

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 711

1 * Sec. 3. AS 39.25.120(c) is amended by adding a new paragraph to read:

2 (21) employees of the Alaska Racing Commission.

3 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

4 (52) Alaska Racing Commission (AS 05.45.010).

5 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:

6 (57) Alaska Racing Commission (AS 05.45.010).

7 * Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the initial
8 appointment of members of the Alaska Racing Commission within 120 days after the effective date of
9 this Act.

10 * Sec. 7. This Act takes effect July 1, 1992.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHB 16(JUD)

Revision Date: 4/19/91
Title: An Act establishing the Alaska Racing Commission
Sponsor: Representative Larson
Requestor: House Finance

Department Affected: Public Safety
BRU: DPS Statewide Support
Component: Administrative Services (R&I)

COMPONENT SERIAL NO.

	5	2	5
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EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact none

ANALYSIS: (Attach a separate page if necessary) CSHB 16(JUD) requires the Department of Public Safety to conduct criminal history records checks of members and employees of the Racing Commission and of license applicants and their employees. As there is a fee for this service, and the DPS budget contains authority to receive and expend these fees, there will be no additional cost to the Department of Public Safety.

Prepared by: Gavle A. Horetski Phone: 465-4322
Division: Commissioner's Office Date: 4/19/91
Approved by Commissioner: Gavle A. Horetski Richard L. Burton
Agency: Department of Public Safety Date: 4/19/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 2
Bill Version: CSHB 16(JUD)
(H) Publish Date: _____

Revision Date: _____ Department Affected: _____
Title: "An Act establishing the Alaska Racing Commission." BRU: Legal Services
Sponsor: Representative Larson Component: Operations
Requestor: House Labor and Commerce COMPONENT SERIAL NO.

		9	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		100.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		100.0				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		100.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		-0-				
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared By: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Date: January 30, 1991
 Approved by Commissioner: Charles E. Cole, Attorney General
 Agency: Department of Law Date: January 30, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 16

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$100,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized wagering is authorized in the state. Outside counsel costs for this purpose average about \$150 per hour.

It is also our view that at some point the Department of Law will become heavily involved in the operations of the racing commission if horse racing becomes well established. For example proposed AS 05.45.050, which spells out the duties and powers of the commission, provides that the commission's considerable regulatory activities shall be carried out in consultation with the attorney general. Furthermore, proposed AS 05.45.070 provides that the attorney general shall enforce the regulations of the commission.

Unfortunately, we cannot predict future legal costs because of our total lack of experience in this area. It is conceivable, however, that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to future racing activity. Because of the severe budget constraints being felt by the department it will be necessary to request additional funds when and if racing activities warrant, otherwise the department will not be able to fulfill its responsibilities under this bill.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSHB 16

Revision Date: 4/19/91 Department Affected: Commerce & Economic Dev.
 Title: An Act establishing the Alaska BRU: Occupational Licensing
Racing Commission and authorizing Component: Administration
parimutuel wagering
 Sponsor: House Labor & Commerce Comm.
 Requestor: House Labor & Commerce Comm. **COMPONENT SERIAL NO.**

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	52.8	105.7	162.5	162.5	162.5
TRAVEL	0	10.3	12.1	13.5	13.5	13.5
CONTRACTUAL	0	20.4	40.8	25.8	25.8	25.8
SUPPLIES	0	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	0	11.6	0	0	0	0
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0	97.6	161.1	204.3	204.3	204.3

CAPITAL	0	0	0	0	0	0
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REVENUE	0	68.4	261.4	522.8	522.8	522.8
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	97.6	161.1	204.3	204.3	204.3
FEDERAL FUNDS	0					
OTHER	0					
TOTAL	0	97.6	161.1	204.3	204.3	204.3

POSITIONS:

FULL-TIME	0	0	2	2	2	2
PART-TIME	0	2	0	2	2	2
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED FOR ANALYSIS

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 4/19/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 4/19/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE ANALYSIS

CSHB 16

FY 93 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PY, Range 22A, 6 months	\$36,360.00
Clerk Typist III, PX, Range 8A, 6 months	<u>16,479.51</u>
SUB-TOTAL:	\$52,839.51

TRAVEL

FY 93: Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

	TRAVEL	PER DIEM
3 Anchorage members (115 x 3 x 3)	\$ 0.00	\$2,070.00
1 Juneau to Anchorage (436 x 3)	1,308.00	1,035.00
1 Fairbanks to Anchorage (300 x 3)	900.00	690.00
1 Staff person	0.00	0.00
Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)	1,200.00	1,000.00
1 Site inspection (2 Anch. mbrs)	0.00	230.00
1 Even: (8 days; 2 Anch. mbrs)	<u>0.00</u>	<u>1,840.00</u>
	\$3,408.00	\$ 6,865.00
SUB-TOTAL:		\$10,273.00

CONTRACTUAL

Postage, Communications, Printing, Advertising
and other operating costs. \$15,000.00

Office Space rent 5,400.00

SUB-TOTAL: \$20,400.00

SUPPLIES \$ 2,500.00

EQUIPMENT (one time costs only)

Desk, double pedestal, 70" x 36"	\$ 837.00	
Chair, swivel with arms	400.00	
Typewriter, IBM Selectric III	700.00	
Chair, side without arms	420.00	
Desk Calculator	220.00	
File Cabinet, 5-drawer, legal w/lock	553.00	
Table, 72" x 36"	324.82	
Wang Terminal	<u>2,350.00</u>	
	\$5,804.82 x 2	\$11,609.64

FY 93 TOTAL GENERAL FUND EXPENDITURES \$97,622.15

FY 93 REVENUE DETAIL

One six day event:

18,000 players (estimate based on 3,000 per day for six days)

Handle of \$504.0 in total receipts based on an average wager of \$28
(Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State
Revenues of \$50.4 per event.

- \$1.00 per person gate fee equals \$18.0 in State Revenues (\$1.00 times 18,000
players)

- Various permit fees will also be charged based on regulations set by the
Racing Commission, but it is not possible to estimate the revenues that will
be generated by those fees at this time.

FY 93 ESTIMATED REVENUE TOTAL: \$68,400.00

FY 94 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 72,721.53
Clerk Typist III, PX, Range 8A, 12 months	<u>32,959.03</u>
SUB-TOTAL:	\$105,680.56

TRAVEL

Four Commission meeting in Anchorage area	\$ 8,004.00
2 - Site inspections (two Anchorage Area members)	460.00
2 - Events (8 days; 2 Anch area Commissioners @ \$1840ea.)	<u>3,680.00</u>
SUB-TOTAL:	\$ 12,144.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$ 15,000.00
Office Space rent	10,800.00
Contractual costs to provide services of an auditor and Investigator.	<u>\$ 15,000.00</u>
SUB-TOTAL:	\$ 40,800.00

SUPPLIES \$ 2,500.00

FY 94 TOTAL GENERAL FUND EXPENDITURES \$161,124.56

FY 94 REVENUE DETAIL:

- Two (2) six day events:
 - 34,400 players per event (estimate based on 5,700 players per day during each six day event)
 - Handle of \$963.2 in total receipts at each six-day event based on an average wager of \$28 (Montana's average)
 - A takeout of 35%, with a State share of 10%, equals generated State Revenues of \$96.3 per event, or \$192.6 for the two events
- \$1.00 per person gate fee for the two events equals \$68.8 in revenue (\$1.00 times 68,800 people equals \$68.8)

- Various permit fees will be charged by the Racing Commission, pending the adoption of regulations setting those fees, it is not possible to estimate that additional revenue for this fiscal note.

FY 94 ESTIMATED REVENUE TOTAL: \$261,400.00

FY 95 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 72,721.53
Clerk Typist III, PX, Range 8A, 12 months	32,959.03
Auditor, PX, Range 18A, 6 months	28,382.68
Investigator III, PX, Range 18A, 6 months	<u>28,382.68</u>
SUB-TOTAL:	\$162,445.92

TRAVEL

Four Commission meeting in Anchorage area	\$ 8,004.00
3 - Site inspections (by 3 members from Anchorage area and one from Fairbanks) (2 Anch. P/D = 230 x 2 inspections = 460) (1 Anch. P/D = 115 + FBX Airfare = \$300 + 115 = 530)	990.00
4 - Events (8 days; by 3 members from Anchorage area and one from Fairbanks) (2 Anch. mbrs.: \$115 x 8 x 2 = 1840) (1 Anch. mbr.: \$115 x 8 x 2 = 1840 + 1 Fbx. mbr.: \$300 + \$115 x 9 (extra day) x 2 = 2670)	<u>4,510.00</u>
SUB-TOTAL:	\$ 13,504.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$ 15,000.00
Office Space rent	<u>10,800.00</u>
SUB-TOTAL:	\$ 25,800.00

SUPPLIES \$ 2,500.00

FY 95 TOTAL GENERAL FUND EXPENDITURES \$204,249.92

FY 95 REVENUE DETAIL:

- Four (4) six day events:

34,400 players per event (estimate)

Handle of \$963.2 in total receipts based on an average wager of \$28
(Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State
Revenues of \$96.3 per event, or \$385.2 for the four estimated events.

- \$1.00 per person gate fee per event generates \$137.6 in revenue (\$1.00 times
34,400 times four events)

- Various permit fees will be assessed and generate revenue; however, pending
the adoption of regulations setting those fees, it is not possible to
identify or estimate those revenues for this fiscal note.

FY 95 ESTIMATED REVENUE TOTAL:

\$522,800.00

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: "An Act establishing the Alaska
Racing Commission and...etc..."
Sponsor: Rep. Larson
Requestor: House Labor & Commerce

Department Affected: Public Safety
BRU: Alaska State Troopers
Component: Criminal Investigation Bureau

COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	35.8	35.8	35.8	35.8	35.8	35.8
TRAVEL						
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	52.8	42.8	42.8	42.8	42.8	42.8

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	52.8	42.8	42.8	42.8	42.8	42.8
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL						

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year impact _____

ANALYSIS: (Attach a separate page if necessary)
The estimated 235 investigations will be primarily of an administrative nature and are not anticipated to require more than oversight of a Clerk III by State Trooper personnel. First year equipment costs include the cost for a word processor/microcomputer and office furniture.

Prepared by: Francis C. Allan Phone: 269-5691
Division: Alaska State Troopers Date: January 29, 1991
Approved by Commissioner: *Richard L. Burton* Richard L. Burton
Agency: Department of Public Safety Date: January 30, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Determining if a person has ever been CHARGED, as required by the amendment under Sec. 2. AS 18.65.080(b), with a crime as set out in AS 05.45.010 (c) entails investigative work beyond solely running a Criminal History Record Information (CHRI) inquiry through the state and federal computer systems. Because criminal charges may be brought against a person without the normal arrest procedures occurring (including fingerprinting for records and identification purposes), it will be necessary to communicate directly with those law enforcement agencies where the persons identified in AS 18.65.080(b)(1)-(4) may have resided during their adult lives. This is necessary to ensure, to the fullest extent possible, that the criminal backgrounds of those who were CHARGED but never arrested and convicted are reported as required by the language of this bill.

This procedure would be handled by requiring that each applicant submit a personal history statement to the Department of Public Safety which listed all of the places in which they had lived as an adult. Letters of inquiry would then be sent to the appropriate law enforcement agencies in that locale requesting information about any crimes CHARGED as specified in this bill. It is anticipated that this function would be handled by clerical staff. It should be noted that this procedure will be extremely slow in receiving data back from these agencies as such inquiries are generally not considered an important priority. Delays of 60 to 90 days or more should be anticipated.

Because the proposed activities described in this bill address events and activities not presently occurring in Alaska, there is little or no hard data available on which to base the estimate of the numbers of inquiries which would have to be made. The bill itself identifies the following groups of persons on whom background checks must be made. With the exception of the Commissioners, all numbers are estimates:

1. Commissioners (5)
2. Race meet operators (5)
3. Animal owners (20)
4. Trainers (20)
5. Jockeys (10)
6. Drivers (10)
7. Attendants (20)
8. Grooms (20)
9. Stable persons (20)
10. Veterinarians (5)
11. Concessionaires (20)
12. Concessionaire employees (60)
13. Other employees of race meet operator (20)

This is a total of 235 prospective applicants who must be processed under AS 18.65.080. It is expected that a minimum of five mailings per applicant will be required which means that approximately 1200 inquiries will be processed. Along with the correspondence there will be an attendant responsibility to manage the files and create reports to the Commission on each of the applicants.

