

ALASKA LEGISLATURE

1615

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

**HB**

**18**

3714

NIFEH

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 29, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/2/97

The FINANCE Committee considered:

HB 18

HOUSE BILL NO. 18

STATE PROCUREMENT DISABILITY PREFERENCES

"An Act extending to certain partnerships and corporations the 10 percent procurement preference currently given to certain sole proprietorships who are Alaska bidders and owned by persons with disabilities."

recommends it be replaced with the following committee substitute \_\_\_\_\_  the same title  
 a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_  
 zero fiscal note(s) DOE  zero fiscal note(s) DOA 1/29/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therriault	X			
	Haney	X			
	Martin	X			
	Kohring	X			
	J. Davis	X			
	Grussendorf	X			
	J. Moses	X			
	G. Davis	X			
	Kelly	✓			
	FOSTER	X			

CO CHAIR'S SIGNATURE   
 Therriault Haney

**FISCAL NOTE**

No. 1  
 .il Version: HB 18  
 (H) Publish Date: 1/29/97

**STATE OF ALASKA  
 1997 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_  
 Title: "An Act extending to certain partnerships and corporations the 10 percent procurement preference..."  
 Sponsor: James  
 Requestor: (H) L&C

Department Affected: Administration  
 BRU: General Services  
 Component: Purchasing  
 COMPONENT SERIAL NO. 60

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER * CIP receipts						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 97) cost: \$ 0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

This bill extends the 10% bid evaluation preference for an Alaska bidder who is a sole proprietor with a disability to partnerships if each partner has a disability and to corporations if wholly owned by individuals with disabilities. The 10% evaluation preference is in addition to other preferences the bidder may qualify for. Under this bill, agency personnel evaluating quotes, bids, or RFPs must calculate the 10% preference for the additional entities if they appear on the disabled vendor list maintained by the Department of Education, Division of Vocational Rehabilitation.

Prepared by: Dugan Pettv. Director *[Signature]*  
 Division: General Services

Phone: 465-2250  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer *[Signature]*  
 Agency: Department of Administration

Date: 1/21/97

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. HB 18

Revision Date: _____	Dept. Affected: <u>Education</u>
Title: <u>An Act extending to certain partnerships and corporations the 10 percent procurement...</u>	BRU: <u>Vocational Rehabilitation</u>
Sponsor: <u>Representative James</u>	Component: <u>Vocational Rehabilitation, Administration</u>
Requester: <u>Finance</u>	COMPONENT SERIAL NO. <u>202</u>

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Other:						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of current year (FY97) cost: \$ \$0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Amends A.S. 36.30.170(e), expanding the businesses that qualify to bid for contracts under this law. This bill defines "qualifying entity."

Prepared by: <u>Beth Lap6, Special Assistant</u>	Phone: <u>465-2803</u>
Division: <u>Commissioner's Office</u>	Date: _____
Approved by Commissioner: <u>Shirley J. Holloway, Ph.D.</u>	Date: <u>2-20-97</u>
Agency: <u>Department of Education</u>	

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**SPONSOR STATEMENT**  
**Rep. James**  
**HB 18 PROCUREMENT PROCEDURES/  
DISABLED PERSONS**  
**1/24/97**

House Bill 18 will allow 100% disabled owned corporations and partnerships to be eligible for disabled bidder preferences

Current law allows disabled owned sole proprietorships to take advantage of certain disabled bidder preferences.

Equal protection under the law requires all like situations to be treated fairly and equally. Current law discriminates against disabled owned corporations and partnerships, it does allow sole proprietorships

HB 18 has a zero fiscal note.

HB 18 is supported by the impacted Departments of Education and Administration.

The Legislature passed this Bill 2 years ago and the Governor vetoed it in error, last year it was lost in the rush of adjournment.

There is no known opposition.

The intent of this legislation is to create fairness.

Witnesses

Dugan Petty Director of Division of General Services-Administration  
Dwayne French Director of Voc. Rehab on-line



January 15, 1997

The Honorable Jeannette James  
House of Representatives  
State Capitol  
Juneau, Alaska 99801-1182

Dear Representative James,

We at Karl Bros., Inc. wish to express our sincere thanks for your past efforts to remedy the oversight of AS 36.30.170(c) which prevents Alaskan firms which are 100% handicapped owned but held by more than one individual, from participating in the bidders preference program established by the statute. It would be greatly appreciated if you would take the lead again and sponsor legislation to correct this situation.

Thank you in advance for all your help and efforts.

Sincerely,  
Karl Bros., Inc.

A handwritten signature in dark ink, appearing to read "T. A. Karl".

Thomas A. Karl  
Chairman & CEO



March 22, 1995

The Honorable Jeannette James  
Alaska State Representative  
Room 102, State Capitol  
Juneau, Ak. 99801-1182

Dear Representative James:

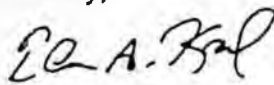
As you may know, Karl Brothers, Inc., is a 100% handicapped owned business, certified by the U.S. Small Business Administration under Section 8(a) and by the Alaska Department of Transportation and Public Facilities as a Disadvantaged Business Enterprise. Karl Brothers offers complete contractor support services and equipment leasing capabilities and other services as shown in the attached brochure (Attachment 1).

Last year, we applied for certification under the bidders' preference law. As you can see in the attached correspondence with the State Division of Vocational Rehabilitation, our application was denied (Attachment 2). We believe the denial, while it may be in accord with the exact language of the law, violates the clear intent of this law, to promote businesses owned by disabled persons.

I am asking you to sponsor corrective legislation as shown in Attachment 3, or an amendment to a related procurement bill, as shown in Attachment 4. I believe this change to the law would allow the division of Vocational Rehabilitation to follow the intent of the original legislation.

Please let me know if you would be willing to sponsor such a bill, and whether any additional information would be helpful to you during the legislative process. I am also asking Senator Sharp for sponsorship in the other house. Thank you for your consideration.

Sincerely,

  
Thomas A. Karl  
President

Attachments

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF EDUCATION

DIVISION OF VOCATIONAL REHABILITATION

CENTRAL OFFICE  
801 WEST 10TH STREET, SUITE 200  
JUNEAU, ALASKA 99801-1894  
PHONE: (907) 465-2814 (V/TDD)  
FAX: (907) 465-2856

December 7, 1994

Karl Brothers Inc.  
P.O. Box 58040  
Fairbanks, Alaska 99711

Certification AS. 36.30.170

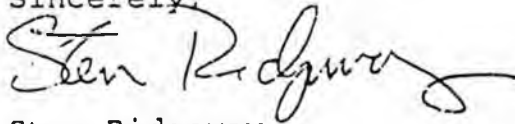
Dear Mr. Karl:

I have reviewed your request for a bidder preference as a sole proprietor and determined that you do not qualify. I have based this decision on the fact that your corporation is not a sole proprietorship.

If the status of your business changes as we have discussed please reapply for certification at the time such a change occurs.

Thank you for your interest.

Sincerely,



Stan Ridgeway  
Deputy Director

**HB**

**18**

SFIN

FILE



OFFICIAL BUSINESS

# Alaska State Legislature Senate

STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-3701  
FAX: 465-2832

## FOR YOUR IMMEDIATE ATTENTION

DATE: April 15, 1997

TO: Finance Committee  
(JerryLee/Peggy)

FROM: Office of the Senate Secretary

The Chair of the Committee noted above has waived referral on the following bill(s):

**CS FOR HOUSE BILL NO. 18(RES) - RETRIEVE**

~~"An Act relating to licensing and regulation of sport fishing services operators and fishing guides; and providing for an effective date."~~

**HOUSE BILL NO. 26 - RETRIEVE**

~~"An Act relating to big game tags for wolves; and providing for an effective date."~~

Please give the bill file(s) to the page for forwarding to the next Committee of referral.

Thank you.

FISCAL NOTE

No. 1

Version: HB 18

(H) Publish Date: 1/29/97

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: "An Act extending to certain partnerships and corporations the 10 percent procurement preference..."

Department Affected: Administration  
BRU: General Services

Sponsor: James  
Requestor: (H) I&C

Component: Purchasing  
COMPONENT SERIAL NO. 60

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER * CIP receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill extends the 10% bid evaluation preference for an Alaska bidder who is a sole proprietor with a disability to partnerships if each partner has a disability and to corporations if wholly owned by individuals with disabilities. The 10% evaluation preference is in addition to other preferences the bidder may qualify for. Under this bill, agency personnel evaluating quotes, bids, or RFPs must calculate the 10% preference for the additional entities if they appear on the disabled vendor list maintained by the Department of Education, Division of Vocational Rehabilitation.

Prepared by: Dugan Petty, Director  
Division: General Services

Phone: 465-2250  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 1/21/97

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# FISCAL NOTE

No. 2  
 Bill Version: HB 18  
 (H) Publish Date: 2/24/97

**STATE OF ALASKA  
 1997 LEGISLATIVE SESSION**

Revision Date: \_\_\_\_\_ Dept. Affected: Education  
 Title: An Act extending to certain partnerships and BRU: Vocational Rehabilitation  
corporations the 10 percent procurement.... Component: Vocational Rehabilitation Administration  
 Sponsor: Representative James  
 Requester: Finance COMPONENT SERIAL NO. 202

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
CHANGES IN REVENUES						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Other:						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of current year (FY97) cost: \$                      \$0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)  
 Amends A.S. 36.30.170(e), expanding the businesses that qualify to bid for contracts under this law. This bill defines "qualifying entity."

Prepared by: Beth Lape, Special Assistant Phone: 465-2803  
 Division: Commissioner's Office Date: \_\_\_\_\_  
 Approved by Commissioner: Shirley J. Holloway, Ph.D. *[Signature]* Date: 2-20-97  
 Agency: Department of Education

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APR 11 1997

# STATE OF ALASKA

## THE ALASKA STATE LEGISLATURE

### House of Representatives

Representative Jeannette James  
Chair of House State Affairs Committee  
Chair of Joint Regulation Review Committee  
Capitol Building (907) 465-3743 ph  
Juneau, AK 99801 (907) 465-2381 fax

#### MEMO

April 11, 1997

To: Senate Finance Committee  
Attn: Drew and Bert  
From: Jeannette  
Re: Waiving or Scheduling HB 18 for hearing in Senate Finance

HB 18 unanimously passed out of Senate Labor and Commerce Committee on April 10, 1997.

