. 59, relating to charitable gaming.

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

4 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
5 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
6 changes to the title of a bill, are suspended in consideration of Senate Bill No. 59, relating to
7 charitable gaming.

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTY LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Introduced:
Referred:

A RESOLUTION

1 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State
2 Legislature, concerning Senate Bill No. 59, relating to charitable gaming.

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

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5 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
6 changes to the title of a bill, are suspended in consideration of Senate Bill No. 59, relating to
7 charitable gaming.

FISCAL NOTE

replaced

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 59
(S) Publish Date: 2/9/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue 04
Title: Broadcasting Promoting Charitable Gaming RDU: Taxation and Treasury
Sponsor: Senator Stevens Component: Tax Division
Requester: (S) Labor & Commerce Component No.: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 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 charitable raffle or lottery. The means allowable include radio and television. Anyone who can conduct a raffle would be allowed to promote it by broadcasting via radio or television.

Though the bill language applies to raffles and lotteries, the statutory definition [AS 05.15.690(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 promoted or conducted.

We do not anticipate any additional costs or revenues as a result of this bill.

Prepared by: Larry Meyers and Dan Stickel Phone: (907) 269-6620
Division: Tax Division Date/Time: _____
Approved by: Jerry Burnett Date: 2/3/2007
Agency: Department of Revenue

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 22, 2007

SUBJECT: Sectional Summary - CSSB 59(FIN)
(Work Order No. 25-LS0410E)

TO: Senator Gary Stevens

FROM: Gerald P. Luckhaupt *GLP*
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. Amends AS 05.15.100(a) by adding a conforming amendmer. to the addition of "cabbage classics" as an authorized form of charitable gaming in sec. 5.¹

Section 2. Amends AS 05.15.115(c) by adding a conforming amendment to the addition of "cabbage classics" as an authorized form of charitable gaming in sec. 5.²

Section 3. Amends AS 05.15.180(b) by adding a conforming amendment to the addition of "cabbage classics" as an authorized form of charitable gaming in sec. 5.³

Section 4. Amends AS 05.15.640(a) to allow radio and television broadcasting to promote raffles and lotteries.

Section 5. Amends AS 05.15.690 by adding a "cabbage classic" conducted by the Palmer Rotary Club at the Alaska State Fair as an authorized form of charitable gaming in Alaska.

GPL:ljw
07-155.ljw

¹ Although "a cabbage classic" is listed in this subsection, the plural "cabbage classics" would be the proper form to be used in this subsection.

² Although "a cabbage classic" is listed in this subsection, the plural "cabbage classics" would be the proper form to be used in this subsection.

³ Although "a cabbage classic" is listed in this subsection, the plural "cabbage classics" would be the proper form to be used in this subsection.

April 12th 2007

RE: LETTER OF SUPPORT SENATE BILL 59 Introduction charitable raffles and lotteries

Dear Representative Johnson, Johansen, Coghill, Lynn, Doll, Roses, and Gruenberg,

I would like to send my letter of support for (SB 59) related to Charitable raffles and Lotteries. I would like to provide my letter of support for the following reasons. I have been involved for several years in the Ketchikan Running Club, Rotary 2000, Big Brothers Big Sisters, Team Diabetes Pennock Swim, Ketchikan Youth Court, Ketchikan Lions Club, Revilla Island Prevention Coalition, and Ketchikan Chamber of Commerce. While not all of these organizations run raffles they are connected in many ways to those who do run raffles.

The reality is that budgets are tight everywhere and will become tighter. Businesses have a long-term plan if they want to survive. Non-profits need to think like business people, and diversify their funding sources too. Many non-profits don't have (a service or product) to sell so they use raffles to generate funds for the non-profit programs and projects. Raffles also allows youth and adult a chance to give their pitch on their organization. The better they can promote the raffle the better the outcome. The great thing about raffles too is it allows everyone to make their own decision whether or not to purchase a raffle ticket.

Today, more than ever with both parents and single parents including myself, working sometime (2 or more) jobs to make ends meet because of the simple cost of increases in day to day living and medical expenses there is a need for many non-profits more than ever. These non-profit programs serve important purposes in our communities. They enhance the quality of our lives and sometimes give us the assets that are missing in our fast paced lives.

These programs make people feel good and they give adults, seniors, teenagers, and kids an improved quality of life. Many sports teams, senior programs, civil groups, and a wide-range of different non-profits rely on raffles to balance their operating budgets. During a time of decreased funds from Federal and State Grants many of us have depended on these local fundraisers to assure we can keep our doors open, send a child on a sports event, debate, or drama event, and generate funds for Senior programs, Homeless Shelter, or Youth programs.