Parimutuel Wagering

HB 16

Establishing the Alaska Racing Commission and Authorizing Parimutuel Wagering

Representative Ronald Larson

QUESTIONS ABOUT HB16 AND PARIMUTUEL WAGERING

What is parimutuel wagering?

Parimutuel wagering is a system of betting which dates back to the mid 1800's. This type of wagering differs from typical gambling by virtue of the fact that the odds are not arbitrary. Parimutuel wagering occurs when all collective bettors pool their wagers together. The total amount wagered versus the individual bets determines the amount which is divided among the winners.

Where has support been shown for parimutuel wagering?

Both the cities of Palmer and Wasilla had an advisory proposition placed on the ballot in the 1986 municipal election concerning parimutuel wagering. (please see attachments)

The results in Palmer were 62% in favor of the concept of local option parimutuel horse racing. The results in Wasilla were 63% in favor. Also, the Matanuska-Susitna Borough passed a resolution of support for local option parimutuel wagering.

What are some benefits of parimutuel wagering?

The most obvious benefit would be the generation of the racing business itself by the private sector. Infrastructure, such as breeding, training, and racing facilities will be an incentive for the construction industry. Additionally, racing will create a destination and accompanying services for tourism activities. This business can also add an entertainment feature at events such as our state fairs.

How is parimutuel wagering different from other games of chance and skill?

Oversight and regulation is much greater. The complexities of the wagering system and accompanying safeguards were built into it purposefully.

The most important thing about this type of racing is the controlled conditions which will guarantee the integrity of the race. Sophisticated racing equipment would be rented from outside; this is very normal procedure elsewhere, where racing is on a similarly small scale.

HB 16 legislates parimutuel guidelines which will disallow abuse. The regulatory nature of the Commission coupled with the required equipment enhance the parimutuel system to offset tampering and ensure security.

What time frames are envisioned for development?

After the local endorsement of the voters, preparation time could be six months to several years, depending on the level of development. A racing season would be for approximately 10 weeks, with both the Alaska and Tanana Fairs as the more probably exhibitions.

Parimutuel professionals tell us that an average scenario would include typically eight races a day, with eight entries per field. Estimates indicate that 270 animals would be required for a successful start up.

What are the fiscal implications for parimutuel wagering?

Our expectation for the fiscal note is relatively small, based on the assumption of a 10 week season. The Commission will be providing the initial professional expertise in the preparation of regulations, public hearings, and paperwork. Based on the development of races and facilities, the staffing requirements would follow the same growth curve.

What is the role of the Alaska Racing Commission?

The Commission will regulate racing and parimutuel wagering. Their wide range of regulatory responsibilities are outlined clearly in the bill, including their specific enforcement powers regarding prohibited acts and penalties.

The Commission shall adopt regulations; appoint officials; supervise and distribute the pool; ascertain standards for veterinaries, equipment, audits, and other related matters; license races; inspect racetracks and animals; establish dates, durations, locations, fees; account for all records, collections and disbursements; hire staff; - compel witnesses; and appoint hearing officers.

Who is a "typical participant" in parimutuel wagering?

Studies have shown that participants are generally white collar workers with one or more years of higher education and an income of \$35,000 or more.

Is parimutuel allowed in other states?

Currently 37 states allow parimutuel wagering for either horse racing, dog racing, or both.

SAMPLE BALLOT

To Be Removed by Election Judge

To Be Removed by Election Judge

FOLD TO THIS LINE

CITY OF PALMER GENERAL ELECTION

October 7, 1986

-
- Mark only by use of cross marks, "X" marks, check or plus signs. Place marks in squares.
 - Marks must be inside or touching the squares so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot on which it appears.
 - If you spoil or mar your ballot you may return it to the election judge and receive another ballot.
-

Mayor

Three Year Term
(Vote for not more than One)

GEORGE W. CARTE'

Council

Three Year Term
(Vote for not more than Two)

ROBERT M. "RED" HENDERSON

JEANNINE L. JOHNSON

Advisory Proposition No. 1

"Do You Support the Concept of Local Option Pari-Mutuel Horse Racing?"

Yes

No

ATTACHMENT "A"

ELECTION WORKSHEET REGULAR ELECTION 10-7-66

SEAT "C" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	039	037	038		
MOSLEY, VINCENT T.	168	108	12	11	0	0	299	47.54%
PATTERSON, DONALD C.	177	130	11	7	0	0	325	51.67%
WRITEINS	3	2	0	0	0	0	5	.79%
TOTAL	348	240	23	18	0	0	629	100.00%

SEAT "D" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
BEUTLER, CLYDE	93	66	3	7	0	0	169	26.04%
CARNEY, DOMONIC	129	127	13	6	0	0	275	42.37%
GROB, DONALD (RICK)	125	63	7	8	0	0	203	31.28%
WRITEINS	2	0	0	0	0	0	2	.31%
TOTAL	349	256	23	21	0	0	649	100.00%

SEAT "E" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
HJELLEN, PAT	157	108	13	12	0	0	290	43.22%
KEMP, MICHAEL	207	151	10	10	0	0	378	56.33%
WRITEINS	2	1	0	0	0	0	3	.45%
TOTAL	366	260	23	22	0	0	671	100.00%

SEAT "F" CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
CARTER, THOMAS L.	157	149	10	5	0	0	321	50.00%
NAV, TERRY R.	69	46	1	2	0	0	118	18.38%
POSEY, DONALD R.	118	59	12	12	0	0	201	31.31%
WRITEINS	2	0	0	0	0	0	2	.31%
TOTAL	346	254	23	19	0	0	642	100.00%

ELECTION OF 1966

CANDIDATES	REGULAR		ABSENTEE		QUESTIONED		TOTAL	%
	037	038	037	038	037	038		
BUSHNELL, MILLET E.	0	27	2	2	0	0	31	14.15
COTTLE, COLLEEN S.	27	21	1	1	0	0	50	7.00
DeCAMP, RICHARD J. (C)	41	43	2	5	0	0	117	15.39
LANGILL, FRANK S.	14	0	0	0	0	0	23	3.22
MCCARTHY, RAYMOND P.	15	10	0	0	0	0	25	3.50
MARTIN, ED SR.	55	31	5	2	0	0	99	13.87
NEWCOMB, HAROLD S.	0	0	7	7	0	0	14	2.47
PAGE, DOROTHY G.	57	44	3	5	0	0	104	14.57
WRITEINS	5	1	0	0	0	0	6	.81
TOTALS	385	285	24	22	0	0	714	100.00

ADVISORY QUESTIONNAIRE

PARI-MUTUEL HORSE RACING

	037	038	037	038	037	038	TOTAL	%
YES	181	181	15	16	0	0	393	61.99
NO	130	99	6	6	0	0	241	38.01
TOTAL							634	100.00

CITY OF PALMER SPECIAL CITY COUNCIL MEETING MINUTES - OCTOBER 9, 1986

June Tull	Council	1	0	1
Eve Hermon	Council	1	0	1
Roger Saunders	Council	1	0	1
S. Luse	Council	1	0	1
Dorothy Saxton	Council	1	0	1
Jerry Hann	Council	3	0	3
ADVISORY PROPOSITION NO. 1	YES	264	6	270
	NO	155	1	156

There was a total of 464 votes cast.

MOVED BERBERICH, SECONDED JOHNSON to certify the election results as presented. MCU.

2. Award Bid - Water Well.

On October 3, 1986 bids were opened for the new water well located at the southwest corner of the airport. Two bids were received, one from RG&B Contractor for \$74,400 and the other from M-W Drilling for \$44,428. The administration recommended award to M-W Drilling as the low bidder. There were no irregularities in either of the bids.

MOVED BERBERICH, SECONDED PIPPEL to award the bid for the new water well to M-W Drilling, the low bidder in the amount of \$44,428. MCU.

3. Award Bid - Runway Paving.

Bids were opened at 10:30 A.M. today for the runway paving project. Three bids were received as follows: Hermon Brothers for \$159,166.80; Wilder Construct for \$163,300 and Rasco for \$309,630. The engineer's estimate was \$185,350. The administration recommended award to the low bidder, Hermon Brothers in the amount of \$159,166.80. These bids were reviewed by both the engineer and attorney and there were no irregularities.

MOVED BERBERICH, SECONDED LONG to award the Runway Paving bid to the low bidder, Hermon Brothers in the amount of \$159,166.80. MCU.

4. Award Bid - Town Square Project.

Four bids were received and opened at 11 A.M. today on the town square earthwork project which entails contouring the land and building berms. Bids were received from: Alaska Central Construction for \$12,800; Kopperud Transportation for \$21,695; Hermon Brothers for \$27,758; and Ohno Construction for \$35,280. The engineer's estimate was \$17,500. The administration recommended awarding this bid to the low bidder, Alaska Central Construction in the amount of \$12,800. These bids were also reviewed by the attorney.

MOVED LONG, SECONDED JOHNSON to award the Town Square Earthwork to the low bidder, Alaska Central Construction in the amount of \$12,800. MCU.

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DAVID L.

Presented by: Silvers
Introduced: -03/03/87
Drafted by: G.L.S.

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 87-~~032~~

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING
HOUSE BILL 32 AND SENATE BILL 63.

WHEREAS, the Alaska State Legislature has pending before it House Bill 32 and Senate Bill 63 that would authorize state controlled parimutuel betting on horse and dog racing where approved at a local option election, and

WHEREAS, the voters in the cities of Palmer and Wasilla have previously approved in an advisory vote the conduct of certain parimutuel wagering within their boundaries, and

WHEREAS, parimutuel wagering would create a direct source of revenue for the state and thereby reduce the need for new or increased state taxes, and

WHEREAS, authorization of parimutuel wagering would make possible a new, non-polluting industry in Alaska, and

WHEREAS, horse and dog racing in the borough would create a demand for feed, pasture and other agricultural products and services related to animal husbandry that are readily available in the borough, and

WHEREAS, horse and dog racing in the borough would be a tourist attraction for Alaska, bringing visitors from other states as well as other areas of Alaska, and

WHEREAS, horse and dog racing in the borough would generate additional use of the Alaska Railroad; and

WHEREAS, construction and operation of a race track and associated facilities and concessions in the borough would provide new employment opportunity for Alaskans;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH:

1. That the Assembly supports the concept of state controlled parimutuel wagering on horse and dog racing when locally approved and as generally set out in House Bill 32 and Senate Bill 63 and strongly urges the legislature to adopt legislation authorizing parimutuel wagering on such racing.

2. That copies of this resolution be sent to The Honorable Steve Cowper, Governor of the State of Alaska, and to each member of the Alaska Legislature.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 4th day of March, 1987.

Dorothy A. Jones
Dorothy A. Jones, Mayor

ATTEST:

Chris Seagraves
Chris Seagraves, Clerk

(SEAL)



CITY OF WASILLA

P.O. BOX 870430
WASILLA, ALASKA 99687
PHONE: 376-5227

Requested by: Mayor Bumpus
Prepared by: Mayor's Office

RESOLUTION NO. WB5-J-6

A RESOLUTION OF THE CITY OF WASILLA SUPPORTING LOCAL OPTION FOR PARI-MUTUEL GAMBLING.

WHEREAS, the State of Alaska no longer has the funds to support local Capital Improvements that accomodates current growth patterns; and

WHEREAS, it is the City of Wasilla's goal to become financially independent, if possible; and

WHEREAS, Pari-Mutuel Gambling would enhance economic development and provide a major tax revenue source for the City of Wasilla;

NOW, THEREFORE BE IT RESOLVED that the City of Wasilla supports local option for pari-mutuel gambling.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 12th day of August, 1985.

APPROVED:

Charles H. Bumpus, Mayor

ATTEST:

Erling P. Nelson, City Clerk, CMC

(SEAL)

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Deliveries to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

March 18, 1991

SUBJECT: Confirmation of Alaska Racing Commission members (CSHB 16())

TO: Representative Dave Donley, Chair
House Judiciary Committee
Attn: Hayden Kaden

FROM: John B. Gaguine *JBG*
Legislative Counsel

You have asked some questions regarding the members of the Alaska Racing Commission that would be created by CSHB 16(). This memorandum will address those questions.