There is NO fiscal note, never was, and non is expected. This Bill was vetoed by the Governor in error 2 years ago, last year it was lost in the adjournment chaos. Please waive it on to Senate Rules.

House Bill 18 will allow 100% disabled owned corporations and partnerships to be eligible for disabled bidder preferences

Current law allows disabled owned sole proprietorships to take advantage of certain disabled bidder preferences.

Equal protection under the law requires all like situations to be treated fairly and equally. Current law discriminates against disabled owned corporations and partnerships, it does allow sole proprietorships

HB 18 is supported by the impacted Departments of Education and Administration.

There is no known opposition.  
The intent of this legislation is to create fairness.  
Please call me, or Walt Wilcox if there are any questions. Thank you.

**HB**

**19**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 7, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/17/97

The FINANCE Committee considered:

HB 19

HOUSE BILL NO. 19

SPORT FISHING GUIDES

“An Act relating to licensing of sport fishing services operators and fishing guides; and providing for an effective date.”

recommends it be replaced with the following committee substitute CSHB 19 (Fin)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): \_\_\_\_\_ (Dept)

APPROVES PREVIOUS: \_\_\_\_\_ (Dept/Date)

fiscal note(s) \_\_\_\_\_

fiscal note(s) 2 F&G 2/27/97  
DPS 2/27/97

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault			X	
<i>Mark Hanley</i>	Hanley			X	
<i>Glen Mulder</i>	Mulder				X
<i>Terry Martin</i>	Martin			X	
<i>Vicki Kohring</i>	Kohring				X
<i>Pat Kelly</i>	Kelly			X	
<i>Gene Crussendorf</i>	Crussendorf	X			
<i>John Davies</i>	Davies	X			
<i>John Foster</i>	Foster	X			
<i>Carl E. Moses</i>	Moses	X			
<i>John Davis</i>	DAVIS			X	

CHAIR'S SIGNATURE *Gene Therriault* *Mark Hanley*

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO: BB 19**

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An Act relating to licensing of sport fishing BRU: Fish and Wildlife Protection  
services operators and fishing guides Component: Detachments  
 Sponsor: Representative Austerman  
 Requestor: H. Fisheries COMPONENT SERIAL NO. 0490

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	50.0	95.4	95.4	95.4	95.4	95.4
TRAVEL		5.0	5.0	5.0	5.0	5.0
CONTRACTUAL		4.8	4.8	4.8	4.8	4.8
SUPPLIES		1.1	1.1	1.1	1.1	1.1
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>50.0</b>	<b>106.3</b>	<b>106.3</b>	<b>106.3</b>	<b>106.6</b>	<b>106.3</b>

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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CHANGE IN REVENUES ( ) Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-
--	-----	-----	-----	-----	-----	-----

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
Other I/A	50.0	106.3	106.3	106.3	106.3	106.3
<b>TOTAL</b>	<b>50.0</b>	<b>106.3</b>	<b>106.3</b>	<b>106.3</b>	<b>106.3</b>	<b>106.3</b>

Estimate of current year (FY 97) impact: \$ 0.0

**POSITIONS:**

FULL-TIME	0	1	1	1	1	1
PART-TIME	1	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

SEE PAGE 2

Prepared By: Lt. Joel L. Hard Phone: 269-5409  
 Division: Fish and Wildlife Protection Date: January 31, 1997  
 Approved by Commissioner: *Ronald L. Otte* Date: 1/31/97  
 Agency: Ronald L. Otte, Department of Public Safety

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# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO: HB 19

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety

## ANALYSIS CONTINUED:

This Bill provides for licensing qualifications for sport fishing services operators and fishing guides to include licensing fees, reporting requirements, performance standards, and certain penalty provisions. The Department of Fish and Game and the Division of Fish and Wildlife Protection understand that the field enforcement of this industry will be best accomplished by FWP. To that end, an RSA will be established by ADF&G in the amount of \$50,000.00 to fund an investigator/trooper position for the latter half of FY98, with an increase in subsequent years to \$100,000.00 to nearly fund the position and support moneys.

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. HB19

Revision Date: \_\_\_\_\_ Dept. Affected: Fish and Game  
 Title: Sport Fishing Guides BRU: Sport Fish  
 Component: Sport Fish  
 Sponsor: Rep. Austerman  
 Requester: House Fisheries COMPONENT SERIAL NO. 464

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

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	86.0	86.0	86.0	86.0	86.0	86.0
TRAVEL	2.0	2.0	2.0	2.0	2.0	2.0
CONTRACTUAL	58.0	108.0	108.0	108.0	108.0	108.0
SUPPLIES	8.0	8.0	8.0	8.0	8.0	8.0
EQUIPMENT	5.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>159.0</b>	<b>204.0</b>	<b>204.0</b>	<b>204.0</b>	<b>204.0</b>	<b>204.0</b>

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1024)	282.8	282.8	282.8	282.8	282.8	282.8
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Fish and Game Fund - 1024)	282.8	282.8	282.8	282.8	282.8	282.8
<b>TOTAL</b>	<b>282.8</b>	<b>282.8</b>	<b>282.8</b>	<b>282.8</b>	<b>282.8</b>	<b>282.8</b>

Estimate of any current year (FY97) cost: \$ 0

**POSITIONS**

FULL-TIME						
PART-TIME	3	3	3	3	3	3
TEMPORARY						

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

See Attachment

Prepared by: Kevin Delaney *[Signature]* Phone: 465-4180 or 267-2224  
 Division: Sport Fish Date: 1/17/97  
 Approved by Commissioner: Frank Rue *[Signature]* Date: 1/27/97  
 Agency: Fish and Game

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**1) Operational Expenditures to Administer License Sales:**

It is estimated that a total of 4,200 licenses will be sold the first year. For the first year of a program such as this we should be prepared to handle almost double that number of applicants. In future years the program will be streamlined. It is assumed most of the licenses will be sold during the first half of the calendar year.

Personnel Services		
	Admin Clerk I for 9 months	23.6
Contractual		
	Postage	5.0
	Telephone	1.0
Supplies		
	License Forms	4.0
	Letterhead, envelopes, etc.	1.0
	Total -->	34.6

**2) Operational Expenditures for Reporting Mandates:**

The bill stipulates reporting requirements the department shall collect from licensed guides. To comply with the mandated reporting requirements the Department feels it will be necessary to develop a log book, or similar program for licensed businesses. The Department estimates it will cost approximately \$69,400 annually (with a one time equipment expenditure making the FY98 operational expenditure total \$74,400) to implement this reporting requirement and comply with the inseason reporting requirement intent of the legislation. A breakdown of these costs are as follows:

Personnel Services		
	Accounting Clerk III for 5 months	15.1
	Fishery Biologist II for 11 months	47.3
Travel		2.0
Contractual		2.0
Supplies		3.0
Equipment (FY98 only)		5.0
	Total -->	74.4

**3) Operational Expenditures for Enforcement:**

The bill establishes penalties for failure to comply with licensing and reporting provisions of the bill. To assure compliance, the department feels it is necessary to provide adequate enforcement. Thus, \$100,000 will be given to the Department of Public Safety through an RSA to fund a guide enforcement function. Only \$50,000 will be RSA'd in FY98. These monies are listed under miscellaneous operating expenditures. It must be noted that Public Safety may have to add an additional position if this bill is passed.

4) Revenues to Fish and Game Fund:

Under this bill three types of licenses would be sold. Expected revenues to the Fish and Game Fund from these licenses would be:

	<i>Estimated Number to be Sold</i>	<i>Licenses Cost</i>	<i>Estimated Revenues</i>
<i>Services or Services/Guide Licenses:</i>			
Resident:	1,200	75	90,000
Non-resident:	500	275	137,500
<i>Guide Licenses:</i>			
Resident:	1,350	25	33,750
Non-resident:	350	75	26,250
Rebate to vendors			(4,700)
	Total ->		282,800

Assumptions:

- 1) The number of services licenses to be sold is based on the number of businesses which registered with the Department during 1996 to conduct sport fishing guide activities. During 1996, 1,700 businesses registered with the department to conduct sport fish guiding activities in the state. About 70%, or 1,200 of these businesses were resident.
- 2) The number of guide licenses to be sold is based on the number of guides which businesses registered with the Department during 1996 to conduct sport fishing guide activities for them. During 1996, 3,391 guides were registered with the department to conduct sport fish guiding activities in the state. 1,700 of these could obtain a combined services/guide license, leaving 1,700 that could purchase a guide license. About 80% of the registered guides were residents.
- 3) Since the guide license will be sold through the existing license vendor system, 5% of the revenue (\$3,000) plus \$1 per license (\$1,700) will be retained by the vendors. Thus \$4,700 must be subtracted from the total.
- 4) Most of the revenues will be received in the first half of each calendar year.

#1A

AMENDMENT

OFFERED IN THE HOUSE  
TO: CSHB 19(RES)

BY REPRESENTATIVE MULDER

- 1 Page 1, line 4, through page 3, line 15:
- 2 Delete all material.
  
- 3 Page 3, line 16:
- 4 Delete "Sec. 2."
- 5 Insert "Section 1."
  
- 6 Renumber the following bill sections accordingly.

*Failed*

- 
- 7 Page 4, line 4, following "bond;":
  - 8 Insert "and"

*1B*

- 9 Page 4, line 5:
- 10 Delete "; and"
- 11 Insert "."

*passed*

- 12 Page 4, lines 6 - 8:
- 13 Delete all material.

- 14 Page 5, line 2, following "license;":
- 15 Insert "and"

- 16 Page 5, line 3:
- 17 Delete "; and"
- 18 Insert "."

- 1 Page 5, lines 4 - 6:
- 2 Delete all material.
  
