

HB

18

<TARGET><BILL>HB 18</BILL><SUBJECT>HB
18</SUBJECT><COMM>HL&C30</COMM></TARGET>

REPRESENTATIVE DAN ORTIZ

Alaska State Legislature / Ketchikan, Saxman, Wrangell, Hydaburg, Metlakatla, Hyder, Loring and Meyers Chuck

SESSION ADDRESS:

Alaska State Capitol
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INTERIM ADDRESS:

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Sectional Analysis: Race Classic

Amends AS 05.15.690(40) to add a subsection B, making the Race to Alaska a permit eligible race classic for the Greater Ketchikan Chamber of Commerce.

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Sponsor Statement: Race Classic

This bill is necessary for the eligibility of the Greater Ketchikan Chamber of Commerce to obtain a race classic permit, as 'race classic' is so narrowly defined in statute, providing only for the Mount Marathon race classic held by the Seward Chamber of Commerce. The Greater Ketchikan Chamber of Commerce also has an interest in obtaining a race classic permit for a human race, The Race to Alaska, which is a human-powered boat race beginning in Port Townsend Washington and ending in Ketchikan, Alaska.

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 18
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB018-DOR-TAX-1-27-17
Title: RACE CLASSICS
Sponsor: ORTIZ
Requester: (H) L&C

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates					
			FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By:	Katrina Mitchell, Gaming Group Manager	Phone:	(907)465-3410
Division:	Tax Division	Date:	01/27/2017 12:00 PM
Approved By:	Jerry Burnett, Deputy Commissioner	Date:	01/27/17
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB 18

Analysis

The proposed bill would authorize the Greater Ketchikan Chamber of Commerce to conduct a race classic under their charitable gaming permit. Currently, only the Seward Chamber of Commerce Convention and Visitor's Bureau is authorized to conduct a race classic with a gaming permit.



Contact: Bill Swift, Executive Director
Ketchikan Chamber of Commerce
E: bill@ketchikanchamber.com
W: (907) 225-3184



HB-18:

Empowering Community Fundraising and Economic Development

Community Fundraising through the Race to Alaska

In 2015, Ketchikan was surprised to find itself the finishline of an exciting new unpowered boat race, the Race to Alaska, or R2AK. R2AK participants make a **750 mile marine journey** from Port Townsend, WA to Ketchikan, AK in unpowered vessels. The first team to finish wins \$10,000. The second team, a set of steak knives!

The Ketchikan Chamber of Commerce is seeking to raise funds for community projects, and increase the excitement surrounding the R2AK, by starting a **new community guessing game fundraiser** similar to the Nenana Ice Classic. Participants would guess the time the first contestant completes the race, and the person coming closest to the actual time would win a cash prize. The proceeds of this fundraiser would be used by the Ketchikan Chamber of Commerce for special activities such as **community projects, economic development programs, helping to grow a new scholarship fund, and more.**

HB-18 gives the Ketchikan Chamber of Commerce permission to conduct a community fundraiser of this type, based around the Race to Alaska. After conducting a good deal of research, we have determined that specific legislative authorization is necessary.

“Classics” -- A Fun and Common Form of Alaskana. Believe it or not, a great many non-profit entities throughout Alaska have been given permission by the legislature to conduct fundraisers of this type. There are currently **race classics, dog mushers' classics, rain classics, fish derbies, moose derbies, and even goose and canned salmon classics.** The Chamber of Commerces for Juneau, Fairbanks, Seward, and numerous other communities have received legislative approval for similar fundraisers.

Benefits of Fundraiser “Classics” to Alaskans

- Help provide a **new source of revenue for community projects** which otherwise would not be present.
- Support **community and economic development**
- Helps get Alaskans excited about **contributing to community projects and initiatives**
- **Does not cost the State anything**, but creates a new source for funding community initiatives!
- A form of **traditional Alaskana** which adds to the fun and excitement of the event!

Thank you for your consideration. We know the legislature has very challenging decisions ahead, and appreciate your time considering what we hope is a non-controversial administrative matter.