1. If legislation creating the commission is enacted, would those members be subject to confirmation by the legislature under Article III, Section 26 of the Alaska constitution? Yes. The commission would clearly be a regulatory agency under that section.
2. Does that section of the constitution require the law creating the Alaska Racing Commission to provide for legislative confirmation? No. The section is self-executing; it does not require legislation to put it into effect. The law would be read as though it included the confirmation language.

It could be argued that the failure of a law to include the confirmation language meant that the legislature had waived its right to confirm. I do not think that this argument would convince a court, because the language of Article III, Section 26 is mandatory; members of regulatory agencies shall be subject to confirmation. I do not think that the legislature may waive confirmation any more than it could waive the three-reading requirement or the single-subject rule. However, it certainly would be a good idea to include the confirmation language in CSHB 16().

3. If a bill either included a confirmation requirement when one was not constitutionally allowed, or failed to include one when it had to be included, would that invalidate the entire bill? No. As to the first situation, inclusion of an unconstitutional provision in a bill does not invalidate the entire bill unless the court concludes that

Representative Dave Donley

March 18, 1991

Page 2

the legislature would not have enacted the bill without the unconstitutional provision. It would seem wholly unreasonable here to say that the legislature would not have enacted CSHB 16() if it could not confirm Alaska Racing Commission members. See also AS 01.10.030 (establishing a presumption of severability, although one labeled "weak" by the Alaska Supreme Courts). As to the second situation, I believe that the court would apply the rule that a statute will be upheld if it can be construed in a constitutional manner. As noted above, I think that that means that the court would read a confirmation requirement into the bill even if the bill did not include one.

I hope that this has been helpful to you. Please feel free to contact me if I can be of further assistance.

JBG:gc

91-151.glc

Horse Racing At The Fair



TRIPLE TUFF leads the field in one of last year's races at the new Alaska State Fair race track south of Palmer.

Riding is Bobby McCarthy Jr. Triple Tuff is now owned by Len and Marsha Melton.

Photo Finish At State Fair

Nearly 1,000 people gathered at the Alaska State Fair race track in Palmer over the weekend to watch 22 horses with one race so close only the photo finish camera could tell the winner. Great interest has generated among the crowd in racing.

Friday night the 220 winner was Pow Wow Gidget owned by Ellis Enterprises and ridden by Dana Richmond; second Thanks Doc, owner Jinx Coster, jockey Sissy Melton; third was Dungaree ridden by Steve Clark and owned by Dennis Clark. In the 350, Doc won over Pow Wow Gidget.

The 440 saw Babe's Twig owned and ridden by Cecil Premus take the race with Triple Tuff owned by Len Melton, ridden by Hoot Melton, hot on his heels and Moon's Hotshot, Ellis Enterprises and jockey Dana Richmond taking third. Just a Bird and Mac's Little Kid also ran.

General Bars ridden by Bob McCarthy, owner Dennis Clark, won over Nile Queen ridden by Kris Roetman, owned by Emmett Roetman. Both are thoroughbreds.

An exciting cow pony race

with eight entries had only a third place winner, Dunny owned and ridden by Kelly Wilson. The first and second place animals were disqualified for fouls.

Outstanding weather contributed to standing room only for Saturday afternoon racing. Pow Wow Gidget took Thanks Doc and Ragged Ann owned by Esther Erikson and ridden by Terry Erickson in the 220.

The next racing date will be Saturday and Sunday at 2 p.m. on July 6 and 7. Race horse owners may practice at the Alaska State Fair, Inc. race track one mile from Palmer on Tuesday and Thursday evenings, 7:30-9:30 p.m. and Sunday afternoon from 2-4 p.m. (except on racing days). Ed Premus will be the gate keeper while Vernon France is on vacation.

HB 16

SENATE FINANCE COMMITTEE REPORT

DATE: 5/1/92

FURTHER:

DATE TURNED INTO OFFICE: 5/11/92

The Finance Committee considered CS FOR HOUSE BILL NO. 16 (JUDICIARY)

"An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering at sanctioned events; and providing for an effective date."

and recommends:

replace with SCS CS HB 16 (FINANCE)
or adopt previous CS _____
 attaches amendment(s)

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes DO LAW SFC 5-11-92

fiscal notes DCED 97.6 5-11-92

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DPS 4/28/92

fiscal notes _____

DO PASS:

Dirk Stultz Do Pass before race season

Pat Ruppel

1. Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

Al Sedberry DO NOT PASS

Ann Hoffman No Rec

John Kelly DO NOT

Victor NO Rec

2. Co-Chair: Signature/Recommendation

FISCAL NOTE

REQUEST:

Revision Date: _____ Affected Agency: Dept. of Law
 Title: An Act establishing the BRU: Legal Services
Alaska Racing Commission
 Sponsor: Rep. Larson Components: Operations
 Requestor: Senate Finance 93

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

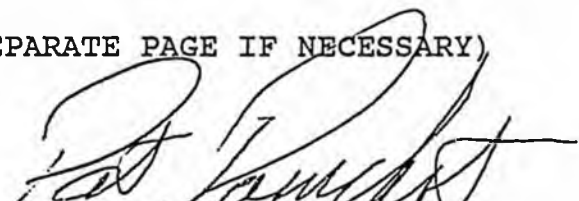
General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:


 Senator Pat Pourchot, Co-chairman
 Senate Finance Committee

Date: 5-11-92
 Phone: 465-3879

DISTRIBUTION (BY PREPARER)
 LEGISLATIVE FINANCE
 LEGISLATIVE SPONSOR

REQUESTOR
 OFFICE OF MANAGEMENT AND BUDGET
 AGENCY (IES)

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FIS NOTE
REPORTED OUT OF
SFC 5-11-92

BILL NO. SCS CSHB 16(L&C)

Revision Date: 05/11/92 Department Affected: Commerce & Economic Development
 Title: An Act establishing the Alaska Racing BRU: Occupational Licensing
Commission and authorizing parimutuel wagering.... Component: Administration
 Sponsor: House Labor & Commerce
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	52.8	105.7	162.5	162.5	162.5	162.5
TRAVEL	10.3	12.1	13.5	13.5	13.5	13.5
CONTRACTUAL	20.4	40.8	25.8	25.8	25.8	25.8
SUPPLIES	2.5	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	11.6	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	97.6	161.1	204.3	204.3	204.3	204.3

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	68.4	261.4	522.8	522.8	522.8	522.8
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FUNDING: (Thousands of Dollars)

GENERAL FUND	97.6	161.1	204.3	204.3	204.3	204.3
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	97.6	161.1	204.3	204.3	204.3	204.3

POSITIONS:

FULL-TIME	0.0	2.0	2.0	2.0	2.0	2.0
PART-TIME	2.0	2.0	2.0	2.0	2.0	2.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)
SEE ATTACHED FOR ANALYSIS

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 05/11/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 5/11/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE ANALYSIS - SCS CSHB 16(L&C)

FY 93 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 6 months	\$ 36,360.00
Clerk Typist III, PX, Range 8A, 6 months	<u>\$ 16,479.51</u>
SUB-TOTAL:	\$ 52,839.51

TRAVEL

FY 93: Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

	TRAVEL	PER DIEM
3 Anchorage members (115 x 3 x 3)	0.00	2,070.00
1 Juneau to Anchorage (436 x 3)	1,308.00	1,035.00
1 Fairbanks to Anchorage (300 x 3)	900.00	690.00
1 Staff person	0.00	0.00
Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)	\$ 1,200.00	\$ 1,000.00
1 Site inspection (2 Anch. mbrs)	0.00	230.00
1 Event (8 days; 2 Anch. mbrs)	<u>1,840.00</u>	<u>1,840.00</u>
SUB-TOTAL:		\$10,273.00

CONTRACTUAL

Postage, Communications, Printing, Advertising
and other operating costs. \$ 15,000.00

Office Space rent 5,400.00

SUB-TOTAL: \$ 20,400.00

SUPPLIES \$ 2,500.00

EQUIPMENT (one-time costs only)

Desk, double pedestal, 70" x 36"	\$ 837.00	
Chair, swivel with arms	400.00	
Typewriter, IBM Selectric III	700.00	
Chair, side without arms	420.00	
Desk Calculator	220.00	
File Cabinet, 5-drawer, legal w/lock	553.00	
Table, 72" x 36"	324.82	
Wang Terminal	<u>2,350.00</u>	
	\$5,804.82 x 2	\$ 11,609.64

FY 93 TOTAL GENERAL FUND EXPENDITURES \$ 97,622.15

FY 93 REVENUE DETAIL

One six day event:

18,000 players (estimate based on 3,000 per day for six days)

Handle of \$504.0 in total receipts based on an average wager of \$28
(Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State
Revenues of \$50.4 per event.

-- \$1.00 per person gate fee equals \$18.0 in State Revenues (\$1.00 times 18,000
players)

-- Various permit fees will also be charged based on regulations set by the
Racing Commission, but it is not possible to estimate the revenues that will
be generated by those fees at this time.

FY 93 ESTIMATED REVENUE TOTAL: \$ 68,400.00

FY 94 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 72,721.53
Clerk Typist III, PX, Range 8A, 12 months	<u>32,959.03</u>
SUB-TOTAL:	\$105,680.56

TRAVEL

Four Commission meetings in Anchorage	\$ 8,004.00
2 - Site inspections (two Anchorage mbrs)	460.00
2 - Events (8 days; 2 Anch. area Commissioners @ \$1840ea.)	<u>3,680.00</u>
SUB-TOTAL:	\$ 12,144.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs	\$ 15,000.00
Office Space rent	\$ 10,800.00
Contractual costs to provide services of an Auditor and Investigator	<u>\$ 15,000.00</u>
SUB-TOTAL:	\$ 40,800.00

SUPPLIES	\$ 2,500.00
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FY 94 TOTAL GENERAL FUND EXPENDITURES	\$161,124.56
--	---------------------

FY 94 REVENUE DETAIL:

-- Two (2) six day events:

34,400 players per event (estimate based on 5,700 players per day during each six day event)

Handle of \$963.2 in total receipts at each six-day event based on an average wager of \$28 (Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State Revenues of \$96.3 per event, or \$192.6 for the two events

-- \$1.00 per person gate fee for the two events equals \$68.8 in revenue (\$1.00 times 68,800 people equals \$68.8)

-- Various permit fees will be charged by the Racing Commission, pending the adoption of regulations setting those fees, it is not possible to estimate that additional revenue for this fiscal note.

FY 94 ESTIMATED REVENUE TOTAL: \$261,400.00

FY 95 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 72,721.53
Clerk Typist III, PX, Range 8A, 12 months	32,959.03
Auditor, PX, Range 18A, 6 months	28,382.68
Investigator III, PX, Range 18A, 6 months	<u>28,382.68</u>

SUB-TOTAL: \$162,445.92

TRAVEL

Four Commission meetings in Anchorage	\$ 8,004.00
3 - Site inspections (by 3 members from Anchorage and one from Fairbanks) (2 Anch. P/D = 230 x 2 inspections = 460) (1 Anch. P/D = 115 + FBX Airfare = \$300 + 115 = 530)	990.00
4 - Events (8 days; by 3 members from Anchorage and one from Fairbanks) (2 Anch. mbrs.: \$115 x 8 x 2 = 1840) (1 Anch. mbr.: \$115 x 8 x 2 = 1840 + 1 Fbx. mbr.: \$300 + \$115 x 9 (extra day) x 2 = 2670)	<u>4,510.00</u>

SUB-TOTAL: \$ 13,504.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$ 15,000.00
Office Space rent	<u>10,800.00</u>

SUB-TOTAL: \$ 25,800.00

SUPPLIES \$ 2,500.00

FY 95 TOTAL GENERAL FUND EXPENDITURES \$204,249.92

FY 95 REVENUE DETAIL:

-- Four (4) six day events:

34,400 players per event (estimate)

Handle of \$963.2 in total receipts based on an average wager of \$28
(Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State
Revenues of \$96.3 per event, or \$385.2 for the four estimated events.