- 3 Page 8, line 17:
- 4 Delete "sec. 3"
- 5 Insert "sec. 2"
  
- 6 Page 8, line 18:
- 7 Delete "sec. 3"
- 8 Insert "sec. 2"
  
- 9 Page 8, line 22:
- 10 Delete "sec. 3"
- 11 Insert "sec. 2"
  
- 12 Page 8, line 23:
- 13 Delete "sec. 3"
- 14 Insert "sec. 2"
  
- 15 Page 8, line 28:
- 16 Delete "sec. 3"
- 17 Insert "sec. 2"
  
- 18 Page 8, line 29:
- 19 Delete "Section 4"
- 20 Insert "Section 3"
  
- 21 Page 8, line 30:
- 22 Delete "sec. 4"
- 23 Insert "sec. 3"

AMENDMENT

#2  
Adopted  
no lobby

OFFERED IN THE HOUSE

TO: CSHB 19(RES)

1 Page 2, line 22, following "regulating":

2 Insert "the sport fishing services industry and"

3 Page 3, lines 13 - 15:

4 Delete ";

5 (17) regulating the sport fishing services industry as needed for the  
6 conservation, development, and utilization of fishery resources"

AMENDMENT

#3

OFFERED IN THE HOUSE

TO: CSHB 19(RES)

no/obj  
Adopt

- 1 Page 8, lines 17 - 28:
- 2 Delete all material.
- 3 Renumber the following bill sections accordingly.

# HB 19 fee differential issue

The resident/nonresident fee differential may be subject to challenge under Privileges and Immunities Clause of the United States Constitution.<sup>1</sup> That Clause provides "[t]he citizens of each state shall be entitled to all privileges and immunities of citizens in the several states." Art. IV, sec. 2, United States Constitution. Unless the discrimination is closely related to the advancement of a substantial state interest, the Privileges and Immunities Clause prohibits the states from offering less favorable treatment to nonresidents than residents if the activity in question is basic to the livelihood of the nation. Carlson v. State, 798 P.2d 1269, 1274 (Alaska 1990) (citation omitted). The privilege of doing business on terms of substantial equality is this type of activity.. Id.

In Toomer v. Witsell, the Supreme Court held that it is permissible "to charge nonresidents a differential which would merely compensate the State for any added enforcement burden they may impose or for any conservation expenditures from taxes which only residents pay." 334 U.S. 385, 398 (1948). When considering resident/nonresident fee differentials imposed on commercial fishers, the Alaska Supreme Court has expanded on this holding:

The proper focus in our view is on whether residents and similarly situated nonresidents are being treated with substantial equality.) The appropriate inquiry is thus whether all fees and taxes which must be paid to the state by a nonresident to enjoy the state-provided benefit are substantially equal to those which must be paid by similarly situated residents when the resident's pro rata shares of state revenues to which nonresidents make no contribution are taken into account.

Carlson v. State, 798 P.2d 1269, 1268 (Alaska 1990).

---

<sup>1</sup> The fee differential may also be subject to challenge under the Equal Protection Clause of the United States Constitution. However, because the standards satisfying the Privileges and Immunities Clause are significantly more demanding than those for the Equal Protection Clause, we believe that if the guide/operator fee differential satisfies the former it will also satisfy the later.

We are not aware of any evidence indicating that it is significantly more expensive for the state to license a nonresident than a resident or that residents contribute more to sport fish production than do nonresidents. The fee differentials may serve the legitimate interest of requiring nonresident guides and operators to pay their fair share of the costs of administering the guide/operator system.<sup>2</sup> However, more than mere assumptions will be necessary to defend the fee differential if it is challenged. Id. at 1275. The method for crediting residents with state revenues to which only they contribute is complex, and under the most recent decision in Carlson, 919 P.2d 1337 would involve only analysis of the contributions by resident and nonresident guides and operators, not total contributions by the state. Id. at 1343-44.<sup>3</sup> If the fee differential is successfully challenged, the state may be forced to refund the additional amounts paid by nonresidents.

---

<sup>2</sup> General fund expenditures go into the maintenance of habitat and into fish management and enforcement of fishing regulations, and state residents have foregone development opportunities by maintaining fish habitat, but under the analysis applied by the Alaska Supreme Court in Carlson, it is not clear that these costs would be considered. It is likely that only costs relating to licensing and administering the activities of licensees would be relevant under the Carlson analysis.

<sup>3</sup> The case of Carlson v. State, involving a challenge to the commercial fishing 3:1 fee differential, has been in litigation since 1984 and is still unresolved.

December 16, 1996

Senator Miller  
Representative Phillips  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

*Senator Miller and Representative Phillips,*

*The Alaska Board of Fisheries has increasingly been discussing issues regarding the growth of the sport fishing guide industry in Alaska and its implications on fish allocation and management. Resolution of many of these issues, however, is hampered by the lack of information regarding this industry in many parts of Alaska. Both legislative and regulatory actions are required to remedy the lack of information to ensure informed decisions are made with respect to this industry. The Board of Fisheries can make regulatory changes, and is currently considering several proposals to accomplish this. One item that requires legislative action is the development of a statewide licensing and reporting system for sport fishing guide services and guides. Legislation to accomplish this was debated during the last legislative session in the form of HB 175, sponsored by Representative Austerman. Unfortunately, the legislation passed the State House but failed to pass the State Senate in 1996. The legislation has been pre-filed this session by Representative Austerman.*

*The Alaska Board of Fisheries supports this legislation. Both the Board and the task force believe that a comprehensive licensing system is needed to better define this diverse industry. The proposed licensing system provides needed definitions for companies and individuals who provide sport fishing guiding, chartering, and outfitting services. Through such definitions, it is hoped that the industry can be more fully identified and organized. It is also believed that the definitions will close loopholes in current definitions, thereby providing a level playing field for the industry and for better enforcement of regulations pertaining to sport fishing guides and charters. It is also believed that comprehensive licensing will add stability to this economically important industry which supports many jobs throughout Alaska. Insurance requirements for companies and safety requirements for guides are stipulated to assure that anglers utilizing this industry are protected and a professional level of service is maintained. The proposed license package also establishes fees and reporting requirements that provide the needed*

COMMISSIONERS:

RICHARD J. BEAMISH  
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INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA

AND THE UNITED STATES OF AMERICA

DIRECTOR  
DONALD A. MCCAUGHNAN

P.O. BOX 95009  
SEATTLE, WA 98145-2009

TELEPHONE  
(206) 634-1838

FAX:  
(206) 632-2923

February 13, 1997

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FEB 20 1997

Ans'd.....

Representative Alan Austerman  
Capitol, Room 434  
Juneau, Alaska 99801

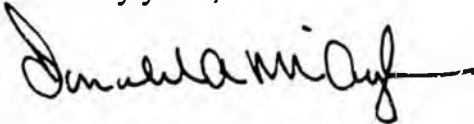
Dear Representative Austerman:

The International Pacific Halibut Commission wishes to inform you that we strongly support House Bill No. 19 dealing with sports fish reporting.

The Commission requires accurate estimates of halibut sports fish removals in Alaska. The Alaska Department of Fish and Game has always been very cooperative in producing annual estimates, and this bill will assist the department in increasing the level of accuracy.

Thank you for your support of fisheries conservation issues.

Sincerely yours,



Donald A. McCaughran  
Director

DAM:ps  
Encls.

February 22, 1997

Mr. Austerman  
House Special Committee on Fisheries  
Juneau, Alaska

Dear Mr. Austerman,

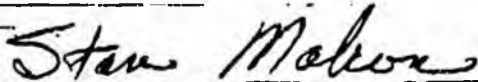
We would like to state our support for HB-19 WORK DRAFT dated 2/18/97. This support represents the position of the following SE Alaskan charterboat associations:

Petersburg Charter Boat Association, Juneau Charter Boat Operators Association, Prince of Wales Charter Association, and Sitka Charterboat Operators Association

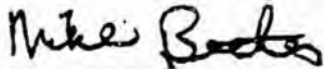
Our four organizations represent 192 vessels.

We are here in Ketchikan attending the Board of Fisheries meetings and representing our respective associations. Due to HB-73 being first on the agenda at the last teleconference and timing conflicts with the Board of Fisheries meetings, we were unable to testify. We will make every effort to attend the next teleconference.

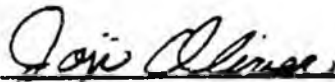
Respectfully,



President, Petersburg Charter Boat Association



President, Juneau Charter Boat Operators Association



President, Prince of Wales Charter Association



Vice President, Sitka Charterboat Operators Association

cc: Board of Fisheries Chairman - Dr. White



**REPRESENTATIVE ALAN AUSTERMAN** Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

**SPONSOR STATEMENT CS HB 19 (RES)**

The guided sport fishery is an important and rapidly growing commercial industry in the Alaska economy. The ability of the state to provide for the sustainable development and sound, sensible management of our fishery resource is dependent upon the availability of complete information upon which to base decisions.

There is a lack of data available regarding the commercial guided sport fishery in Alaska. Currently, no uniform licensing procedure for sport fish guides exists in Alaska. Registration of the guides themselves is required on a few rivers, but not everywhere. Thus, we do not have complete information about who is actively engaged in commercial sport fish guiding, how many clients are served, what the catch rates are, and what rivers, streams and marine waters are being utilized.

Without a means for gathering information, it is impossible to monitor the activity or growth of the commercial sport fish fishery on a statewide basis. It is imperative for the state to have solid information to ensure the sustainable development of this commercial industry and to ensure the sound management of the fishery resources upon which this commercial industry depends.

Section 1 of HB 19 includes "the sport fishing services industry" under the authorities of the Board of Fisheries "as needed for the conservation, development and utilization of fisheries". With this language the board will have the same regulatory authority with guide business operators that it currently has with the commercial, sport, guided sport, subsistence and personal use fishing. The "guided sport" currently in existing statute has been generally interpreted to limit the board's regulatory authority over exclusively guided anglers.

HB 19 also establishes in statute a sport fish guide licensing program and requires ADFG to collect the needed information for a period of 3 years. It does not impose any limitations on the number of guides or vessels in the state, nor does it affect their activities other than having to report and carry the documentation on themselves. The cost of licensing, data gathering, analysis and enforcement will be funded by the revenues generated from the license fees. Therefore, this program will be fiscally self-sustaining.

The bill establishes three options of guide licensure: (1) A sport fishing services operator license costs \$75 for resident sport fish guide business owners and is obtainable from ADFG. An Alaska business license and proof of financial responsibility are the only requirements to obtain an operators license. (2) A fishing guide license costs \$25 for resident sport fish guides and will be readily available through ADFG's vendor licensing system. This is modeled after how commercial crew licenses are obtained. First Aid certification, North American citizenship, and a Coast Guard 6-pack license, if required, are the only requirements for the guide license. (3) We have also provided a third alternative in which an individual could obtain both guide and operator licenses as one combined license for \$75 from the department to accommodate the many one-person operations.