SB 59 will allow raffles to be advertised on the radio and television. This will allow us not only to thank everyone who was involved, but promote it in an effective and professional manner. There is no better time than now to help keep programs in solid positions to reassure our children, teenagers, and adults that we care about the quality of life they have in their communities. It is an awesome opportunity to streamline our fundraising efforts when other funds sources are drying up.

I leave you with these thoughts as these show the impact raffles have on our programs.

----" A little person beams and raves about the opportunity have a Big in their life who took time to come each week to school. The quiet child is glowing with happiness that someone cares-that someone remembers to follow through—someone did not let them down."

Big Brothers Big Sisters Raffle

-----"A youth court member sticks youth court out for 5 years --graduates high school after struggling in a single family home for years. Not only did that member learn leadership and public speaking skills, took part in countless hours of community service projects, but lead a sport team at school, graduated with honors, and had a chance to go to college."

Ketchikan Youth Court Raffle

-----"The sky lights up with brilliant fireworks and a family of four watches from the 3rd Ave. The fireworks doesn't last more than 15 minutes, but just for those simple moments a family enjoys together time."

Ketchikan Lions Club Raffle

----"Diabetic Educator Janet takes the opportunity to gives a support group training to teenagers and kids. Those moments when they think they are all (alone) gives them hope that there are others out there fighting the same thing."

Team Diabetes Raffle Fundraiser

----A soccer team member comes up smiling about a successful win. Dirtying and wet, but smiling because of enough people supported their fundraiser and they get to go to the finals." ---These are just samples of simple thoughts I have heard over the years)

Raffle for Soccer, Wrestling. Or Swim Team

Thank you for your time and consideration of this important SB 59. It will allow us to continue to work we all do to make each community a wonderful place to live.

Sincerely,

Gretchen Klein

Affiliations and Memberships

Ketchikan Youth Court Director

8 years

Alaska Community Services Program Manager

3 years

Ketchikan Lions Club Member

9 years

Ketchikan Chamber of Commerce Member

6 years

Team Diabetes for Running and Swimming Annual Fundraiser

7 years

Ketchikan Running Club Member

15 years

Rotary 2000 Member

3 years

Big Brothers Big Sisters of Ketchikan Friend of Program

5 years

Association for the Education of Young Children Liaison Ketchikan

2034 First Ave

Ketchikan, Alaska 99901

907 225-2072

Emily Stancliff

From: Glen Anderson [glen.anderson@nnbradio.com]
Sent: Thursday, February 08, 2007 5:52 AM
To: Rep. Jay Ramras
Subject: Hi from Glenner

Hi Jay!

Hope all is going well in the city of rain.

I am sending this e-mail in hopes of gaining support for House Bill 116 in regards to advertising gaming and lottery for charitable organizations on TV and Radio. As I am sure you are aware, there is currently a double standard regarding this issue. While the advertisement of charitable gaming and raffles are legal in print form, they are still illegal in our media even though no other form of media does more for charitable organizations than radio. From United Way to FRA, Big Brothers/Big Sisters to RCPC, we constantly receive countless Public Service announcements for various fundraisers and charities which we can not do anything about due to the fact that they are using some form of games of chance. We air more than 50 PSA's per week per station) both recorded and live each and every week over the airwaves. Unfortunately, most charities use some form of gaming, lottery or raffle to raise funds and we can not help them. Is there a monetary gain for the industry? of course there is, one: that Newspapers and magazines have used successfully for years. It is time to level the playing field.



Thanks Jay

Glen Anderson
Operations Manager
New Northwest Broadcasters
Fairbanks, Alaska
KXLR/KCBF/KWLF/KUWL/KFAR
(907)451-5910
Cell:907-378-2796



Alaska Juneau
Communications, Inc.

February 6, 2007

The Honorable Gary Stevens
State Senate
State Capitol Room 103
Juneau, AK 99801-1182

Dear Senator Stevens 

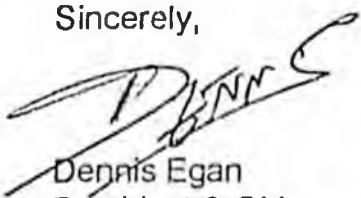
Thank you for introducing SB59 in support of a solution to the disparate treatment currently being imposed on Alaska's broadcasters by current Alaska Statute.

As you know, Alaska Statute §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 fact, the current law actually impedes positive governmental interests by prohibiting Alaska's broadcasters from assisting deserving non profit organizations in their efforts to raise money to reach their goals. In a period of tight state revenues and charitable giving, this unwarranted restriction is simply flawed policy.

Broadcasters throughout Alaska appreciate your willingness sponsor legislation to correct this inequity.