-- \$1.00 per person gate fee per event generates \$137.6 in revenue (\$1.00 times
34,400 times four events)

-- Various permit fees will be assessed and generate revenue; however, pending
the adoption of regulations setting those fees, it is not possible to
identify or estimate those revenues for this fiscal note.

FY 95 ESTIMATED REVENUE TOTAL:

\$522,800.00

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION
REPORTED OUT OF
SFC 5-11-92

No. 7
Bill Version: SCSCSHB 16 (R+C)

(S) Publish Date: 5-1-92

Revision Date: 4/28/92 Department Affected: Public Safety
Title: "An Act establishing the Alaska Racing Commission" BRU: DPS Statewide Support
Sponsor: Representative Larson Component: Administrative Services (R&I)
Requestor: Senate L&C COMPONENT SERIAL NO.

5	2	5
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EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) CSHB 16(JUD) requires the Department of Public Safety to conduct criminal history records checks of members and employees of the Racing Commission and of license applicants and their employees. As there is a fee for this service, and the DPS budget contains authority to receive and expend these fees, there will be no additional cost to the Department of Public Safety.

Prepared By: Gayle A. Horatski Phone: 465-4322
Division: Commissioner's Office Date: 4/28/92
Approved by Commissioner: Richard L. Burton
Agency: Department of Public Safety Changes in SCS CSHB 16 (FIN) : 4/28/92
have no fiscal impact. This fiscal note is appropriate.

SENATE CS FOR CS FOR HOUSE BILL NO. 16 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES LARSON, Zawacki

A BILL**FOR AN ACT ENTITLED**

1 "An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering
2 at sanctioned events; and providing for an effective date."

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

4 * Section 1. AS 05 is amended by adding a new chapter to read:

5 CHAPTER 45. HORSE RACING.

6 ARTICLE 1. ALASKA RACING COMMISSION.

7 Sec. 05.45.010. ALASKA RACING COMMISSION. (a) The Alaska Racing
8 Commission is established in the Department of Commerce and Economic Development. The
9 commission is composed of five members appointed by the governor and confirmed by a
10 majority of the legislature meeting in joint session. One member shall have experience in the
11 regulation, supervision, or conduct of parimutuel wagering or horse racing; one member shall
12 have experience in law enforcement; one member shall have experience in bookkeeping or ac-
13 counting; two members shall be public members.

14 (b) At the time of appointment, the governor shall indicate which position described in

1 (a) of this section the appointee is filling.

2 (c) Each member of the commission shall at the time of the member's appointment have
3 been a resident of the state for at least two years.

4 (d) A person may not serve as a member of the commission if that person has been
5 convicted of

6 (1) a felony; or

7 (2) an offense defined in AS 05.45.950, AS 11.66.200 - 11.66.280, or a
8 comparable provision of municipal, state, or federal law.

9 (e) A person may not serve as a member of the commission until the investigation
10 required under AS 18.65.090 is completed.

11 (f) The commission shall elect a chair from its membership.

12 (g) Three members of the commission constitute a quorum for the transaction of business.

13 (h) The department shall request from the Department of Public Safety a criminal history
14 records check of

15 (1) a person appointed by the governor to serve as a member of the Alaska
16 Racing Commission;

17 (2) an applicant for employment with the Alaska Racing Commission;

18 (3) an applicant to serve as a race official or race meet observer;

19 (4) an applicant for a license under AS 05.45.100 or a special permit under
20 AS 05.45.110.

21 Sec. 05.45.020. TERM OF OFFICE. Members of the commission serve staggered terms
22 of four years. A vacancy is filled by appointment for the unexpired term. A member of the
23 commission holds office until a successor is appointed and qualifies.

24 Sec. 05.45.030. SUSPENSION OF MEMBERS. The governor may immediately suspend
25 a member for a violation of law or for misconduct in office.

26 Sec. 05.45.040. COMPENSATION AND PER DIEM. Members of the commission do
27 not receive a salary for their service on the commission but are entitled to per diem and travel
28 expenses authorized by law for state boards and commissions under AS 39.20.180.

29 Sec. 05.45.050. DUTIES AND POWERS OF THE COMMISSION. (a) The commission
30 shall, in consultation with the attorney general,

31 (1) adopt regulations concerning

- 1 (A) the issuance, renewal, suspension, and revocation of licenses and
2 special permits;
- 3 (B) the immediate suspension of a license or special permit of a person
4 subject to this chapter during an investigation of a violation of this chapter or a regulation
5 adopted under this chapter;
- 6 (C) the appointment of race officials, including race meet observers, and
7 their duties;
- 8 (D) the distribution of the parimutuel pool among the race meet operator,
9 purse money, winning tickets, and the commission;
- 10 (E) retention of breakage by a race meet operator;
- 11 (F) veterinary standards for race meets;
- 12 (G) parimutuel equipment to be used by race meet operators;
- 13 (H) auditing procedures; and
- 14 (I) other matters directly related to horse racing and parimutuel wagering;
- 15 (2) regulate and supervise all horse races;
- 16 (3) inspect and approve race tracks and race horses;
- 17 (4) establish racing dates and durations;
- 18 (5) sanction horse racing within municipalities at locations approved by the
19 commission;
- 20 (6) set all license and special permit fees;
- 21 (7) make an annual report to the commissioner of commerce and economic
22 development and the legislature of its administration of this chapter before February 15 of each
23 year;
- 24 (8) keep detailed records of all race meets and of all collections and
25 disbursements;
- 26 (9) supervise the making and distribution of parimutuel pools
- 27 (10) set requirements for the minimum liability insurance coverage that a race
28 meet operator must have;
- 29 (11) impose an admission surcharge for a race meet of \$1 without regard to
30 whether the race meet operator charges an admission fee.

31 (b) The commission may

1 (1) hire staff, and appoint persons as race meet observers, as needed to administer
2 this chapter, if the investigation required under AS 18.65.090 finds that the person has not been
3 convicted of a crime set out in AS 05.45.010(d);

4 (2) issue subpoenas to compel witnesses to appear before it;

5 (3) compel the production of documents showing the receipts and disbursements
6 of a race meet operator;

7 (4) appoint a hearing officer to conduct a hearing required by this chapter or by
8 a regulation adopted under it.

9 Sec. 05.45.060. EMPLOYEES OF THE COMMISSION. Employees of the commission
10 are in the partially exempt service under AS 39.25.120.

11 Sec. 05.45.070. REGULATIONS OF THE COMMISSION. The attorney general shall
12 enforce the regulations of the commission.

13 Sec. 05.45.080. RECORDS OF THE COMMISSION. All records of the commission are
14 public records and subject to public inspection.

15 Sec. 05.45.090. PROCEEDS. Fees and other money received by the commission shall
16 be paid into the general fund.

17 ARTICLE 2. RACE MEETS.

18 Sec. 05.45.100. RACE MEET OPERATOR'S LICENSE. (a) A person may not conduct
19 a race meet in the state without a race meet operator's license issued by the commission. A race
20 meet operator's license is valid for three years unless revoked or suspended by the commission
21 and is not transferable.

22 (b) The race meet operator has the exclusive right to operate or contract for the operation
23 of concessions at the site of the race meet.

24 (c) A race meet operator's license may not be issued until the investigation required
25 under AS 18.65.090 is completed. A person convicted of a crime set out in AS 05.45.010(d)
26 may not receive a race meet operator's license.

27 (d) A race meet may be conducted only within a municipality.

28 Sec. 05.45.110. SPECIAL PERMITS. (a) A person may not participate in a race meet
29 as an owner of an animal participating in the race meet, trainer, jockey, driver, attendant, groom,
30 stable person, veterinarian, employee of a race meet operator, concessionaire, or concession
31 employee without a special permit issued by the commission.

1 (b) A special permit is valid for one year unless revoked or suspended by the
2 commission. The commission may not issue a special permit under this section until the
3 investigation required under AS 18.65.090 is completed. A special permit may not be issued to
4 a person convicted of a crime set out in AS 05.45.010(d) or a member of the commission.

5 Sec. 05.45.120. LOCAL OPTION. The commission may not sanction a race meet within
6 a municipality unless the municipality

7 (1) by ordinance approved by the voters authorizes parimutuel wagering on horse
8 races and provides for municipal licensing of race meets within the municipality; and

9 (2) after a public hearing on the license, has approved issuance or renewal of the
10 municipal license for the race meet.

11 Sec. 05.45.130. DISTRIBUTION OF PARIMUTUEL POOL. (a) Except as provided
12 in (b) and (c) of this section, the parimutuel pool shall be distributed

13 (1) 65 percent to the holders of winning tickets;

14 (2) 15 percent to the race meet operator conducting the race meet;

15 (3) 10 percent as purse money; and

16 (4) 10 percent to the commission.

17 (b) The commission may by regulation adjust the distribution of the parimutuel pool as
18 necessary to promote efficient and successful race meets, except that the 10 percent that is
19 allocated to the commission under (a)(4) of this section may not be increased or decreased.

20 (c) Notwithstanding AS 34.45, money that is owed to holders of winning tickets but not
21 claimed within six months after the date for distribution of the parimutuel pool shall be paid to
22 the commission for deposit into the general fund.

23 Sec. 05.45.140. REPORTS BY THE RACE MEET OPERATOR. (a) The race meet
24 operator shall report to the commission within 30 days after each race on the distribution of the
25 parimutuel pool.

26 (b) The race meet operator shall report to the commission within 30 days after the end
27 of the race meet on the operation and proceeds of concessions at the site of the race meet.

28 Sec. 05.45.150. OBSERVATION OF RACE MEETS. (a) The commission may appoint
29 a member of the commission or other person to observe the conduct of race meets. An observer
30 shall be present at the site of each race meet on the day before, the day after, and during the race
31 meet.

1 (b) A person who is not a member of the commission or an employee of the commission
2 does not receive a salary but is entitled to per diem and travel expenses, for each day the person
3 is engaged in the actual performance of duties as a race meet observer.

4 ARTICLE 3. GENERAL PROVISIONS.

5 Sec. 05.45.900. ADMINISTRATIVE PROCEDURE ACT. The operations of the
6 commission are subject to AS 44.62 (Administrative Procedure Act).

7 Sec. 05.45.910. CONFLICT OF INTEREST ACT. The commission is subject to
8 AS 39.50 (conflict of interest).

9 Sec. 05.45.950. PROHIBITED ACTS AND PENALTIES. (a) It is a class A
10 misdemeanor to knowingly

11 (1) violate or fail to comply with a regulation of the commission or a provision
12 of this chapter if no effect on the outcome of a horse race was intended;

13 (2) record, report, or register a wager on a horse in a horse race unless under the
14 provisions of this chapter;

15 (3) place a wager upon the results of a horse race except by a parimutuel method
16 of wagering conducted by a race meet operator licensed under this chapter, and upon the grounds
17 or enclosure of the race meet operator;

18 (4) permit a person under the age of 21 to use the parimutuel system.

19 (b) Violation of a regulation or provision of this chapter with intent to affect the outcome
20 of a horse race is a class C felony.

21 Sec. 05.45.990. DEFINITIONS. In this chapter,

22 (1) "breakage" means the odd cents by which the amount payable on each dollar
23 wagered exceeds a multiple of 10 cents; breakage may not exceed 20 percent of the total amount
24 deposited in the pool;

25 (2) "commission" means the Alaska Racing Commission;

26 (3) "harness race" means a race where the horses are harnessed to a sulky,
27 carriage, or similar vehicle and driven by a driver;

28 (4) "horse race" means either a race where the horses are mounted and ridden by
29 jockeys or a harness race;

30 (5) "parimutuel" means a form of wagering on the outcome of horse races in
31 which those who wager personally purchase tickets of various denominations on a horse and all

1 wagers for each race are pooled and held by the race meet operator for distribution; when the
2 outcome of the race has been decided, the race meet operator distributes the percentage of the
3 total wagers determined by the commission to holders of tickets on the winning horses;

4 (6) "parimutuel pool" means the total of all wagers on all horses in a particular
5 race to win, to place, or to show, the total of all wagers on two or more horses in a particular
6 race to finish in a particular order, or the total of all wagers on all horses to win in combination
7 two or more races;

8 (7) "race meet" means an exhibition that includes horse races, where the
9 parimutuel system is used;

10 (8) "race meet operator" means the person who is authorized to conduct a race
11 meet sanctioned by the commission;

12 (9) "special permit" means a permit issued by the commission to participants in
13 a race meet, other than the race meet operator, under AS 05.45.110.