Each person who plans to engage in sport fish guiding, both on fresh and salt water, from a vessel or otherwise, will be required to purchase a license. The sport fish division of ADFG will develop reports which license holders will be required to submit. This will enable the state to build a databank regarding the commercial guided sport fishery.

This legislation, then HB 175, passed the House last year with a vote of 36 to 4, but did not make it all the way through the Senate before the session ended. I feel that HB 19 is a piece of forward looking legislation which, 5, 10 and 20 years from now, the charter industry and our state's resources will benefit as a result of it's passage. It is time to acknowledge this important growing industry and make sure that management decisions can be based on complete information.

March 13, 1997



**Katmailand**  
**Inc.**

Representative Scott Ogan  
Co-Chair House Resources  
House of Representatives  
Juneau, Alaska 99801

Subject, **HB 19, Sportfishing guide licensing and regulations**

Dear Representative Ogan,

I believe that the Sport Fishing industry is just that, an industry. I also believe that as an industry the sport fishing community needs licensing and certain regulations to help both the industry and the State of Alaska.

I support the thrust of HB 19, but I am completely opposed to the current language that gives the Board of Fisheries the authority to act as an Occupational Licensing Board for the sport fishing industry.

Specifically, on page 3, lines 14-16, "**regulating the sportfishing services industry as needed for the conservation, development, and utilization of fishery resources, the safety of clients of the industry, or the protection of the integrity of the industry.**" and on page 5, lines 8-11, "**satisfies additional requirements adopted by the Board of Fisheries that the board finds necessary for the conservation, development, and utilization of the fishery resources of the state, the safety of clients of the sport fishing services industry, or the protection of the integrity of the sport fishing services industry**" is language that gives the Board of Fisheries absolute authority to act as an occupational licensing board.

I'm sure I do not need to point out to you the debacle of the big game commercial services board. We do not need such a problem in the sport fishing industry. To try to make a short analogy, the big game commercial services board ended up with a very flat tire. I'd hate to see you install the same flat tire onto the sport fishing industry prior to having the flat repaired.

*Located in Katmai National Park*

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I support HB 19 without this language. I cannot support HB 19 as it is currently written. I urge you to amend the language specified above out of HB 19. With this minor change you have our total support.

A handwritten signature in cursive script, appearing to read "Bo Bennett".

Griffith W. (Bo) Bennett,  
Manager, Kulik Lodge  
Katmailand, Inc.

To: Mr. Davis, Committee members,

Re; HB 19 Testimony

From: Robert Ward, Box 631 Anchor Point, AK. 99556

I am a Halibut and Salmon recreational fishing guide operating from Homer, AK. I am presently the Secretary/Treasure for the Homer Charter Association, I am also serving on the Board of Fish Guide Task Force, and I am on the Board of Directors of the Alaska Sportfishing ~~Services~~ Industry Association, and in February of this year I was appointed to the Advisory Panel to the North Pacific Fishery Management Council representing Halibut Charter Industry members.

I am committed to the elevation of the level of professionalism within my industry. I have eleven years operation my own business and vessel and I know of no other Alaskan so dedicated to this cause.

I am comfortable with the amendments offered to HB 19 and I have faith in the Board of Fish process with minor exceptions. We need the inclusion of a vehicle to assure a balance of representation at the advisory committee between the commercial and the guide industries when decisions are acted upon.

License limitation is not a part of this bill nor is it intended to be.

HB 19 is about data collection of the participation levels by guides and the collection of effort and harvest levels of those utilizing our services.

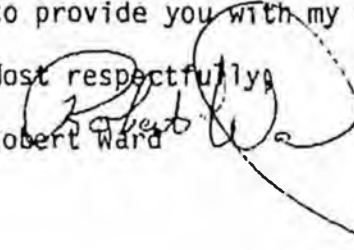
We desperately need the State of Alaska to take this action to help the North Pacific Fishery Management Council in the management of the resources we provide access to. We are facing a commercially predominant management body that is very naive to the composition and profile of the recreational fishery in waters under their jurisdiction. They need this legislation to provide the information they need to make their management decisions. I don't want under-informed and mis-informed resource managers to manage my state industry. I have the University of Alaska Institute of Social and Economic Research analysis of the Halibut Charter Industry here with me and it is 900 pages of assumptions and estimations with which the NPFMC is about to make a decision impacting my industry upon. Had HB 19 been available to us along with the information it would provide I would have a much easier job representing my industry. As an example it "estimates" between 500 and 2055 Halibut Charterboats operating from State of Alaska ports.

Please advance this bill in a form that will assure us that this tool will be available to both State and Federal resource managers.

I wish to apologize for the condition of my testimony, the LIO office in Anchorage only offered this typewriter to make my testimony presentable to you and without "delete" and Spellchecker I am at a disadvantage.

It is my desire and requirement of those I am representing that the above words are read into the testimony for the official record. I will have a schedule conflict with both the NPFMC and the LIO office, Anchorage so I will not be able to provide you with my voice but my thoughts are stated above.

Most respectfully,

  
Robert Ward

Post-It™ brand fax transmittal memo 7671 # of pages > /	
To (H) Finance	From Anch LIO
Co.	Co.
Dept.	Phone # 258-8111
Fax # 465-2418	Fax #

*Written (H)*

**HB**

**20**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 24, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/4/97

The FINANCE Committee considered:

HB 20

HOUSE BILL NO. 20

DOG MUSHING CONTESTS

"An Act relating to dog mushers' contests."

recommends it be replaced with the following committee substitute

CS HB 20 (FIN)

the same title  
 a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) Revenue 1/24/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>[Signature]</i>	FOSTER	X			
<i>[Signature]</i>	MULDER	X			
<i>[Signature]</i>	G. DAVIS	X			
<i>[Signature]</i>	Grussendorf	X			
<i>[Signature]</i>	J. DAVIS	X			
<i>[Signature]</i>	Hanley		<del>X</del>	X	
<i>[Signature]</i>	Therriault			X	
<i>[Signature]</i>	MOSES	X			
<i>[Signature]</i>	Martin		X		
<i>[Signature]</i>	Kelly		X	X	

CO-CHAIR'S SIGNATURE

*[Signature]*  
Hanley

*[Signature]*  
Therriault

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Dog Musher's Contests BRU: Revenue Operations  
 Component: Charitable Gaming Division  
 Sponsor: Rep. Ivan  
 Requestor: (H) STA COMPONENT SERIAL NO. 1883

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

House Bill 20 limits the conduct of a dog mushers' contest to a dog mushers' association. It also adds to the definition of a dog mushers' contest to allow a raffle-like guessing game.

The Department of Revenue, Charitable Gaming Division does not anticipate any changes in program receipts in respect to this bill.

Prepared by: Dennis R. Poshard, Director *DRP* Phone: 465-2279  
 Division: Charitable Gaming Division *[Signature]* Date: January 14, 1997  
 Approved by Commissioner: Wilson L. Condon *[Signature]* Date: 1/14/97  
 Agency: Revenue

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**COMMITTEE COPY**

amended #1

HOUSE BILL NO. 20

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE IVAN

Introduced: 1/13/97

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to dog mushers' contests."

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

3 \* Section 1. AS 05.15.180(b) is amended to read:

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

12 \* Sec. 2. AS 05.15.690(12) is amended to read:

13 (12) "dog mushers' contest" means a

14 (A) contest, conducted by a dog mushers' association, in  
15 which prizes are awarded for the correct guess of the racing time of a dog team

1 or of team position in the race, including prizes to the race contestants; or  
2 (B) a game of chance, conducted by a dog mushers'  
3 association, in which a prize of money is awarded for the closest guess or  
4 guesses of at least three elements of uncertainty about a sled dog race that  
5 cannot be determined before the commencement of the race; of the three  
6 elements of uncertainty, one element must be identified as the primary  
7 determinant of success, with the other two elements being used as  
8 secondary and tertiary determinants if there are multiple correct guesses  
9 of the primary determinant;

10 \* Sec. 3. Section 6, ch. 13, SLA 1995, is repealed and reenacted to read:

11 Sec. 6. AS 05.15.180(b) is repealed and reenacted to read:

12 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain  
13 classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests,  
14 snow machine classics, canned salmon classics, salmon classics, king salmon classics,  
15 an activity may not be licensed under this chapter unless it existed in the state in  
16 substantially the same form and was conducted in substantially the same manner before  
17 January 1, 1959. A snow machine classic may not be licensed under this chapter  
18 unless it has been in existence for at least five years before the licensing.

adopted N/O

2-9-97  
handout 1  
HB20

**AMENDMENT TO HOUSE BILL 20**

#1

Offered in the House Finance Committee

By R. Thernawlt

Page 1, Line 14: Delete "conducted by a dog mushers' association,"

*[Handwritten signature]*

# Alaska State House of Representatives House District 39



Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
Phone: (907) 465-4942

Interim  
P.O. Box 137  
Akiak, Alaska 99552  
Phone: (907) 765-7526

**Representative Ivan M. Ivan**

## SPONSOR STATEMENT - HOUSE BILL 20

House Bill 20 would authorize dog mushers' associations, which run races recognized by the Division of Charitable Gaming, to conduct statewide games of chance. The division recognizes those associations which have been in existence for at least three years, have at least 25 Alaskan members and be a not for profit organization. Prizes may be awarded for the closest guesses of at least three elements of uncertainty about a sled dog race that cannot be determined before the start of the race. The intent is to provide a mechanism to assist race organizing committees to become financially self-sufficient.

High profile protests from animal rights activists have caused important corporate sponsors to withdraw financial support. House Bill 20 would create a sweepstakes similar to that currently being used by the Iditarod Race Committee and, hopefully, allow sled dog races which do not have strong financial backing to continue.

House Bill 20 will allow contestants to purchase raffle tickets on which the contestant would guess the checkpoints and finish line arrival times, the temperature when the a particular team crosses the finish line, total number of dogs that finish the race, etc. The dog mushers' associations will administer the mushers' contests in conjunction with state regulatory authority.