Greater Ketchikan Chamber of Commerce

2417 Tongass Ave., Ste. 223A
Ketchikan, AK 99901

Representative Dan Ortiz
State Capitol Rm 114
Juneau, AK 99801

January 19th, 2017

Subject: Support from the Greater Ketchikan Chamber of Commerce Regarding House Bill 18

Representative Ortiz, and members of the Alaska State Legislature.

The purpose of this letter is to express the Greater Ketchikan Chamber of Commerce's support for passage of House Bill 18, regarding Race Classics.

The Ketchikan Chamber of Commerce represents over 200 members, and is dedicated to developing a sustainable and prosperous business environment which supports economic vitality, and quality of life and community well-being in the greater Ketchikan region.

In 2015, Ketchikan was surprised to find itself the finish line of an exciting new unpowered boat race, the Race to Alaska, or R2AK. R2AK participants make a 750 mile journey from Port Townsend, WA to Ketchikan, AK in unpowered vessels. The first team to finish wins \$10,000. The second team, a set of steak knives!

The Ketchikan Chamber of Commerce is seeking to raise funds for local community projects, and to increase the excitement surrounding the R2AK, by starting a new community guessing game fundraiser similar to the Nenana Ice Classic. Participants would guess the time the first contestant completes the race, and the person coming closest to the actual time would win a cash prize. The proceeds of this fundraiser would be used by the Ketchikan Chamber of Commerce for special activities such as community projects, economic development programs, helping to grow a new scholarship fund, and more.

After conducting a good deal of research, we have determined that specific legislative authorization is necessary. HB-18 gives the Ketchikan Chamber of Commerce permission to conduct a charitable community fundraiser of this type, based around the Race to Alaska, by including this event within the State's existing definition of "race classics." HB-18 specifies that this event would be administered by the Ketchikan Chamber of Commerce.

The tradition of "classics" is a fun and common form of Alaskana. A great many non-profit entities throughout Alaska have been given permission by the legislature to conduct "classic" fundraisers of this type. There are currently race classics, dog mushers' classics, rain classics, fish derbies, moose derbies, and even goose and canned salmon classics.

There is strong precedent for Chamber of Commerce organizations to host events of this type. Similar events are hosted by the Chamber of Commerce organizations for Juneau, Fairbanks, Kenai, Seward, Petersburg, Delta, and Big Lake.

Greater Ketchikan Chamber of Commerce

2417 Tongass Ave., Ste. 223A
Ketchikan, AK 99901

The benefits of HB 18 to our organization and community would include:

- Provides a new source of self-generated revenue for community projects which otherwise would not be present.
- Supports community and economic development activities.
- Helps get Alaskans excited about contributing to community projects and initiatives
- A form of traditional Alaskana which adds to the fun and excitement of the event!
- Does not cost the State anything, but creates a new source for funding community initiatives.

While this may seem a relatively modest request, it is none-the-less important and meaningful to our community. With State and local government funding decreasing, and with funding for non-profit and community activities declining every year, every new source of revenue for community projects is extremely meaningful.

We know that the members of Alaska’s legislature have very challenging decisions ahead during this session. We thank you for taking the time to consider our request for what we believe is a relatively small (albeit necessary) administrative change, requiring legislative approval.

Thank you for your consideration.

Sincerely,

William Swift

William Swift

Executive Director, Ketchikan Chamber of Commerce

Greater Ketchikan Chamber of Commerce 2017 Board of Directors

Officers

- Marc Guevarra, President.....Northrim Bank
- Chelsea Goucher, Vice President.....Alaska Marine Lines
- Rachel Guyselman, Second Vice President.....Tongass Federal Credit Union
- Katherine Tatsuda, Secretary.....Tatsuda’s IGA
- Doug Ward, Officer-at-Large.....Vigor Alaska

Greater Ketchikan Chamber of Commerce

2417 Tongass Ave., Ste. 223A
Ketchikan, AK 99901

Jason Custer, Past President..... Alaska Power and Telephone

Mary Wanzer, Member at Large.....Coastal Real Estate Group

Sophia Smith, Treasurer.....Key Bank

Directors

Ann McKim.....Island Tile & Marble

Bett Union-Jakubek.....PeaceHealth KMC Foundation

Renee Schofield.....TSS, Inc.