14 * Sec. 2. AS 18.65.090 is amended by adding a new subsection to read:

15 (b) Upon receipt of the fingerprints of the applicant and payment of the fee authorized
16 in AS 44.41.025(b) and 44.41.040, the department shall perform a criminal history records check
17 of the persons listed in AS 05.45.010(h) and shall report the results of those records checks to
18 the Department of Commerce and Economic Development.

19 * Sec. 3. AS 39.25.120(c) is amended by adding a new paragraph to read:

20 (23) employees of the Alaska Racing Commission.

21 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

22 (54) Alaska Racing Commission (AS 05.45.010).

23 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:

24 (57) Alaska Racing Commission (AS 05.45.010).

25 * Sec. 6. INITIAL COMMISSION APPOINTMENTS. The governor shall make the initial
26 appointment of members of the Alaska Racing Commission within 120 days after the effective date of
27 this Act.

28 * Sec. 7. This Act takes effect July 1, 1992.

State of Alaska

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Legislative Budget and Audit Committee

MEMORANDUM

TO: Senator Jalmar Kerttula, Co-chairman
Senate Finance Committee

Senator Pat Pourchot, Co-chairman
Senate Finance Committee

FROM: Representative Ronald L. Larson *R.L.*

DATE: May 7, 1992

SUBJECT: Suggested amendment to SCS for CSHB16 (Labor & Commerce)

*SPONSOR
AMENDMENT
ADOPTED
5-11-92*

As suggested within the position paper of the Department of Law, I would like to present the following amendment to SCS for CSHB16 (Labor & Commerce) for your consideration:

Page 2, line 1

delete "The governor may not move a member from one position to another without resubmitting the appointment to the legislature for confirmation."

Page 2, line 25 - page 3, line 5

delete all material

Thank you for your time and consideration.

FISCAL NOTE

STATE OF ALASKA
199: LEGISLATIVE SESSION

BILL NO. SCS CSHB 16 (L&C)

Revision Date: May 7, 1992
Title: "An Act establishing the Alaska Racing Commission..."
Sponsor: Representative Larson
Requestor: Representative Larson

Department Affected: Department of Law
BRU: Legal Services
Component: Operations

COMPONENT SERIAL

		9	3
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	100.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.0					

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	100.0					
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL						

POSITIONS:

FULL-TIME	-0-					
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Richard I. Peques

Prepared by: Richard I. Peques, Director
Division: Administrative Services

Phone: 465-3672

Date: May 7, 1992

Approved by Commissioner: Charles E. Cole, Attorney General
Agency: Department of Law

Date: May 7, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SCS CSHB 16 (L&C)

The Senate Labor and Commerce Committee substitute for CSHB 16 would prohibit a member of the Racing Commission from participating or having an interest in a race meet, other than in the member's official capacity as a member of the Commission. Otherwise, the comments made in our analysis of April 21, 1992, remain unchanged. Our analysis is therefore repeated below.

First, Section 1 establishes the Alaska Racing Commission composed of five members appointed by the governor and confirmed by a majority of the legislature meeting in joint session. One member would be required to be experienced in the conduct of parimutuel wagering or horse racing; one member would be required to be experienced in law enforcement; one member would be required to be experienced in bookkeeping or accounting; and the two remaining members would be members of the public. The governor would be required to indicate which of the designated positions was being filled at the time of appointment. The bill would prohibit the governor from moving a member from one position to another without resubmitting the appointment to the legislature for confirmation. We believe that requiring that an appointment of a sitting member of the commission to be resubmitted for confirmation is an infringement on the governor's powers. This requirement should be dropped from the bill.

Second, Section 1 provides for the removal and suspension of members of the commission in proposed AS 05.45.030. This proposed statute would give the legislature the power to remove a member by a majority vote of the legislature meeting in joint session or by the governor with the consent of a majority of the legislature meeting in joint session. We believe that this provision violates the separation of powers doctrine of Alaska's Constitution. Consequently, this provision should be deleted from the bill.

Otherwise, our original analysis of January 30, 1991, which follows below, applies to the bill.

This bill amends AS 05 by establishing the Alaska Racing Commission and by authorizing parimutuel wagering at sanctioned horse race events. The bill provides that the commission, and its staff, would be responsible for regulating all sanctioned events under a comprehensive regulatory scheme that covers nearly every aspect of race operations and wagering. It is our view that a substantial body of regulations will need to be drafted and adopted to carry out the purposes of this bill. We are therefore requesting \$100,000, as a one-time expense, to handle the drafting effort. We believe that this is the minimum amount necessary to insure proper regulatory oversight, if this form of legalized

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SCS CSHB 16 (L&C)

wagering is authorized in the state. Outside counsel costs for this purpose average about \$150 per hour.

It is also our view that at some point the Department of Law will become heavily involved in the operations of the racing commission if horse racing becomes well established. For example, proposed AS 05.45.050, which spells out the duties and powers of the commission, provides that the commission's considerable regulatory activities shall be carried out in consultation with the attorney general. Furthermore, proposed AS 05.45.070 provides that the attorney general shall enforce the regulations of the commission.

Unfortunately, we cannot predict future legal costs because of our total lack of experience in this area. It is conceivable, however, that at least one civil attorney and one criminal attorney, plus support costs, could be required on a continuing basis due to future racing activity. Because of the severe budget constraints being felt by the department, it will be necessary to request additional funds when and if racing activities warrant, otherwise the department will not be able to fulfill its responsibilities to the Commission under this bill and the Commission's enforcement activities would come to a halt.

STATE OF ALASKA
 1992 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: 04/28/92 Department Affected: Commerce & Economic Development
 Title: An Act establishing the Alaska Racing Commission and authorizing parimutuel wagering... BRU: Occupational Licensing
 Sponsor: House Labor & Commerce Component: Administration
 Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	52.8	105.7	162.5	162.5	162.5
TRAVEL	0.0	10.3	12.1	13.5	13.5	13.5
CONTRACTUAL	0.0	20.4	40.8	25.8	25.8	25.8
SUPPLIES	0.0	2.5	2.5	2.5	2.5	2.5
EQUIPMENT	0.0	11.6	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	97.6	161.1	204.3	204.3	204.3

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	68.4	261.4	522.8	522.8	522.8
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FUNDING: (Thousands of Dollars)

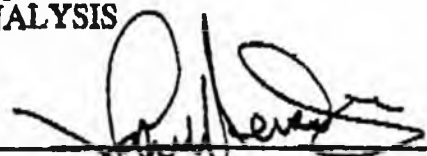
GENERAL FUND	0.0	97.6	161.1	204.3	204.3	204.3
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	97.6	161.1	204.3	204.3	204.3

POSITIONS:

FULL-TIME	0.0	0.0	2.0	2.0	2.0	2.0
PART-TIME	0.0	2.0	2.0	2.0	2.0	2.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)
 SEE ATTACHED FOR ANALYSIS



Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 04/28/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 4.28.92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE ANALYSIS - CSHB 16

FY 93 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 6 months	\$ 36,360.00
Clerk Typist III, PX, Range 8A, 6 months	<u>\$ 16,479.51</u>
SUB-TOTAL:	\$ 52,839.51

TRAVEL

FY 93: Three commission meetings in the Anchorage area at 2 days each. This travel assumes three commissioners are appointed from the Anchorage area, one from Fairbanks, and one from Juneau. The staff positions are located in Anchorage.

	TRAVEL	PER DIEM
3 Anchorage members (115 x 3 x 3)	0.00	2,070.00
1 Juneau to Anchorage (436 x 3)	1,308.00	1,035.00
1 Fairbanks to Anchorage (300 x 3)	900.00	690.00
1 Staff person	0.00	0.00
Director's Travel (one trip to inspect and review small racing commission operations in Michigan, Maine and New Hampshire)	\$ 1,200.00	\$ 1,000.00
1 Site inspection (2 Anch. mbrs)	0.00	230.00
1 Event (8 days; 2 Anch. mbrs)	<u>1,840.00</u>	<u>1,840.00</u>
SUB-TOTAL:		\$10,273.00

CONTRACTUAL

Postage, Communications, Printing, Advertising
and other operating costs. \$ 15,000.00

Office Space rent 5,400.00

SUB-TOTAL: \$ 20,400.00

SUPPLIES \$ 2,500.00

EQUIPMENT (one-time costs only)

Desk, double pedestal, 70" x 36"	\$ 837.00	
Chair, swivel with arms	400.00	
Typewriter, IBM Selectric III	700.00	
Chair, side without arms	420.00	
Desk Calculator	220.00	
File Cabinet, 5-drawer, legal w/lock	553.00	
Table, 72" x 36"	324.82	
Wang Terminal	<u>2,350.00</u>	
	\$5,804.82 x 2	\$ 11,609.64

FY 93 TOTAL GENERAL FUND EXPENDITURES \$ 97,622.15

FY 93 REVENUE DETAIL

One six day event:

18,000 players (estimate based on 3,000 per day for six days)

Handle of \$504.0 in total receipts based on an average wager of \$28
(Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State
Revenues of \$50.4 per event.

-- \$1.00 per person gate fee equals \$18.0 in State Revenues (\$1.00 times 18,000
players)

-- Various permit fees will also be charged based on regulations set by the
Racing Commission, but it is not possible to estimate the revenues that will
be generated by those fees at this time.

FY 93 ESTIMATED REVENUE TOTAL: \$ 68,400.00

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 72,721.53
Clerk Typist III, PX, Range 8A, 12 months	<u>32,959.03</u>
SUB-TOTAL:	\$105,680.56

TRAVEL

Four Commission meetings in Anchorage	\$ 8,004.00
2 - Site inspections (two Anchorage mbra)	460.00
2 - Events (8 days; 2 Anch. area Commissioners @ \$1840ea.)	<u>3,680.00</u>
SUB-TOTAL:	\$ 12,144.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs	\$ 15,000.00
Office Space rent	\$ 10,800.00
Contractual costs to provide services of an Auditor and Investigator	<u>\$ 15,000.00</u>
SUB-TOTAL:	\$ 40,800.00

SUPPLIES

FY 94 TOTAL GENERAL FUND EXPENDITURES	\$ 2,500.00
	\$161,124.56

FY 94 REVENUE DETAIL:

-- Two (2) six day events:

34,400 players per event (estimate based on 5,700 players per day during each six day event)

Handle of \$963.2 in total receipts at each six-day event based on an average wager of \$28 (Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State Revenues of \$96.3 per event, or \$192.6 for the two events

-- \$1.00 per person gate fee for the two events equals \$68.8 in revenue (\$1.00 times 68,800 people equals \$68.8)

-- Various permit fees will be charged by the Racing Commission, pending the adoption of regulations setting those fees, it is not possible to estimate that additional revenue for this fiscal note.

FY 94 ESTIMATED REVENUE TOTAL: \$261,400.00

FY 95 EXPENDITURE DETAIL

PERSONAL SERVICES

Executive Director, PX, Range 22A, 12 months	\$ 72,721.53
Clerk Typist III, PX, Range 8A, 12 months	32,959.03
Auditor, PX, Range 18A, 6 months	28,382.68
Investigator III, PX, Range 18A, 6 months	<u>28,382.68</u>

SUB-TOTAL: \$162,445.92

TRAVEL

Four Commission meetings in Anchorage	\$ 8,004.00
3 - Site inspections (by 3 members from Anchorage and one from Fairbanks)	990.00
(2 Anch. P/D = 230 x 2 inspections = 460)	
(1 Anch. P/D = 115 + FBX Airfare = \$300 + 115 = 530)	
4 - Events (8 days; by 3 members from Anchorage and one from Fairbanks)	<u>4,510.00</u>
(2 Anch. mbrs.: \$115 x 8 x 2 = 1840)	
(1 Anch. mbr.: \$115 x 8 x 2 = 1840 +	
1 Fbx. mbr.: \$300 + \$115 x 9 (extra day)	
x 2 = 2670)	

SUB-TOTAL: \$ 13,504.00

CONTRACTUAL

Postage, Communications, Printing, Advertising and other operating costs.	\$ 15,000.00
Office Space rent	<u>10,800.00</u>

SUB-TOTAL: \$ 25,800.00

SUPPLIES \$ 2,500.00

FY 95 REVENUE DETAIL:

-- Four (4) six day events:

34,400 players per event (estimate)

Handle of \$963.2 in total receipts based on an average wager of \$28
(Montana's average)

A takeout of 35%, with a State share of 10%, equals generated State
Revenues of \$96.3 per event, or \$385.2 for the four estimated events.