Akiachak • Akiak • Aleknagik • Amnautluak • Bethel • Cheformak • Clark's Point • Dillingham • Eek • Ekuk • Ekwok • Goodnews Bay • Kasigluk • Kipnuk • Kolliganek • Kongiganak • Kwethluk • Kwigillingok • Manokotak • Napakiak • Napaskiak • New Stuyahok • Nunapitchuk • Oscarville • Platinum • Portage Creek • Quinhagak • Togiak • Tuntutuliak • Twin Hills

**Alaska State House of Representatives  
House District 39**



Session  
Alaska State Capital  
Juneau, Alaska 99801-1182  
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**Representative Ivan M. Ivan**

**SECTIONAL ANALYSIS - HOUSE BILL 20**

**Section 1:** Amends AS 05.15.180(b) by adding dog mushers' contests to the list of permissible activities.

**Section 2:** Amends AS 05.15.690(12) by adding dog mushers' association and adding that a game of chance may be conducted by the association in conjunction with the race.

**Section 3:** Repeals and reenacts AS 05.15.180 (b). This new section reverts to original statute to include dog mushers' contests due to the sunset clause which was adopted with the passage of House Bill 146 in 1995.

PERMITTEE

Tuesday January 14, 1997

8:47 AM

Page 1

PERMIT NUMBER	THE ORGANIZATION	ADDRESS	PERM CITY	PERM STATE	PERM ZIP	PERMITTEE TYPE
60010	GREATER ANCHORAGE, INC.	327 EAGLE STREET	ANCHORAGE	AK	99501	PERMITTEE
960018	KUSKOKWIM 300 RACE COMMITTEE, INC.	P.O. BOX 300	BETHEL	AK	99559	PERMITTEE
960077	MONTANA CREEK DOG MUSHERS ASSOC. INC.	P.O. BOX 873278	WASILLA	AK	99687	PERMITTEE
960121	NOORVIK SPORTS CLUB	P.O. BOX 141	NOORVIK	AK	99763	PERMITTEE
960128	YUKON QUEST INTERNATIONAL	P.O. BOX 75015	FAIRBANKS	AK	99707	PERMITTEE
960131	IDITAROD TRAIL COMMITTEE, INC.	P.O. BOX 870800	WASILLA	AK	99687	PERMITTEE
960253	TANANA DOG MUSHERS ASSN	PO BOX 55	TANANA	AK	99777	PERMITTEE
960313	GREATER FAIRBANKS CHAMBER OF COMMERCE	250 CUSHMAN STREET SUITE 2 D	FAIRBANKS	AK	99701	PERMITTEE
960333	KIANA BLUFF JUMPERS SEARCH & RESCUE	P.O. BOX 74	KIANA	AK	99749	PERMITTEE
960408	CHISTOCHINA VILLAGE COUNCIL	PO BOX 241	GAKONA	AK	99586	PERMITTEE
960434	ALPINE CIVIC CLUB	P.O. BOX 344	SUTTON	AK	99674	PERMITTEE
960521	CITY OF MOUNTAIN VILLAGE	P.O. BOX 32085	MOUNTAIN VILLAGE	AK	99 32	PERMITTEE
960549	ST MARYS FIRE DEPARTMENT	P.O. BOX 163	ST. MARYS	AK	99658	PERMITTEE
960635	NOME KENNEL CLUB	P.O. BOX 1892	NOME	AK	99762	PERMITTEE
960660	CHATANIKA NONPROFIT COMMUNITY COUNCIL	5760 OLD STEES HWY NORTH	FAIRBANKS	AK	99712	PERMITTEE
960818	INTERIOR DOG MUSHERS, INC.	P.O. BOX 30	MANLEY	AK	99756	PERMITTEE
960854	ALASKAN SLED DOG RACING ASSOCIATION	P.O. BOX 110569	ANCHORAGE	AK	99511	PERMITTEE
960994	GALENA DOG MUSHERS	PO BOX 14	GALENA	AK	99741	PERMITTEE
961051	CITY OF HUSLIA	P.O. BOX 10	HUSLIA	AK	99746	PERMITTEE
961062	NORTHWAY VILLAGE COUNCIL	P.O. BOX 476	NORTHWAY	AK	99764	PERMITTEE
961133	ALASKA DOG MUSHERS ASSOCIATION	PO BOX 70662	FAIRBANKS	AK	99707	PERMITTEE
961176	VENETIE VILLAGE COUNCIL	P.O. BOX 119	VENETIE	AK	99781	PERMITTEE
961279	BRISTOL BAY WINTERFEST	P.O. BOX 433	KING SALMON	AK	99613	PERMITTEE
961283	SHISHMAREF DOG MUSHERS ASSOCIATION (DONT	GENERAL DELIVERY	SHISHMAREF	AK	99772	PERMITTEE
961285	KING SALMON NATIVE ASSOCIATION	P.O. BOX 68	KING SALMON	AK	99613	PERMITTEE
961407	NORTHERN LIGHTS BADGER LIONS	P.O. BOX 58117	FAIRBANKS	AK	99711	PERMITTEE
961544	AURORA INTERNATIONAL****SEE COMMENTS****	P.O. BOX 520581	BIG LAKE	AK	99652	PERMITTEE
961580	HUSLIA HUSLER'S SPORTS ASSOCIATION	P.O. BOX 64	HUSLIA	AK	99746	PERMITTEE
961592	FAIRBANKS CONVENTION & VISITORS BUREAU	550 FIRST AVENUE	FAIRBANKS	AK	99701	PERMITTEE
961650	MUSHERS CLUB	P.O. BOX 21	RUSSIAN MISSION	AK	99657	PERMITTEE
961688	IDITAROD ELEMENTARY SCHOOL	801 N WASILLA FISHHOOK RD	WASILLA	AK	99654	PERMITTEE
961784	ALASKA BIRD OBSERVATORY	P.O. BOX 80505	FAIRBANKS	AK	99709	PERMITTEE

ISSUE PERMIT)

Sec. 05.15.180. Limitations on authorized activity.

(a) This chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the department.

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics, goose classics, mercury classics, deep freeze classics, snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics, king salmon classics, an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A snow machine classic may not be licensed under this chapter unless it has been in existence for at least five years before the licensing.

(c) [Repealed, sec. 5 ch 105 SLA 1995].

(d) The total value of door prizes offered or awarded under authority of a permit issued to a municipality or qualified organization under this chapter or under authority of a multiple-beneficiary permit may not exceed \$20,000 a month or \$240,000 a year.

(e) The total value of all door prizes offered or awarded at a single facility or bingo hall or parlor by an operator on behalf of authorizing permittees may not exceed \$20,000 a month or \$240,000 a year.

(f) A person under the age of 19 years may not play a bingo game.

(g) A municipality or a qualified organization may award a maximum of \$1,000,000 in prizes each year in activities authorized under this chapter; however, if a municipality or a qualified organization contracts with an operator to conduct on its behalf activities authorized under this chapter, the municipality or qualified organization may award a maximum of \$500,000 in prizes each year. The holders of a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in prizes each year of \$1,000,000 times the number of holders of the permit for activities authorized under this chapter. In this subsection "activities authorized under this chapter" means all activities subject to this chapter other than bingo.

History -

(sec. 2 ch 27 SLA 1960; am sec. 3 ch 66 SLA 1976; am sec. 5, 6 ch 59 SLA 1983; am sec. 2 ch 93 SLA 1986; am sec. 3 ch 94 SLA 1986; am sec. 20, 21 ch 99 SLA 1988; am sec. 4 ch 24 SLA 1991; am sec. 23 - 25 ch 70 SLA 1993; am E.O. No. 82 sec. 12, 13 (1993); am sec. 3 ch 16 SLA 1994; am sec. 5 ch 13 SLA 1995; am sec. 3 ch 104 SLA 1995; am sec. 3 - 5 ch 105 SLA 1995)

Delayed Action -

of subsection (b). - Under sec. 6, ch. 13, SLA 1995, effective January 1, 2000, subsection (b) is amended to delete the reference to mushing sweepstakes.

Amendment Notes -

The 1991 amendment, effective June 11, 1991, in subsection (b), inserted "king salmon classics."

The first 1993 amendment, effective June 26, 1993, inserted "or under authority of a multiple-beneficiary permit" in subsection (d); deleted "or by a permittee in conjunction with other permittees" preceding "may not exceed" in subsection (e); and added the second sentence in subsection (g).

The second 1993 amendment, effective July 1, 1993, substituted "department" for "commissioner" in subsection (a) and in paragraph (c)(4).

The 1994 amendment, effective April 30, 1994, inserted "canned salmon classics," in

subsection (b).

The first 1995 amendment, effective July 31, 1995, inserted "mushing sweepstakes," in subsection (b).

The second 1995 amendment, effective July 1, 1995, in subsection (b), inserted "deep freeze classics, snow machine classics," in the first sentence and added the second sentence.

The third 1995 amendment, effective October 6, 1995, in subsection (a), deleted "Except as provided in AS 05.15.100(b)," from the beginning; in subsection (b), deleted "and other activities authorized under AS 05.15.100(b)," following "salmon classics"; and repealed subsection (c), relating to limitations on the operation activities licensed under AS 05.15.100(b).

AG Opinions -

Opinions of attorney general. - The limitation in subsection (a) on machines intended primarily for gaming or gambling applies to token-operated bingo machines. November 6, 1987, Op. Att'y Gen.

Decisions -

Computerized bingo games. - Commissioner [now department] properly denied an application for permission to operate computerized bingo games after reasonably interpreting the statutes to authorize a game played with mechanical rather than electronic devices. *Malone v. Anchorage Amateur Radio Club, Inc.*, 781 P.2d 576 (Alaska 1989).

Quoted in *PinBall Mach., Serial No. 2334 v. State*, 371 P.2d 805 (Alaska 1962).

Sec. 05.15.690. Definitions.