Jacque Meck.....TLP Communications, Inc

Trish Pearson.....Fish From Trish

AMENDMENT

OFFERED IN THE HOUSE
TO: HB 18

BY REPRESENTATIVE BIRCH

1 Page 1, lines 4 - 10:

2 Delete all material and insert:

3 "(40) "race classic" means a game of chance where prizes are awarded
4 for the closest guess or guesses of the official winning times of a human race or races
5 [, AND IS LIMITED TO THE MT. MARATHON RACE CLASSIC OPERATED
6 AND ADMINISTERED BY THE SEWARD CHAMBER OF COMMERCE
7 CONVENTION AND VISITORS' BUREAU];"

Seward.com
Alaska Starts Here.



**Seward Chamber of Commerce
Conference and Visitors Bureau**

2 February 2017

Dear Representative Sam Kito,

My name is Cindy Clock, I am the Executive Director for the Seward Chamber of Commerce, CVB.

The beloved Mount Marathon Race® is 90 years old this July 4th. While at one time the race was considered a "classic", it no longer is. We haven't had wagers on winning times since about 2006.

I support removing the language in State Statute that limits race classics to the Mt. Marathon Race Classic.

Please feel free to contact me with any questions you might have.
Good luck and thank you for your service to the great state of Alaska!

Sincerely,

Cindy Clock

Cindy Clock, IOM
PO Box 749
Seward, AK 99664

907 224-8051
director@seward.com

January 30, 2017

Representative Sam Kito, Chair
Representative Adam Wool, Vice Chair
Representative Andy Josephson
Representative Louise Stutes
Representative Chris Birch
Representative Gary Knopp
Representative Colleen Sullivan-Leonard

Honorable Members of the House Labor and Commerce Committee:

My name is Chelsea Goucher and I am the current Vice President of the Greater Ketchikan Chamber of Commerce. I also serve as President of the Board for Southeast Conference, Southeast Alaska's EDA-designated economic development organization. I am currently employed as an Account Representative for Alaska Marine Lines, but in the past I was employed by the Ketchikan Chamber as Executive Director. I held that position for two years and am intimately acquainted with the Chamber's activities and its importance to the community of Ketchikan and surrounding areas.

I am sharing this testimony to express my whole-hearted support for Representative Dan Ortiz's proposed amendment to House Bill 18: "An Act Relating to Race Classics." His amendment would allow the Greater Ketchikan Chamber of Commerce to raise monies by operating and administering a race classic with their gaming permit, as is currently done by the Seward Chamber with their Mt. Marathon Race Classic. I support in full the letter of support submitted by Bill Swift, current Executive Director of the Ketchikan Chamber, and have just a few points to add concerning the importance to Ketchikan of the monies that might be generated by hosting a race classic such as that provided for in House Bill 18.

The Ketchikan Chamber has undertaken a wide variety of special projects in recent years, including but not limited to: workforce development initiatives, economic and community development programs, fun community events such as the lighting of the town Christmas tree and the July 4th parade, employee wellness trainings, informational programs, networking events to encourage a vibrant economy, assistance to new and developing businesses, hosting special programs such as the Ketchikan Marine Industry Council, fostering the Ketchikan Young Professionals Network, and advocating for a sound business climate for Ketchikan and southeast both in Juneau and Washington, D.C.

These activities are self-funded by the Chamber; we rely on very little grant or government money and depend primarily on member dues and fundraisers to function. The Ketchikan Chamber is a very diverse, non-partisan organization, and has truly helped to make a difference in our community. House Bill 18 would help us sustain these efforts and our ability to serve the community despite decreases in State and local funding. In fact, a race classic would likely attract outside money as racers, their family and friends, sports fans, and residents of Port Townsend—the race's community of origin—vie for a chance to win this newest of race classics.

Thank you for your time, and please consider adoption of House Bill 18 as amended.

Regards,

Chelsea Goucher, Vice President
Greater Ketchikan Chamber of Commerce
cc. Representative Dan Ortiz