-- \$1.00 per person gate fee per event generates \$137.6 in revenue (\$1.00 times
34,400 times four events)

-- Various permit fees will be assessed and generate revenue; however, pending
the adoption of regulations setting those fees, it is not possible to
identify or estimate those revenues for this fiscal note.

FY 95 ESTIMATED REVENUE TOTAL:

\$522,800.00

State of Alaska

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Legislative Budget and Audit Committee

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MEMORANDUM

RECEIVED 48300 1992

TO: Senator Jalmar Kerttula, Co-chairman
Senate Finance Committee

Senator Pat Pourchot, Co-chairman
Senate Finance Committee

FROM: Representative Ronald L. Larson *R.L.*

DATE: April 30, 1992

SUBJECT: Request for scheduling HB16

On Thursday, April 30, the Senate Judiciary Committee waived out HB16, an Act establishing the Alaska Racing Commission and authorizing parimutuel wagering. HB16 is now available for action by the Senate Finance Committee.

I will be happy to meet with you at any time to discuss this legislation. Given the time left in this legislative session, it is necessary for expeditious action since HB16 still must have a Senate floor vote and a House concurrence.

I would like to emphasize a few points regarding the local support this legislation has received:

* *An advisory ballot in the cities of Palmer and Wasilla in 1985 showed over 60% supporting local-option parimutuel wagering.*

* *My office has received over 300 letters and p.o.m.'s of support.*

* *Last Fall local citizens conducted a petition drive over a two week period in the Palmer, Wasilla, Fairview Loop, Eagle River, and Anchorage areas asking for support of local-option parimutuel wagering. Over 600 people signed the petition.*

* *The local-option provisions of HB16 require a municipal election by local voters before these events could take place.*

Please don't hesitate to contact me if you have any questions or concerns.

Parimutuel Wagering

HB 16

Establishing the Alaska Racing Commission and Authorizing Parimutuel Wagering

Representative Ronald Larson

QUESTIONS ABOUT HB16 AND PARIMUTUEL WAGERING

What is parimutuel wagering?

Parimutuel wagering is a system of betting which dates back to the mid 1800's. This type of wagering differs from typical gambling by virtue of the fact that the odds are not arbitrary. Parimutuel wagering occurs when all collective bettors pool their wagers together. The total amount wagered versus the individual bets determines the amount which is divided among the winners.

Where has support been shown for parimutuel wagering?

Both the cities of Palmer and Wasilla had an advisory proposition placed on the ballot in the 1986 municipal election concerning parimutuel wagering. (please see attachments)

The results in Palmer were 62% in favor of the concept of local option parimutuel horse racing. The results in Wasilla were 63% in favor. Also, the Matanuska-Susitna Borough passed a resolution of support for local option parimutuel wagering.

What are some benefits of parimutuel wagering?

The most obvious benefit would be the generation of the racing business itself by the private sector. Infrastructure, such as breeding, training, and racing facilities will be an incentive for the construction industry. Additionally, racing will create a destination and accompanying services for tourism activities. This business can also add an entertainment feature at events such as our state fairs.

How is parimutuel wagering different from other games of chance and skill?

Oversight and regulation is much greater. The complexities of the wagering system and accompanying safeguards were built into it purposefully.

The most important thing about this type of racing is the controlled conditions which will guarantee the integrity of the race. Sophisticated racing equipment would be rented from outside; this is very normal procedure elsewhere, where racing is on a similarly small scale.

HB 16 legislates parimutuel guidelines which will disallow abuse. The regulatory nature of the Commission coupled with the required equipment enhance the parimutuel system to offset tampering and ensure security.

What time frames are envisioned for development?

After the local endorsement of the voters, preparation time could be six months to several years, depending on the level of development. A racing season would be for approximately 10 weeks, with both the Alaska and Tanana Fairs as the more probably exhibitions.

Parimutuel professionals tell us that an average scenario would include typically eight races a day, with eight entries per field. Estimates indicate that 270 animals would be required for a successful start up.

What are the fiscal implications for parimutuel wagering?

Our expectation for the fiscal note is relatively small, based on the assumption of a 10 week season. The Commission will be providing the initial professional expertise in the preparation of regulations, public hearings, and paperwork. Based on the development of races and facilities, the staffing requirements would follow the same growth curve.

What is the role of the Alaska Racing Commission?

The Commission will regulate racing and parimutuel wagering. Their wide range of regulatory responsibilities are outlined clearly in the bill, including their specific enforcement powers regarding prohibited acts and penalties.

The Commission shall adopt regulations; appoint officials; supervise and distribute the pool; ascertain standards for veterinaries, equipment, audits, and other related matters; license races; inspect racetracks and animals; establish dates, durations, locations, fees; account for all records, collections and disbursements; hire staff; - compel witnesses; and appoint hearing officers.

Who is a "typical participant" in parimutuel wagering?

Studies have shown that participants are generally white collar workers with one or more years of higher education and an income of \$35,000 or more.

Is parimutuel allowed in other states?

Currently 37 states allow parimutuel wagering for either horse racing, dog racing, or both.



231 W. EVERGREEN AVE.
PALMER, ALASKA 99645

CITY OF PALMER



Phone (907) 745-3271

A HOME RULE CITY

February 25, 1991

The Honorable Ron Larson
Representative
State of Alaska
Box V
Juneau, Alaska 99811

RE: HB 16 - An Act Establishing the Alaska Racing Commission

Dear Representative Larson,

The City of Palmer would like to go on record supporting House Bill 16 "An Act Establishing the Alaska Racing Commission and Authorizing Parimutuel Wagering at Sanctioned Events and Providing an Effective Date."

With declining revenues for both the local government entities and the State as well, we both have to look for new opportunities to raise revenues to meet our current needs and parimutuel wagering is one means of accomplishing this.

In the November-December 1990 issue of "Small Towns," the article entitled "The Deadwood Tradition, Putting Gambling Before Planning in South Dakota" has some very interesting highlights regarding the unanticipated windfall associated with the legalized gambling.

The breakdown of the receipts is a win-win situation for all the government entities in the Deadwood area such as the County, the State and the City of Deadwood itself. This too, may be something which could be done on the local level to increase revenues. Anyway, interesting reading.

The Honorable Ron Larson
February 25, 1991

Should you have any questions, please feel free to contact me.

Yours truly,

David L. Soulak
City Manager
City of Palmer

DLS/cac

Enclosure .

Presented by: Silvers
Introduced: -03/03/87
Drafted by: G.L.S.

MATANUSKA-SUSITNA BOROUGH

Resolution Serial No. 87-032

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING
HOUSE BILL 32 AND SENATE BILL 63.

WHEREAS, the Alaska State Legislature has pending before it House Bill 32 and Senate Bill 63 that would authorize state controlled parimutuel betting on horse and dog racing where approved at a local option election, and

WHEREAS, the voters in the cities of Palmer and Wasilla have previously approved in an advisory vote the conduct of certain parimutuel wagering within their boundaries, and

WHEREAS, parimutuel wagering would create a direct source of revenue for the state and thereby reduce the need for new or increased state taxes, and

WHEREAS, authorization of parimutuel wagering would make possible a new, non-polluting industry in Alaska, and

WHEREAS, horse and dog racing in the borough would create a demand for feed, pasture and other agricultural products and services related to animal husbandry that are readily available in the borough, and

WHEREAS, horse and dog racing in the borough would be a tourist attraction for Alaska, bringing visitors from other states as well as other areas of Alaska, and

WHEREAS, horse and dog racing in the borough would generate additional use of the Alaska Railroad, and

WHEREAS, construction and operation of a race track and associated facilities and concessions in the borough would provide new employment opportunity for Alaskans;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH:

1. That the Assembly supports the concept of state controlled parimutuel wagering on horse and dog racing when locally approved and as generally set out in House Bill 32 and Senate Bill 63 and strongly urges the legislature to adopt legislation authorizing parimutuel wagering on such racing.

2. That copies of this resolution be sent to The Honorable Steve Cowper, Governor of the State of Alaska, and to each member of the Alaska Legislature.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 4th day of March, 1987.

Dorothy A. Jones
Dorothy A. Jones, Mayor

ATTEST:

Chris Seagraves
Chris Seagraves, Clerk

(SEAL)

SAMPLE BALLOT

To Be Removed by Election Judge

To Be Removed by Election Judge

FOLD TO THIS LINE

CITY OF PALMER GENERAL ELECTION

October 7, 1986

- Mark only by use of cross marks, "X" marks, check or plus signs. Place marks in squares.
- Marks must be inside or touching the squares so as to indicate the intent of the voter. Erasures and corrections will invalidate only that part of the ballot on which it appears.
- If you spoil or mar your ballot you may return it to the election judge and receive another ballot.

Mayor

Three Year Term
(Vote for not more than One)

GEORGE W. CARTE'

Council

Three Year Term
(Vote for not more than Two)

ROBERT M. "RED" HENDERSON

JEANNINE L. JOHNSON

Advisory Proposition No. 1

"Do You Support the Concept of Local Option Pari-Mutuel Horse Racing?"

Yes

No

CITY OF PALMER SPECIAL CITY COUNCIL MEETING MINUTES - OCTOBER 9, 1986

June Tull	Council	1	0	1
Eve Hermon	Council	1	0	1
Roger Saunders	Council	1	0	1
S. Luse	Council	1	0	1
Dorothy Saxton	Council	1	0	1
Jerry Hann	Council	3	0	3
ADVISORY PROPOSITION NO. 1	YES	264	6	270
	NO	155	1	156

There was a total of 464 votes cast.

MOVED BERBERICH, SECONDED JOHNSON to certify the election results as presented. MCU.

2. Award Bid - Water Well.

On October 3, 1986 bids were opened for the new water well located at the southwest corner of the airport. Two bids were received, one from RG&B Contractor for \$74,400 and the other from M-W Drilling for \$44,428. The administration recommended award to M-W Drilling as the low bidder. There were no irregularities in either of the bids.

MOVED BERBERICH, SECONDED PIPPEL to award the bid for the new water well to M-W Drilling, the low bidder in the amount of \$44,428. MCU.

3. Award Bid - Runway Paving.

Bids were opened at 10:30 A.M. today for the runway paving project. Three bids were received as follows: Hermon Brothers for \$159,166.80; Wilder Construction for \$163,300 and Rasco for \$309,630. The engineer's estimate was \$185,350. The administration recommended award to the low bidder, Hermon Brothers in the amount of \$159,166.80. These bids were reviewed by both the engineer and attorney and there were no irregularities.

MOVED BERBERICH, SECONDED LONG to award the Runway Paving bid to the low bidder, Hermon Brothers in the amount of \$159,166.80. MCU.

4. Award Bid - Town Square Project.

Four bids were received and opened at 11 A.M. today on the town square earthwork project which entails contouring the land and building berms. Bids were received from: Alaska Central Construction for \$12,800; Kopperud Transportation for \$21,695; Hermon Brothers for \$27,758; and Ohno Construction for \$35,280. The engineer's estimate was \$17,500. The administration recommended awarding this bid to the low bidder, Alaska Central Construction in the amount of \$12,800. These bids were also reviewed by the attorney.

MOVED LONG, SECONDED JOHNSON to award the Town Square Earthwork to the low bidder, Alaska Central Construction in the amount of \$12,800. MCU.

CITY OF

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wanted to
any sugge
doesn't w

D. ADJOU

DAVID L. S



CITY OF WASILLA

P.O. BOX 870430
WASILLA, ALASKA 99687
PHONE: 376-5227

Requested by: Mayor Bumpus
Prepared by: Mayor's Office

RESOLUTION NO. W85-J-6

A RESOLUTION OF THE CITY OF WASILLA SUPPORTING LOCAL OPTION FOR PARI-MUTUEL GAMBLING.