In this chapter

(1) "adjusted gross income" means gross income less prizes awarded and state, federal, and municipal taxes paid or owed on the income;

(2) "authorizing permittee" means a municipality or qualified organization that authorizes an operator to conduct an activity subject to this chapter on its behalf;

(3) "bingo" means a game of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, five or more in one line, the holder covering numbers when objects similarly numbered are drawn from a receptacle, and the game being won by the person who first covers a previously designated arrangement of numbers on the card;

(4) "canned salmon classic" means a game of chance where a prize of money is awarded to the closest guess of the total number of cases of canned salmon that will be packed at the Petersburg salmon canneries during a certain period of time and is limited to the canned salmon classic operated and administered by the Petersburg Chamber of Commerce;

(5) "charitable organization" means an organization, not for pecuniary profit, that is operated for the relief of poverty, distress, or other condition of public concern in the state;

(6) "civic or service organization" means any branch or lodge or chapter of a national or state organization that is a civic or service organization, not for pecuniary profit, and authorized by its written constitution, charter, or articles of incorporation, or bylaws to engage in a fraternal, civic, or service purpose in the state;

(7) "contest of skill" means a contest or game in which prizes are awarded for the demonstration of human skills in marksmanship, races, and other athletic events;

(8) "deep freeze classic" means a game of chance where a prize of money is awarded to the closest guess of the date, time, and temperature of the lowest temperature recorded at a specific location in the Delta Junction area on the coldest day during December through February, inclusive, and is limited to the deep freeze classic operated and administered by the Delta Chamber of Commerce;

(9) "department" means the Department of Revenue;

(10) "distribute" means sell, distribute, furnish, or supply;

(11) "dog mushers' association" means a civic, service, or charitable organization in the state, not for pecuniary profit, formed exclusively to promote interest in the breeding and training of dog teams for work or recreational and racing purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(12) "dog mushers' contest" means a contest in which prizes are awarded for the correct guess of the racing time of a dog team or of team position in the race, including prizes to the race contestants;

(13) "educational organization" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction;

(14) "established village" means an unincorporated community that is in

(A) the unorganized borough and that has 25 or more permanent residents;

or

(B) an organized borough, has 25 or more permanent residents; and

(i) is on a road system and is located more than 50 miles outside

the boundary limits of a unified municipality; or  
(ii) is not on a road system and is located more than 15 miles  
outside the boundary limits of a unified municipality;

(15) "fishing derby association" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(16) "fish derby" means a contest in which prizes are awarded for catching fish;

(17) "fraternal organization" means a civic, service, or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, that is a branch or lodge or chapter, of a national or state organization and exists for the common business, brotherhood, or other interest of its members;

(18) "fund raiser or consultant" means a person who provides advice or technical assistance in support of or concerning the conduct of gaming activities under this chapter, whether the person is or is not an employee of a licensee;

(19) "goose classic" means a game of chance where a prize of money is awarded for the closest guess of the time of the arrival of the first goose in spring to Creamer's Field in Fairbanks or to the Kenai River Flats near Kenai and is limited to the goose classics operated and administered

(A) jointly or by either the Fairbanks Montessori Association or the Friends of Creamer's Field; and

(B) by the Kenai Chamber of Commerce;

(20) "governing body" has the meaning given in AS 29.71.800;

(21) "gross receipts" means receipts from the sale of shares, tickets, or rights connected with participation in any activity permitted under this chapter or the right to participate, including admission, fee or charge, sale of equipment or supplies, and all other miscellaneous receipts;

(22) "ice classic" means a game of chance where a prize of money is awarded for the closest guess of the time the ice moves in a body of water or watercourse in the state and is limited to the Nenana and Chena Ice Pools in the same manner as they were conducted in 1959 and previous years, a Kuskokwim Ice Classic to be operated and administered by Bethel Social Services, Inc., a Kenai River Ice Classic to be operated and administered by the Kenai and Soldotna Rotary Clubs jointly or by either the Kenai Rotary Club or the Soldotna Rotary Club, a Yukon River Ice Classic to be operated and administered by the City of Fort Yukon, an Alaska-Soviet Ice Classic to be operated and administered jointly by CAMAI, Inc., and the City of Diomed, a Big Lake Ice Classic to be operated and administered by the Houston Junior-Senior High School Booster Club and the Big Lake Chamber of Commerce jointly or by either the Houston Junior-Senior High School Booster Club or the Big Lake Chamber of Commerce, and a McGrath Ice Classic to be operated and administered by the Kuskokwim Public Broadcasting Company;

(23) "ideal net" means an amount equal to the total amount of receipts that would be received if every individual pull-tab ticket in a series were sold at face value, less the prizes to be awarded for that series;

(24) "king salmon classic" means a game of chance where a prize of money is awarded for the closest guess of the time of the arrival of the first king salmon of the year at a designated spot on the fish ladder in the Douglas Island Pink and Chum hatchery at Salmon

Creek in Juneau and is limited to the king salmon classic operated and administered by the Greater Juneau Chamber of Commerce;

(25) "labor organization" means an organization, not for pecuniary profit, constituted wholly or partly to bargain collectively or deal with employers, including the state and its political subdivisions, concerning grievances, terms, or conditions of employment or other mutual aid or protection in connection with employees;

(26) "managerial or supervisory capacity" means that the employee

(A) is responsible for gaming receipts;

(B) has the authority to hire employees or to dismiss or otherwise discipline them;

(C) prepares financial reports required under this chapter,

(D) is responsible for keeping the accounts for activities under this chapter;

(E) is responsible for conducting activities under this chapter, including the arranging for locations at which those activities will occur; or

(F) is a fund raiser or a consultant;

(27) "mercury classic" means a game of chance where a prize of money is awarded for the closest guess of the time the temperature reaches a certain degree and is limited to the mercury classic operated and administered by the Greater Fairbanks Chamber of Commerce or jointly, in the discretion of the Greater Fairbanks Chamber of Commerce, by the Greater Fairbanks Chamber of Commerce and the Fairbanks Convention and Visitors' Bureau;

(28) "mushing sweepstakes" means a game of chance where a prize of money is awarded for the closest guess or guesses of at least three elements of uncertainty about a sled dog race that cannot be determined before the commencement of the race, and is limited to the Iditarod Sweepstakes operated and administered by the Iditarod Trail Committee;

(29) "net proceeds" means the gross receipts from an authorized activity less the fee described in AS 05.15.020(b), the expenses authorized by AS 05.15.160, and the prizes awarded at the activity;

(30) "numbers wheel" means any electronic, mechanical, or other device with numbers or other figures that are selected randomly and used in a game of chance in which the outcome is determined by the number or figure selected by the device; not including games in which a hamster or other animal is placed in an enclosure with several numbered exit holes and the winner is determined by which hole the hamster or other animal exits, or slot machines or other devices that operate by insertion of a coin or other object that may entitle the person operating the machine to receive a prize by strict dependence on the element of chance;

(31) "operator" means a natural person who, or a municipality or qualified organization that, has obtained a license to conduct an activity subject to this chapter on behalf of a permittee;

(32) "permittee" means a municipality or a qualified organization that holds a valid permit under AS 05.15.100;

(33) "police or fire department and company" means a civic, service, or charitable organization in the state, not for pecuniary profit, consisting of members of a police department or fire company established by the state or a political subdivision of the state;

(34) "political organization" means an organization or club organized under or formally affiliated with a political party as defined in AS 15.60.010;

(35) "pull-tab game" means a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random;

(36) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, veterans, labor, political, or educational organization, police or fire department and company, dog mushers' association, outboard motor association, or fishing derby or nonprofit trade association in the state, that operates without profits to its members and that has been in existence continually for a period of three years immediately before applying for a license; the organization may be a firm, corporation, company, association, or partnership;

(37) "raffle and lottery" means the selling of rights to participate and the awarding of prizes in a game of chance conducted by the drawing for prizes by lot;

(38) "rain classic" means a game of chance in that a prize is awarded for the closest guess of the amount of precipitation that is recorded at a certain location during a certain length of time;

(39) "religious organization" means an organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship, and religious observances, or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place and that is recognized as a religious organization under the federal income tax laws and the selective service law;

(40) "salmon classic" means a game of chance, to be operated and administered by the United Fishermen of Alaska, in which a prize of money is awarded for the closest guess of the total number of salmon harvested commercially statewide, as determined by the Department of Fish and Game, during a certain period of time;

(41) "series" means a unit of pull-tabs with the same serial number;

(42) "snow machine classic" means a (A) contest in which prizes are awarded for the correct guess of the racing time of a snow machine or of the snow machine's position in the race, including prizes to the race contestants; or (B) game of chance where a prize of money is awarded for the closest guess or guesses of at least three elements of uncertainty about a snow machine race that cannot be determined before the commencement of the race; in this paragraph, "race" includes a race solely among snow machines or a race among teams consisting of a combination of a person involved in a contest of skill and a snow machine;

(43) "vendor" means a business whose primary activity is not regulated by this chapter but that

(A) is engaged in the sale of pull-tabs on behalf of a permittee;

(B) holds a business license under AS 43.70; and

(C) is an establishment holding a

(i) beverage dispensary license under AS 04.11.090 that has not been designated by the Alcoholic Beverage Control Board under AS 04.16.049(a)(2) - (3), has not been exempted by the Department of Labor under AS 04.16.049(c) and AS 23.10.355, and if the establishment is a hotel, motel, resort, or similar business that caters to the traveling public as a substantial part of its business, does not allow the sale of pull-tabs in a dining room, banquet room, guest room, or other public areas other than a room in which there is regularly maintained a fixed counter or service bar

at which alcoholic beverages are sold or served to members of the public for consumption;

(ii) package store license under AS 04.11.150;

(44) "veterans organization" means a civic, service, or charitable organization in the state, or a branch or lodge or chapter of a national or state organization in the state, not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States or persons who served in the Alaska Territorial Guard.

#### History -

(sec. 1 ch 27 SLA 1960; am sec. 4, 5 ch 66 SLA 1976; am sec. 6 - 8 ch 27 SLA 1982; am sec. 8 ch 59 SLA 1983; am sec. 1 ch 27 SLA 1985; am sec. 3, 4 ch 93 SLA 1986; am sec. 4 ch 94 SLA 1986; am sec. 23 - 35 ch 99 SLA 1988; am E.O. No. 74 sec. 4, 5 (1989); am sec. 1 ch 76 SLA 1989; am sec. 1 ch 22 SLA 1990; am sec. 62 ch 21 SLA 1991; am sec. 5 ch 24 SLA 1991; am sec. 2 ch 93 SLA 1991; am sec. 1 ch 30 SLA 1992; am sec. 36 ch 70 SLA 1993; am E.O. No. 82 sec. 14, 16 (1993); am sec. 4 ch 16 SLA 1994; am sec. 7, 8 ch 13 SLA 1995; am sec. 4, 5 ch 104 SLA 1995; am sec. 1 ch 11 SLA 1996; am sec. 1 ch 98 SLA 1996)

Delayed repeal of paragraph (28). - Section 8, ch. 13, SLA 1995, repeals paragraph (28), the definition of "mushing sweepstakes", effective December 31, 1999.