Sincerely,


Dennis Egan
President & GM
AJCI (KINY-AM, KSUP-FM)

Emily Stancliff

From: Hutton, Pete [PeteHutton@clearchannel.com]
Sent: Thursday, February 08, 2007 12:25 PM
To: Rep. Jay Ramras
Subject: House bill 116

Jay, we would really like to see your support for this bill. thanks
Pete Hutton
General Manager
Clear Channel Radio-Fairbanks
KFBX-AM-KIAK-FM-KAKQ-FM-KKED-FM
907 450-1023-direct
907 450-1094-fax
907 347-7136-cell

Doug Letch

From: Sen. Gary Stevens
Sent: Thursday, February 08, 2007 10:08 AM
To: Doug Letch
Subject: FW: Letter In support of HB116 and SB59

-----Original Message-----

From: Alaska Broadcasters Association [mailto:akba@gci.net]
Sent: Thursday, February 08, 2007 9:58 AM
To: David Scott; Sen. Gary Stevens
Cc: clark gruening; egan@ptialaska.net
Subject: Letter In support of HB116 and SB59

----- Original Message -----

From: "Ric Schmidt" <rschmidtKNOM@nome.net>
To: "Alaska Broadcasters Association" <akba@gci.net>
Sent: Monday, February 05, 2007 4:48 PM
Subject: Raffle ad story from KNOM

Darlene:

In the first week of January, when the thermometer was routinely dipping below -20, I received a call from Winnifred in Kotlik.

She politely asked if the folks in Kotlik could announce a charitable raffle on KNOM AM & FM.

She said that the city office needed a monitor heater and due to the lack of city funds the citizens had put together a raffle to collectively raise enough money to purchase the desperately needed heater.

I was forced by Alaska State law to tell her NO! I told her that newspapers are allowed to promote this type of effort, but we are not!

She said that the best way to raise the money was this raffle and the best way to promote it, would be announcing it on KNOM.

I apologized to her, and honestly...I was embarrassed!

Here was a community that didn't look to the state or federal government for help.

They were raising the money themselves, and state law was preventing them from standing on their own and buying a monitor heater for their city office.

I would hope that the people of Alaska can work to help communities like Kotlik, help themselves, without restricting their efforts through outdated laws and regulations.

We can't ask people to stand up and help, if we don't give them the tools to succeed.

Thank you for your interest in this sad story. I hope the future brings bright promise to all Alaskans.

Ric Schmidt
KNOM General Manager

I have her phone number if we want to contact her for any reason. I'd prefer to make the contact, so she has a frame of reference for this issue. Thanks. Ric



Alaska Juneau
Communications, Inc.

February 6, 2007

The Honorable Gary Stevens
State Senate
State Capitol Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

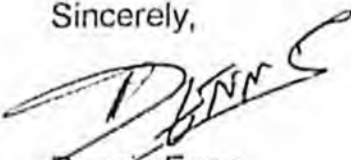
Thank you for introducing SB59 in support of a solution to the disparate treatment currently being imposed on Alaska's broadcasters by current Alaska Statute.

As you know, Alaska Statute §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 fact, the current law actually impedes positive governmental interests by prohibiting Alaska's broadcasters from assisting deserving non profit organizations in their efforts to raise money to reach their goals. In a period of tight state revenues and charitable giving, this unwarranted restriction is simply flawed policy.

Broadcasters throughout Alaska appreciate your willingness sponsor legislation to correct this inequity.

Sincerely,


Dennis Egan
President & GM
AJCI (KINY-AM, KSUP-FM)



Alaska Broadcasters Association

AN ALASKAN CORPORATION

700 W 41st Avenue #102 Anchorage, AK 99503

P: 907-258-2424

F: 907-258-2414

Email: akba@gci.net

January 25, 2007

Senator Gary Stevens
State Capitol Room 103
Juneau, AK 99801-1182

Dear Senator Stevens:

Thank you for your introduction of SB 59 as a solution to the disparate treatment currently being imposed on Alaska's broadcasters by existing Alaska Statute.

As you know, Alaska Statute §05.15.640(a) bans, but only via radio and television, the advertising of charitable raffles and lotteries. Newspapers are free to advertise the very same activity that radio and television stations may not.

In fact, the current law actually impedes positive governmental interests by prohibiting Alaska's broadcasters from assisting nonprofit organizations in their efforts to raise money to reach their goals. This restriction is simply flawed policy.

This unwarranted restriction in Alaska law, removed from Federal Law many years ago, means that raffles cannot be promoted by organizations such as the VFW, the Boys and Girls Club, and other local nonprofits through the means of broadcasting.

On behalf of all broadcasters in Alaska, we appreciate and support your willingness to seek this amendment to allow each of us, through the power of radio and television broadcasting, to better serve our communities in their fundraising efforts.

Sincerely,


Scott Smith
President



Alaska Broadcasters Association

"Membership Has Its Benefits"
An Alaskan Corporation

P.O. Box 102424
Anchorage, AK 99510

Phone (907) 258-2424
Fax (907) 258-2414
E-mail akba@gcl.net

March 2007

Re: House Bill 116 and SB 59

HB116 and SB 59 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 116 and SB 59 would avoid a likely constitutional challenge to the Statute.