WHEREAS, the State of Alaska no longer has the funds to support local Capital Improvements that accomodates current growth patterns; and

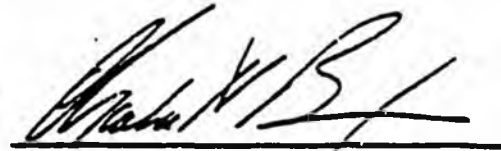
WHEREAS, it is the City of Wasilla's goal to become financially independent, if possible; and

WHEREAS, Pari-Mutuel Gambling would enhance economic development and provide a major tax revenue source for the City of Wasilla;

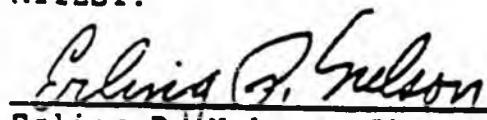
NOW, THEREFORE BE IT RESOLVED that the City of Wasilla supports local option for pari-mutuel gambling.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 12th day of AUGUST, 1985.

APPROVED:


Charles H. Bumpus, Mayor

ATTEST:


Erling P. Nelson, City Clerk, CMC

(SEAL)

HB 18

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 13, 1991

FURTHER REFERRALS:

Date of Committee Action: 4.15.91

The FINANCE Committee considered:

HB 18

HOUSE BILL NO. 18

MARRIAGE & FAMILY THERAPISTS

"An Act regulating the practice of marital and family therapy; amending Alaska Rule of Evidence 504(a)(3): and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 18 (Fin) the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) DLED 2-20-91

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Macheen</i>	✓	<i>Bob Sharp</i>		✓	
<i>Mike Savane</i>		<i>Tamara Phoenix</i>		✓	
<i>Mark Brown</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>					
<i>[Signature]</i>	✓				
<i>Ronald J. [Signature]</i>	x				
<i>[Signature]</i>	x				
<i>Thom Brown</i>	✓				

Mike Savane Eileen P. Macheen
 CHAIRMAN'S SIGNATURE

CS FOR HOUSE BILL NO. 18 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES GRUENBERG, M.A.Miller, Carney

A BILL

FOR AN ACT ENTITLED

1 "An Act regulating the practice of marital and family therapy; and amending Alaska Rule
2 of Evidence 504(a)(3)."

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

4 * Section 1. AS 08 is amended by adding a new chapter to read:

5 CHAPTER 63. MARITAL AND FAMILY THERAPY.

6 ARTICLE 1. BOARD OF MARITAL AND FAMILY THERAPY.

7 Sec. 08.63.010. BOARD ESTABLISHED. (a) There is established the Board of Marital
8 and Family Therapy.

9 (b) The board consists of three persons licensed under this chapter and two members of
10 the public.

11 Sec. 08.63.020. BOARD APPOINTMENTS. The governor shall appoint the members
12 of the board subject to confirmation by the legislature.

13 Sec. 08.63.030. MEETINGS. The board shall hold an annual meeting and may hold
14 special meetings at the call of the chair or a majority of the board members.

1 Sec. 08.63.040. REMOVAL OF BOARD MEMBERS. The governor may only remove
2 a member of the board for good cause.

3 Sec. 08.63.050. POWERS AND DUTIES OF THE BOARD. The board shall

4 (1) establish objective examination requirements and training and education
5 requirements for persons who apply for a license to practice marital and family therapy;

6 (2) examine applicants and issue licenses to qualified applicants;

7 (3) establish continuing education requirements for license renewal;

8 (4) adopt a code of ethical practice for marital and family therapy;

9 (5) hold hearings and order the disciplinary sanction of a person who violates this
10 chapter or a regulation of the board;

11 (6) ensure that licensees are aware of the requirements of AS 47.17.020;

12 (7) establish standards for supervisors and supervision under this chapter;

13 (8) report annually to the governor and the department on the board's proceedings
14 each year; the report must include the number of licensure applicants, the number of
15 examinations conducted, the failure rate for each examination, a financial report, and other
16 information requested by the department;

17 (9) enforce the provisions of this chapter and adopt regulations necessary to carry
18 out its duties under this chapter.

19 Sec. 08.63.060. PROCEDURES. The Administrative Procedure Act (AS 44.62) applies
20 to regulations and proceedings under this chapter.

21 ARTICLE 2. MARITAL AND FAMILY THERAPY LICENSES.

22 Sec. 08.63.100. QUALIFICATIONS FOR LICENSE TO PRACTICE. (a) The board
23 shall issue a license to practice marital and family therapy to a person who

24 (1) applies on a form provided by the board;

25 (2) pays the fee established under AS 08.01.065;

26 (3) furnishes evidence satisfactory to the board that the person

27 (A) has not engaged in conduct that is a ground for imposing disciplinary
28 sanctions under AS 08.63.210;

29 (B) holds a master's degree or doctorate in marital and family therapy or
30 allied mental health field from a regionally accredited educational institution approved by
31 the board for which the person completed a course of study that included instruction

1 substantially equivalent to the following:

2 (i) courses in marital and family therapy;

3 (ii) courses in marital and family studies;

4 (iii) courses in human development;

5 (iv) a course in professional studies or professional ethics and law;

6 (v) a course in research; and

7 (vi) one year of supervised clinical practice in marital and family

8 therapy;

9 (C) after receiving a degree described in (B) of this paragraph, has

10 (i) practiced marital and family therapy within three years of the
11 person's application, including 1,500 hours of direct clinical contact with couples
12 and families; and

13 (ii) been supervised in the clinical contact for at least 200 hours,
14 including 100 hours of individual supervision and 100 hours of group supervision
15 approved by the board;

16 (D) has received training related to domestic violence; and

17 (E) has passed a written or oral examination administered by the board.

18 (b) Under regulations adopted by the board, a person who holds a master's or doctorate
19 degree in marital and family therapy or allied mental health field from a regionally accredited
20 educational institution approved by the board, but whose course of degree study did not include
21 all the courses or clinical practice requirements set out in (a)(3)(B) of this section may substitute
22 post-degree courses or practice, as approved by the board, to satisfy the requirements of (a)(3)(B)
23 of this section.

24 (c) An applicant who fails an examination given under this section may not retake the
25 examination for a period of six months from the date of the examination that the applicant failed.

26 (d) A license issued under this section shall be renewed biennially by the applicant on
27 a date set by the department and approved by the board. It shall be renewed by payment of the
28 fee established under AS 08.01.065 and by satisfaction of the continuing education requirements
29 established by the board for the renewal of licenses issued under this section.

30 Sec. 08.63.110. LICENSE FOR SUPERVISED PRACTICE. (a) The board shall issue
31 a four-year license for the supervised practice of marital and family therapy to a person who

1 meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A) - (B).

2 (b) A licensee under this section may practice only

3 (1) under the direct supervision of a supervisor approved by the board under
4 AS 08.63.120; and

5 (2) in a clinic, social service agency, or other setting approved by the board.

6 (c) A license for supervised practice expires four years from the date of issuance and
7 may not be renewed.

8 (d) A licensee under this section shall submit to the board for its approval a proposed
9 plan for satisfying the supervision requirements of AS 08.63.100(a)(3)(C).

10 (e) A licensee under this section shall use the title "marital therapy associate," "family
11 therapy associate," or other title that is approved by the board.

12 (f) The board shall revoke a license for supervised practice if the person fails the
13 examination required under AS 08.63.100 two or more times.

14 Sec. 08.63.120. AUTHORIZED SUPERVISORS. (a) A person may not supervise a
15 person under this chapter unless approved by the board to be a supervisor.

16 (b) A person who supervises a licensee under this section must

17 (1) have practiced marital and family therapy for five years;

18 (2) be licensed under this chapter; and

19 (3) meet the minimum standards established by the board for approved
20 supervisors.

21 Sec. 08.63.130. TEMPORARY LICENSE FOR THE PRACTICE OF MARITAL AND
22 FAMILY THERAPY. (a) The board shall issue a temporary license for the practice of marital
23 and family therapy to an applicant who satisfies the requirements of AS 08.63.100(a)(1), (2) and
24 (3)(A), (B), and (C) and has been approved by the board to take the marital and family therapy
25 examination.

26 (b) A person may practice under a temporary license until the board issues the results
27 of the first marital and family therapy examination given after issuance of the person's temporary
28 license and either issues or denies a license under AS 08.63.100 to the person.

29 (c) If a licensee under this section fails the marital and family therapy examination, the
30 board may not renew the person's temporary license.

31 Sec. 08.63.140. LICENSURE BY CREDENTIALS. The board shall issue a license to

1 practice marital and family therapy to a person who

2 (1) is licensed or certified for the practice of marital and family therapy in another
3 state that has requirements for the license or certificate that are substantially equal to or greater
4 than the requirements of this state; and

5 (2) meets the requirements of AS 08.63.100(a)(1), (2), and (3)(A).

6 ARTICLE 3. GENERAL PROVISIONS.

7 Sec. 08.63.200. CONFIDENTIALITY OF COMMUNICATION. (a) A person licensed
8 under this chapter may not reveal to another person a communication made to the licensee by
9 a client about a matter concerning which the client has employed the licensee in a professional
10 capacity. This section does not apply to

11 (1) a case conference or case consultation with other mental health professionals
12 at which the patient is not identified;

13 (2) the release of information that the client in writing authorized the licensee to
14 reveal;

15 (3) information released to the board as part of a disciplinary or other proceeding;
16 or

17 (4) situations where the rules of evidence applicable to the psychotherapist-patient
18 privilege allow the release of the information.

19 (b) Notwithstanding (a) of this section, a person licensed under this chapter shall report
20 incidents of child abuse or neglect as required by AS 47.17.

21 (c) Information obtained by the board under (a)(3) of this section is confidential and is
22 not a public record for purposes of AS 09.25.110 - 09.25.140.

23 Sec. 08.63.210. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANCTIONS.
24 After a hearing, the board may impose a disciplinary sanction under AS 08.01.075 on a person
25 licensed under this chapter when the board finds that the person

26 (1) secured a license through deceit, fraud, or intentional misrepresentation;

27 (2) engaged in deceit, fraud, or intentional misrepresentation in the course of
28 providing professional services or engaging in professional activities;

29 (3) advertised professional services in a false or misleading manner;

30 (4) has been convicted of a felony or of another crime that affects the person's
31 ability to practice competently and safely;

1 (5) failed to comply with a provision of this chapter or a regulation adopted under
2 this chapter, or an order of the board;

3 (6) continued to practice after becoming unfit due to
4 (A) professional incompetence;
5 (B) addiction or severe dependency on alcohol or another drug that impairs
6 the person's ability to practice safely;

7 (7) engaged in unethical conduct in connection with the delivery of professional
8 services to clients.

9 Sec. 08.63.220. LICENSE REQUIRED IF DESIGNATION USED. A person who is not
10 licensed under this chapter or whose license is suspended or revoked, or whose license has
11 lapsed, who knowingly uses in connection with the person's name the words or letters
12 "L.M.F.T.," "L.M.F.C.," "Licensed Marital and Family Therapist," "Licensed Marriage and
13 Family Counselor," or other letters, words, or insignia indicating or implying that the person is
14 licensed as a marital and family therapist by this state or who in any way, orally or in writing,
15 directly or by implication, knowingly holds out as being licensed by the state as a marital and
16 family therapist in this state is guilty of a class B misdemeanor.