#### Revisors Notes -

Formerly AS 05.15.210. Renumbered in 1994. Reorganized in 1983 to alphabetize the defined terms and in 1986, 1988, 1991, 1993, 1994, and 1995 to maintain alphabetical order. In 1994, in the definition of "vendor" "the business" was deleted from the beginning of (C) and "an establishment holding a" was deleted from the beginning of (C)(ii) to correct a manifest error in sec. 36, ch. 70, SLA 1993.

#### Amendment Notes -

The 1990 amendment added the provision for a Big Lake Ice Classic in the paragraph defining "ice classic."

The first 1991 amendment, effective June 11, 1991, repealed a definition of "municipality".

The second 1991 amendment, effective June 11, 1991, added the definition of "king salmon classic."

The third 1991 amendment, effective September 30, 1991, added "or persons who served in the Alaska Territorial Guard" at the paragraph defining "veterans organization."

The 1992 amendment, effective May 16, 1992, inserted "veterans," near the beginning of the paragraph defining "qualified organization."

The first 1993 amendment, effective June 26, 1993, added paragraphs (13), (17), (19), (22), (25), (30), and (40) (now (14)), (18), (20), (23), (26), (32), and (43), respectively.

The second 1993 amendment, effective July 1, 1993, repealed former paragraph (6) and substituted "Department of Revenue" for "Department of Commerce and Economic Development" in paragraph (8) (now paragraph (9)).

The 1994 amendment, effective April 30, 1994, added present paragraph (4).

The first 1995 amendment, effective July 31, 1995, added paragraph (42).

The second 1995 amendment, effective July 1, 1995, added the language beginning "or jointly" at the end of paragraph (26) and added paragraphs (42) and (43).

The first 1996 amendment, effective July 11, 1996, in paragraph (19), added the subparagraph designations and inserted "jointly or," "either," and "or the Friends of Creamer's

field."

The second 1996 amendment, effective September 23, 1996, added ", and a McGrath Ice Classic to be operated and administered by the Kuskokwim Public Broadcasting Company" at the end of paragraph (22).

AG Opinions -

Under AS 05.15.210 a permit may be issued which gives a qualified organization the privilege of conducting any of the designated activities. AS 05.15.040 limits the activities that may be conducted to those activities specified in the permit. Under AS 05.15.060 the commissioner [now department] has authority to further limit the number of activities which may be conducted pursuant to any permit. Therefore, absent any regulation to the contrary, a permit could be issued for more than one activity to a qualified organization. 1960 Op. Att'y Gen., No. 8.

That the term "lottery" as used in item (29) (now (37)) of this section does not include an ice pool is indicated by the express provisions of item (18) (now (20)). 1960 Op. Att'y Gen., No. 8.

While the conduct of an ice pool might come within the definition of a lottery, by the language in item (29) (now (37)) of this section, the legislature has limited a lottery to a game conducted by a drawing for prizes. 1960 Op. Att'y Gen., No. 8.

If the term lottery in item (29) (now (37)) of this section was meant to include an ice classic, then item (18) (now (22)) would be meaningless. 1960 Op. Att'y Gen., No. 8.

While there may have been other ice pools conducted prior to the date of this section, the language of item (18) (now (22)) showed that the legislature intended to authorize only two pools, the Nenana and Chena, and none other. 1960 Op. Att'y Gen., No. 8.

"Ice classics" are not exempt from the provisions of this title regulating games of chance generally. April 16, 1986, Op. Att'y Gen.

By designating specific organizations to operate the Big Lake Ice Classic, HB 323 [ch. 22, SLA 1990] might violate the constitutional prohibition against local and special legislation since Alaska Const., art. II, sec. 19, provides in part, "The legislature shall pass no local or special act if a general act can be made applicable. April 17, 1990, Op. Att'y Gen.

Promotional latex game tickets constituted pull-tab games under this chapter even though an "information product" containing information about an arctic animal was attached to the game piece and free game pieces could be obtained by mailing a request to the company, since the company's primary business was selling the game cards and the tickets had a prize structure much like traditional pull-tab games. September 2, 1992, Op. Att'y Gen.

Decisions -

Computerized bingo games. - Commissioner [now department] properly denied an application for permission to operate computerized bingo games after reasonably interpreting the statutes to authorize a game played with mechanical rather than electronic devices. *Malone v. Anchorage Amateur Radio Club, Inc.*, 781 P.2d 576 (Alaska 1989).

Taxation of pull-tabs. - Pull-tabs were intangible property not subject to Ketchikan Gateway Borough's sales tax ordinance. *Dilley v. Ketchikan Gateway Borough*, 855 P.2d 1335 (Alaska 1993).

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

To Representative IVAN:

The Interior Dog Musher's, Inc. of  
MANLEY, ALASKA ARE in complete  
support of House Bill Number 20.

Sincerely

Willow Salter  
Primary Member in charge of Gaming

Board Members:

Joe Redington, Jr. - President  
Melanie Mulligan - Vice President  
Rick Gray - Treasurer  
Heather Redington-Youngblood - Secretary  
Linda Johnson  
Ed Salter  
Lew Beyer

2/3/97

On behalf of the Tanana Dog Musher's Association, We support House Bill No. 20.

This is a good way to raise revenue for our dog races, and support our local organizations, such as library, teen center, sponsorships for local dog mushers who want to enter the Iditarod race, Yukon Quest, North American, or Fur Rendevou.

Thank-you

Tom Hyslop

TREASURER Tanana Dog Musher's.

**HB**

**20**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/9/97

REPORTED OUT  
FURTHER: SEC 4/23/97

DATE TURNED  
IN TO OFFICE: 4/23/97

Finance Committee considered CS FOR HOUSE BILL NO. 20(FIN)

"An Act relating to dog mushers' contests."

and recommends:

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

**Senate Bill:**

same title

new title

**House Bill:**

same title

technical change

new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	X	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
Co-Chair: _____		Co-Chair: <i>[Signature]</i>		✓	
Co-Chair: _____		Co-Chair: <i>[Signature]</i>			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal


**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

Revenue	1/14/97	Ø	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
Title: Dog Musers' Contests BRU: Revenue Operations  
Component: Charitable Gaming Division  
Sponsor: Rep. Ivan  
Requestor: (H) STA COMPONENT SERIAL NO. 1883

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

House Bill 20 limits the conduct of a dog musers' contest to a dog musers' association. It also adds to the definition of a dog musers' contest to allow a raffle-like guessing game.

The Department of Revenue, Charitable Gaming Division does not anticipate any changes in program receipts in respect to this bill.

Prepared by: Dennis R. Poshard, Director Phone: 465-2279  
Division: Charitable Gaming Division Date: January 14, 1997  
Approved by Commissioner: Wilson L. Condon Date: 1/14/97  
Agency: Revenue

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**Representative Ivan M. Ivan**

MEMORANDUM

TO: Senator Bert Sharp, Co-Chair  
Senator Drue Pearce, Co-Chair  
Senate Finance Committee

FROM: Representative Ivan M. Ivan *IMI*

DATE: April 9, 1997

RE: Request for Scheduling of Committee Substitute for House Bill 20  
(FIN)

I respectfully request the scheduling of CSHB 20 (FIN) : Dog Mushing Contests, before the Senate Finance Committee at your earliest possible convenience.

This bill would allow dog mushers associations to conduct statewide games of chance on sled dog races that are recognized by the Division of Charitable Gaming.

Thank you for your consideration of my request. Please do not hesitate to contact me if you require further information or if you have any questions.

IMI/tw

**Alaska State House of Representatives  
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**Representative Ivan M. Ivan**

**SPONSOR STATEMENT - COMMITTEE SUBSTITUTE FOR HOUSE BILL 20 (FIN)**

Committee Substitute for House Bill 20 (FIN) would authorize dog mushers' associations, which run races recognized by the Division of Charitable Gaming, to conduct statewide games of chance. The division recognizes those associations which have been in existence for at least three years, have at least 25 Alaskan members and be a not for profit organization. Prizes of money will be awarded for the closest guesses of at least three elements of uncertainty about a sled dog race that cannot be determined before the start of the race. The intent is to provide a mechanism to assist race organizing committees to become financially self-sufficient.

High profile protests from animal rights activists have caused important corporate sponsors to withdraw financial support. Committee Substitute for House Bill 20 (FIN) would create a sweepstakes similar to one passed by the previous legislature for the Iditarod Race Committee and, hopefully, allow sled dog races which do not have strong financial backing to continue.

Committee Substitute for House Bill 20 (FIN) will allow contestants to purchase tickets on which the contestant would guess the checkpoints and finish line arrival times, the temperature when the a particular team crosses the finish line, total number of dogs that finish the race, etc. The dog mushers' associations will administer the mushers' contests in conjunction with state regulatory authority.

**Alaska State House of Representatives  
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**Representative Ivan M. Ivan**

**SECTIONAL ANALYSIS - COMMITTEE SUBSTITUTE FOR HOUSE BILL 20 (FIN)**

**Section 1:** Amends AS 05.15.180(b) by adding dog mushers' contests to the list of permissible activities.

**Section 2:** Amends AS 05.15.690(12) by adding subsection (B) which states that a game of chance may be conducted by a dog mushers' association in conjunction with the race.

**Section 3:** Repeals and reenacts AS 05.15.180 (b). This new section reverts to original statute to include dog mushers' contests due to the sunset clause which was adopted with the passage of House Bill 146 in 1995.

### SECTION 3 EXPLANATION

In 1995, the legislation was enacted authorizing the Iditarod Committee to conduct a mushing sweepstakes which sunsets on December 31, 1999. Section 1 of the bill recognizes the mushing sweepstakes as well as the new dog mushers' contests language proposed by HB 20. Since the mushing sweepstakes sunsets in 1999, Section 3 is effective after 1999 but it deletes any reference to mushing sweepstakes but leaves dog mushers' contests in statute.