As it stands now, Alaska Statute §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.

Alaska Statute §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"

APBC Resolution

007-001

Resolution to the First Session of the Twenty-Fifth Alaska State Legislature in Support of House Bill 116 and Companion Senate Bill 59

WHEREAS, for years, the Federal Communications Commission Rules and Regulations have forbidden radio and television stations from broadcasting lottery or gaming information. In the late 1980s, the U. S. Congress enacted legislation allowing radio and television stations to broadcast non-profit, charitable lottery or gaming information if allowed to do so by the individual states, and

WHEREAS, Alaska is one of only two states in the Union still banning radio, television, and cable stations from broadcasting non-profit, charitable lottery or gaming information. While, at the same time, newspapers are unfairly permitted to publish this information, and

WHEREAS, this ban has prevented Alaska's radio and television broadcasters – both commercial and non-commercial – from helping numerous local non-profit organizations with their fundraising efforts, and

WHEREAS, the ban has also prevented worthy, local, non-profit organizations from using broadcast media to promote their fundraising activities. All of these fundraising activities are already permitted by the State through the Alaska Gaming Commission. These activities include such things as raffles for Boy Scout and Girl Scout programs, Little League uniform and travel funds, Rotary and volunteer fire department activities, and homeless shelters, just to name a few, and

WHEREAS, two pieces of legislation have been introduced in the First Session of the Twenty-Fifth Legislature. House Bill 116 and Senate Bill 59 would allow Alaska radio and television broadcasters to broadcast charitable raffle and lottery information. This legislation has the support of the Alaska Broadcasters Association, representing Alaska's radio and television stations, and

WHEREAS, the Alaska Public Broadcasting Commission believes that passage of this legislation would be beneficial to the 26 non-commercial radio and television stations the Commission represents, and to the many communities and non-profit organizations these stations serve.

NOW THEREFORE BE IT RESOLVED THAT the Alaska Public Broadcasting Commission urges the Alaska State Legislature to enact House Bill 116 and Senate Bill 59, "An Act relating to the use of broadcasting to promote charitable raffles and lotteries."

Passed and approved unanimously by the Alaska Public Broadcasting Commission this 3rd day of April, 2007.

Brenda Hewitt, Co-Chair

Carl Berger, Co-Chair

4/12/07

I'm on the air this morning, and wasn't able to offer testimony to the Senate committee on SB59.

I'd like to reiterate my previous testimony in favor of passage of this legislation.

I'd also like to pass along a Resolution of the Alaska Public Broadcasting Commission. The Commission unanimously urged passage of SB59 at its meeting on April 3rd. A large number of station managers and regional representatives attending the Commission's teleconferenced meeting were also in unanimous support of SB59.

Thanks

Bob Kern
KFMJ Radio
President, TLP Communications, Inc

Commissioner,
Alaska Public Broadcasting Commission



23 April 2007

Governor Sarah Palin
State of Alaska
Box 110001
Juneau, Alaska 99811-0001

Senator Lyda Green
President of the Senate
State Capitol
Juneau, Alaska 99811-1182

Representative John Harris
Speaker of the House
State Capitol
Juneau, Alaska 99811-1182

Regarding SB 59, Gaming Broadcasting, Cabbage Classics, and HCR 7, Suspend
Uniform Rules for SB 59

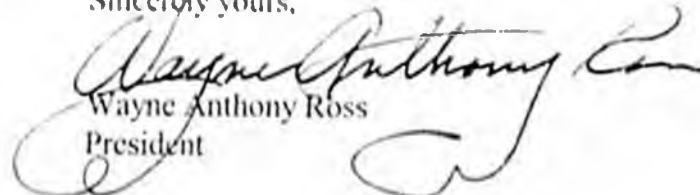
Dear Governor Palin, Senator Green and Representative Harris:

The general membership of the Alaska Gun Collectors Association, in general meeting assembled, unanimously approved support of SB 59 and its intended purpose of allowing raffles to be promoted over radio and television. The membership also supports inclusion of the Internet in the list of allowable promotion media.

We understand that the broadcast media are the primary impetus behind this legislation, but we ask that the viewpoint of permittee organizations be considered as well. Radio and television will reach the general public, but email and web sites would allow access to a more tailored audience. Our efforts to raise money for our primary activity—promotion of public safety through public education, including and especially our annual Youth Firearms Safety Appreciation Day—would be greatly enhanced if we could promote our raffles on our website in addition to radio and television.

We had hoped to submit testimony to the House Finance Committee when it considered the bill, but HCR 7 eliminated that potential, so we now submit this letter. Please consider inclusion of the Internet in SB 59 before final adoption. Thank you for your attention.

Sincerely yours,


Wayne Anthony Ross
President