17 Sec. 08.63.900. DEFINITIONS. In this chapter, unless the context indicates otherwise,

18 (1) "advertise" includes issuing or causing to be distributed a card, sign or device
19 to a person, or causing, permitting, or allowing a sign or marking on or in a building or structure,
20 or in a newspaper, magazine, or directory, or on radio or television, or using other means
21 designed to secure public attention;

22 (2) "board" means the Board of Marital and Family Therapy;

23 (3) "course" means a class of at least three credit hours in a graduate program at
24 an accredited educational institution or an institution approved by the board;

25 (4) "department" means the Department of Commerce and Economic
26 Development;

27 (5) "practice of marital and family therapy" means the diagnosis and treatment
28 of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for
29 marital and family therapy, whether cognitive, affective, or behavioral, within the context of
30 human relationships, particularly marital and family systems; marital and family therapy involves

31 (A) the professional application of assessments and treatments of

1 psychotherapeutic services to individuals, couples, and families for the purpose of treating
2 the diagnosed emotional and mental disorders;

3 (B) an applied understanding of the dynamics of marital and family
4 interactions, along with the application of psychotherapeutic and counseling techniques
5 for the purpose of resolving intrapersonal and interpersonal conflict and changing
6 perceptions, attitudes, and behaviors in the area of human relationships and family life;

7 (6) "supervision" means face-to-face consultation, direction, review, evaluation,
8 and assessment of the practice of the person being supervised, including direct observation and
9 the review of case presentations, audio tapes, and video tapes.

10 * Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

11 (33) Board of Marital and Family Therapy (AS 08.63.010).

12 * Sec. 3. AS 08.02.010(a) is amended to read:

13 (a) An acupuncturist licensed under AS 08.06, an audiologist licensed under AS 08.11,
14 a person licensed in the state as a chiropractor under AS 08.20, a dentist under AS 08.36, a
15 marital and family therapist licensed under AS 08.63, a medical practitioner or osteopath
16 under AS 08.64, a registered nurse under AS 08.68, an optometrist under AS 08.72, a registered
17 pharmacist under AS 08.80, a physical therapist or occupational therapist licensed under
18 AS 08.84, a psychologist under AS 08.86, or a clinical social worker licensed under AS 08.95,
19 shall use as professional identification appropriate letters or a title after that person's name which
20 represents that person's specific field of practice. The letters or title shall appear on all signs,
21 stationery, or other advertising in which the person offers or displays personal professional
22 services to the public. In addition, a person engaged in the practice of medicine or osteopathy
23 under AS 08.64.380 or a person engaged in any manner in the healing arts who diagnoses, treats,
24 tests, or counsels other persons in relation to human health or disease and uses the letters "M.D."
25 or the title "doctor" or "physician" or another title that tends to show that the person is willing
26 or qualified to diagnose, treat, test, or counsel another person, shall clarify the letters or title by
27 adding the appropriate specialist designation, if any, such as "dermatologist", "radiologist",
28 "audiologist", "naturopath", or the like.

29 * Sec. 4. AS 08.03.010(c) is amended by adding a new paragraph to read:

30 (25) Board of Marital and Family Therapy (AS 08.63.010) -- June 30, 1994.

31 * Sec. 5. AS 44.62.330(a) is amended by adding a new paragraph to read:

1 (57) Board of Marital and Family Therapy (AS 08.63.010).

2 * Sec. 6. AS 47.17.290(13) is amended to read:

3 (13) "practitioner of the healing arts" includes chiropractors, mental health
4 counselors, dental hygienists, dentists, health aides, nurses, nurse practitioners, occupational
5 therapists, occupational therapy assistants, optometrists, osteopaths, naturopaths, physical thera-
6 pists, physical therapy assistants, physicians, physician's assistants, psychiatrists, psychologists,
7 psychological associates, audiologists licensed under AS 08.11, hearing aid dealers licensed under
8 AS 08.55, marital and family therapists licensed under AS 08.63, religious healing
9 practitioners, acupuncturists, and surgeons;

10 * Sec. 7. Alaska Rule of Evidence 504(a) is amended to read:

11 (a) DEFINITIONS. As used in this rule:

12 (1) A patient is a person who consults or is examined or interviewed by a
13 physician or psychotherapist.

14 (2) A physician is a person authorized to practice medicine in any state or nation,
15 or reasonably believed by the patient so to be.

16 (3) A psychotherapist is (A) a person authorized to practice medicine in any state
17 or nation, or reasonably believed by the patient so to be, while engaged in the diagnosis or
18 treatment of a mental or emotional condition, including alcohol or drug addiction, [OR] (B) a
19 person licensed or certified as a psychologist or psychological examiner under the laws of any
20 state or nation or reasonably believed by the patient to so be, while similarly engaged, or (C) a
21 person licensed as a marital or family therapist under the laws of a state or nation or
22 reasonably believed by the patient to so be, while similarly engaged.

23 (4) A communication is confidential if not intended to be disclosed to third
24 persons other than those present to further the interest of the patient in the consultation,
25 examination, or interview, or persons reasonably necessary for the transmission of the
26 communication, or persons who are participating in the diagnosis and treatment under the
27 direction of the physician or psychotherapist, including members of the patient's family.

28 * Sec. 8. INITIAL APPOINTMENTS. (a) In making the initial appointments of professional
29 members to the Board of Marital and Family Therapy, the governor shall consider a person licensed for
30 the purpose of AS 08.63.010, added by sec. 1 of this Act, if the person would be entitled to a license
31 under sec. 9 of this Act. The Board of Marital and Family Therapy shall issue a license to practice

1 marital and family therapy to the professional members appointed under this section.

2 (b) A license issued under this section is subject to the same renewal requirements as a license
3 issued under AS 08.63.100, added by sec. 1 of this Act.

4 (c) The initial appointments to the board shall be staggered as provided in AS 39.05.055.

5 * Sec. 9. TRANSITIONAL LICENSING. (a) Notwithstanding AS 08.63.100, added by sec. 1 of
6 this Act, the Board of Marital and Family Therapy shall issue a license to practice marital and family
7 therapy to a person who

8 (1) applies for a license before July 1, 1992;

9 (2) satisfies the requirements of AS 08.63.100(a)(1) - (3)(A), added by sec. 1 of this Act;

10 (3) holds a master's or doctorate degree from an accredited educational institution either
11 in

12 (A) marital and family therapy or another mental health field as defined in
13 AS 08.63.100(b); or

14 (B) an appropriate course of study approved by the board; and

15 (4) has practiced marital and family therapy in the state for at least two years preceding
16 application.

17 (b) A license under this section is subject to the same renewal requirements as a license issued
18 under AS 08.63.100, added by sec. 1 of this Act.

19 (c) The Board of Marital and Family Therapy shall liberally construe the requirements of (a) of
20 this section for the purposes of licensing as a marital and family therapy professional every person who
21 merits licensing by virtue of the person's education, training, and experience in the field of marital and
22 family therapy.

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: February 6, 1991 Department Affected: Commerce & Economic Dvlp.
 Title: Regulating the practice of marital and family therapy;.... BRU: Occupational Licensing
 Component: Administration
 Sponsor: Reps. Gruenberg and Carney
 Requestor: House HESS

COMPONENT SERIAL NO.	0	3	5	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	3.6	3.6	3.6	3.6	3.6	3.6
TRAVEL	19.7	16.5	11.6	11.6	11.6	11.6
CONTRACTUAL	10.7	10.7	10.7	10.7	10.7	10.7
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	35.0	31.8	26.9	26.9	26.9	26.9

CAPITAL	0	0	0	0	0	0
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REVENUE	24.0	0	24.0	0	24.0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	11.0	31.8	2.9	26.9	2.9	26.9
FEDERAL FUNDS	0	0	0	0	0	0
OTHER GF/PR	24.0	0	24.0	0	24.0	0
TOTAL	35.0	31.8	26.9	26.9	26.9	26.9

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) HB 18 establishes a five-member Board of Marital and Family Therapy to establish examination, training and education requirements for entry into the profession, and to issue licenses to qualified individuals. Information on file indicates there are approximately 40 practitioners who would be affected by this legislation upon passage.

Prepared By: Barbara Gabier, Licensing Supervisor Phone: 465-3262
 Division: Occupational Licensing Date: February 6, 1991

Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: February 6, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION OF FISCAL NOTE ANALYSIS - HB 18

This fiscal note represents the cost of licensing marital and family therapists with a five-member board and an estimate of 40 practitioners who would seek and qualify for licensure. Costs of the program are projected based on the number of licensees and mandates in the bill. Therefore, costs associated with the marital and family therapy licensing program are projected as follows:

Personal Services: \$ 3.6

To provide administrative staff support.

Travel: \$ 19.7

In FY 92, this funding will provide for four face-to-face meetings, two in Anchorage and two in Juneau, assuming two members are from the Anchorage area, two from Juneau, one from Fairbanks; and three division staff (Director, Licensing Examiner, and Regulations Specialist) to attend each meeting.

In FY 93, funding provides for three board meetings and travel to administer the licensing examination in various locations throughout the State. (\$16.5)

In FY 94 forward, the licensing program will have been in operation for two years, and therefore, require fewer meetings to conduct its business. The number of board meetings is reduced to two meetings each year. This funding also provides for travel to administer the licensing examination in various locations. (\$11.6)

Contractual: \$ 10.7

This funding provides for printing, advertising, postage and communication costs.

Supplies: \$ 1.0

Funding will provide standard office supplies.

Grand Total: \$ 35.0

REVENUE:

The revenues are based on 40 practitioners paying a licensing fee of \$300 per year. Because licenses are issued on a biennial cycle, revenues are doubled every other year. As indicated, 40 practitioners will not support a licensing program with a five-member board unless licensees are willing to pay incredibly high annual licensing fees. As an alternative, the licensing program may have to be supplemented by general funds or fees from other licensing areas.

AS 08.01.065(c), Fees established by regulation provide that the "department may establish a fee that is less than the cost of the activity for which the fee is charged if the department determines that it is not reasonable to impose the full cost of the activity on the applicant or licensee."

David R. Samson M.D.
Board Certified Psychiatrist

November 21, 1990

Jim Nordlund
% Representative Johnny Ellis
3111 "C" Street, Suite 455
Anchorage, Alaska 99503

Dear Mr. Nordlund:

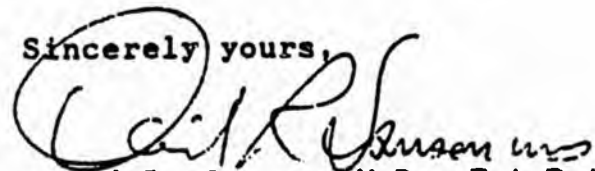
This letter is in support of licensing for marriage and family therapists. I wrote a similar letter on October 20, 1989 supporting it for last year's legislature.

As a psychiatrist, I believe that marriage and family therapists provide specific services that are needed in our communities. I believe it is essential that our state government assures the public that people who claim to be marriage and family therapists do indeed have the necessary advanced educational requirements and experiences to provide marriage and family services. This can best be arranged with specific licensing and re-licensing requirements.

I have worked with multiple therapists in and out of community mental health center settings and in private practice. This includes several trained marriage and family therapists. I have been very impressed with their continuing education efforts over the several years that I have been working with them and think they do an excellent job continuing their professional competence.

I urge that the state legislature pass legislation in the coming year to insure that licensing exists for marriage and family therapists. I wholeheartedly support this effort.

Sincerely yours,



David R. Samson, M.D., F.A.P.A.



Ann E. Wolf, M.D., D.C.P.S.—President
Barbara Brown, Administrator
Barbara Jones, M.D.—Vice President
Helen Craig, M.S.W., A.C.S.W.—Secretary/Treasurer
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Karen A. Sandoz, Psy.D.
Mabel J. Malone, M.S.W., A.C.S.W.
Donald Sparrow, M.S.W., A.C.S.W.
Wendy Chasen, M.S.W., A.C.S.W.
Jocelin T. Josley, M.S.W., A.C.S.W.

December 11, 1990

Representative Max Gruenberg
3111 C Street, Fourth Floor
Anchorage, Alaska 99503

Dear Representative Gruenberg:

We are very happy that you are sponsoring the Marriage and Family Therapy licensing bill. As you know, MFT is a distinct and separate mental health discipline and should be recognized as such. Licensing insures that adequately trained professionals are in the field. Consequently, we see licensure as a means to protect the public and to protect the integrity of all the mental health fields.

We are also well aware that lack of licensure is the only reason many insurance companies do not reimburse therapists for their services. We are seeing that particularly with Medicaid at this time. Consequently, we see licensing for trained mental health professionals as a need that the State needs to address. We strongly support the licensure of MFT's.

Thank you.

Sincerely,

G. McCarthy

Greg McCarthy, M.D.

GM/cs