PERMITTEE

Tuesday January 14, 1997

8:47 AM

Page 1

PERMIT NUMBER	THE ORGANIZATION	ADDRESS	PERM CITY	PERM STATE	PERM ZIP	PERMITTEE TYPE
60010	GREATER ANCHORAGE, INC.	327 EAGLE STREET	ANCHORAGE	AK	99501	PERMITTEE
960010	KUSKOOWIH 300 RACE COMMITTEE, INC.	P.O. BOX 300	BETHEL	AK	99559	PERMITTEE
960077	MONTANA CREEK DOG MUSHERS ASSOC. INC.	P.O. BOX 873278	WASILLA	AK	99687	PERMITTEE
960121	NOORVIK SPORTS CLUB	P.O. BOX 141	NOORVIK	AK	99763	PERMITTEE
960128	YUKON GUEST INTERNATIONAL	P.O. BOX 75015	FAIRBANKS	AK	99707	PERMITTEE
960131	IDITAROD TRAIL COMMITTEE, INC.	P.O. BOX 870800	WASILLA	AK	99687	PERMITTEE
960253	TANANA DOG MUSHERS ASSN	PO BOX 55	TANANA	AK	99777	PERMITTEE
960313	GREATER FAIRBANKS CHAMBER OF COMMERCE	250 CUSHMAN STREET SUITE 2 D	FAIRBANKS	AK	99701	PERMITTEE
960333	KIANA BLUFF JUMPERS SEARCH & RESCUE	P.O. BOX 74	KIANA	AK	99749	PERMITTEE
960408	CHISTOCINMA VILLAGE COUNCIL	PO BOX 241	GAKONA	AK	99586	PERMITTEE
960434	ALPINE CIVIC CLUB	P.O. BOX 344	SUTTON	AK	99674	PERMITTEE
960521	CITY OF MOUNTAIN VILLAGE	P.O. BOX 32085	MOUNTAIN VILLAGE	AK	99632	PERMITTEE
960549	ST MARYS FIRE DEPARTMENT	P.O. BOX 163	ST. MARYS	AK	99658	PERMITTEE
960635	NOME KENNEL CLUB	P.O. BOX 1892	NOME	AK	99762	PERMITTEE
960660	CHATANIKA NONPROFIT COMMUNITY COUNCIL	5760 OLD STEES HWY NORTH	FAIRBANKS	AK	99712	PERMITTEE
960818	INTERIOR DOG MUSHERS, INC.	P.O. BOX 30	MANLEY	AK	99756	PERMITTEE
960854	ALASKAN SLED DOG RACING ASSOCIATION	P.O. BOX 110549	ANCHORAGE	AK	99511	PERMITTEE
960994	GALENA DOG MUSHERS	PO BOX 14	GALENA	AK	99741	PERMITTEE
961051	CITY OF HUSLIA	P.O. BOX 10	HUSLIA	AK	99746	PERMITTEE
961062	NORTHWAY VILLAGE COUNCIL	P.O. BOX 476	NORTHWAY	AK	99764	PERMITTEE
961133	ALASKA DOG MUSHERS ASSOCIATION	PO BOX 70662	FAIRBANKS	AK	99707	PERMITTEE
961176	VENETIE VILLAGE COUNCIL	P.O. BOX 119	VENETIE	AK	99781	PERMITTEE
961279	BRISTOL BAY WINTERFEST	P.O. BOX 433	KING SALMON	AK	99613	PERMITTEE
961283	SHISHMARF DOG MUSHERS ASSOCIATION (DONT	GENERAL DELIVERY	SHISHMARF	AK	99772	PERMITTEE
961285	KING SALMON NATIVE ASSOCIATION	P.O. BOX 68	KING SALMON	AK	99613	PERMITTEE
961407	NORTHERN LIGHTS BADGER LIONS	P.O. BOX 58117	FAIRBANKS	AK	99711	PERMITTEE
961544	AURORA INTERNATIONAL****SEE COMMENTS****	P.O. BOX 520581	BIG LAKE	AK	99652	PERMITTEE
961580	HUSLIA MUSHERS SPORTS ASSOCIATION	P.O. BOX 64	HUSLIA	AK	99746	PERMITTEE
961592	FAIRBANKS CONVENTION & VISITORS BUREAU	550 FIRST AVENUE	FAIRBANKS	AK	99701	PERMITTEE
961650	MUSHERS CLUB	P.O. BOX 21	RUSSIAN MISSION	AK	99657	PERMITTEE
961688	IDITAROD ELEMENTARY SCHOOL	801 N WASILLA FISHHOOK RD	WASILLA	AK	99654	PERMITTEE
961784	ALASKA BIRD OBSERVATORY	P.O. BOX 80505	FAIRBANKS	AK	99709	PERMITTEE

ISSUE PERMIT)

Sec. 05.15.180. Limitations on authorized activity.

(a) This chapter does not authorize the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended primarily for gaming or gambling or any other method or implement not expressly authorized by the department.

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, rain classics, goose classics, mercury classics, deep freeze classics, snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics, king salmon classics, an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A snow machine classic may not be licensed under this chapter unless it has been in existence for at least five years before the licensing.

(c) [Repealed, sec. 5 ch 105 SLA 1995].

(d) The total value of door prizes offered or awarded under authority of a permit issued to a municipality or qualified organization under this chapter or under authority of a multiple-beneficiary permit may not exceed \$20,000 a month or \$240,000 a year.

(e) The total value of all door prizes offered or awarded at a single facility or bingo hall or parlor by an operator on behalf of authorizing permittees may not exceed \$20,000 a month or \$240,000 a year.

(f) A person under the age of 19 years may not play a bingo game.

(g) A municipality or a qualified organization may award a maximum of \$1,000,000 in prizes each year in activities authorized under this chapter; however, if a municipality or a qualified organization contracts with an operator to conduct on its behalf activities authorized under this chapter, the municipality or qualified organization may award a maximum of \$500,000 in prizes each year. The holders of a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in prizes each year of \$1,000,000 times the number of holders of the permit for activities authorized under this chapter. In this subsection "activities authorized under this chapter" means all activities subject to this chapter other than bingo.

History -

(sec. 2 ch 27 SLA 1960; am sec. 3 ch 66 SLA 1976; am sec. 5, 6 ch 59 SLA 1983; am sec. 2 ch 93 SLA 1986; am sec. 3 ch 94 SLA 1986; am sec. 20, 21 ch 99 SLA 1988; am sec. 4 ch 24 SLA 1991; am sec. 23 - 25 ch 70 SLA 1993; am E.O. No. 82 sec. 12, 13 (1993); am sec. 3 ch 16 SLA 1994; am sec. 5 ch 13 SLA 1995; am sec. 3 ch 104 SLA 1995; am sec. 3 - 5 ch 105 SLA 1995)

Delayed Action -

of subsection (b). - Under sec. 6, ch. 13, SLA 1995, effective January 1, 2000, subsection (b) is amended to delete the reference to mushing sweepstakes.

Amendment Notes -

The 1991 amendment, effective June 11, 1991, in subsection (b), inserted "king salmon classics."

The first 1993 amendment, effective June 26, 1993, inserted "or under authority of a multiple-beneficiary permit" in subsection (d); deleted "or by a permittee in conjunction with other permittees" preceding "may not exceed" in subsection (e); and added the second sentence in subsection (g).

The second 1993 amendment, effective July 1, 1993, substituted "department" for "commissioner" in subsection (a) and in paragraph (c)(4).

The 1994 amendment, effective April 30, 1994, inserted "canned salmon classics," in

subsection (b).

The first 1995 amendment, effective July 31, 1995, inserted "mushing sweepstakes," in subsection (b).

The second 1995 amendment, effective July 1, 1995, in subsection (b), inserted "deep freeze classics, snow machine classics," in the first sentence and added the second sentence.

The third 1995 amendment, effective October 6, 1995, in subsection (a), deleted "Except as provided in AS 05.15.100(b)," from the beginning; in subsection (b), deleted "and other activities authorized under AS 05.15.100(b)," following "salmon classics"; and repealed subsection (c), relating to limitations on the operation activities licensed under AS 05.15.100(b).  
AG Opinions -

Opinions of attorney general. - The limitation in subsection (a) on machines intended primarily for gaming or gambling applies to token-operated bingo machines. November 6, 1987, Op. Att'y Gen.

Decisions -

Computerized bingo games. - Commissioner [now department] properly denied an application for permission to operate computerized bingo games after reasonably interpreting the statutes to authorize a game played with mechanical rather than electronic devices. *Malone v. Anchorage Amateur Radio Club, Inc.*, 781 P.2d 576 (Alaska 1989).

Quoted in *PinBall Mach., Serial No. 2334 v. State*, 371 P.2d 805 (Alaska 1962).

Sec. 05.15.690. Definitions.

In this chapter

(1) "adjusted gross income" means gross income less prizes awarded and state, federal, and municipal taxes paid or owed on the income;

(2) "authorizing permittee" means a municipality or qualified organization that authorizes an operator to conduct an activity subject to this chapter on its behalf;

(3) "bingo" means a game of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, five or more in one line, the holder covering numbers when objects similarly numbered are drawn from a receptacle, and the game being won by the person who first covers a previously designated arrangement of numbers on the card;

(4) "canned salmon classic" means a game of chance where a prize of money is awarded to the closest guess of the total number of cases of canned salmon that will be packed at the Petersburg salmon canneries during a certain period of time and is limited to the canned salmon classic operated and administered by the Petersburg Chamber of Commerce;

(5) "charitable organization" means an organization, not for pecuniary profit, that is operated for the relief of poverty, distress, or other condition of public concern in the state;

(6) "civic or service organization" means any branch or lodge or chapter of a national or state organization that is a civic or service organization, not for pecuniary profit, and authorized by its written constitution, charter, or articles of incorporation, or bylaws to engage in a fraternal, civic, or service purpose in the state;

(7) "contest of skill" means a contest or game in which prizes are awarded for the demonstration of human skills in marksmanship, races, and other athletic events;

(8) "deep freeze classic" means a game of chance where a prize of money is awarded to the closest guess of the date, time, and temperature of the lowest temperature recorded at a specific location in the Delta Junction area on the coldest day during December through February, inclusive, and is limited to the deep freeze classic operated and administered by the Delta Chamber of Commerce;

(9) "department" means the Department of Revenue;

(10) "distribute" means sell, distribute, furnish, or supply;

(11) "dog mushers' association" means a civic, service, or charitable organization in the state, not for pecuniary profit, formed exclusively to promote interest in the breeding and training of dog teams for work or recreational and racing purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(12) "dog mushers' contest" means a contest in which prizes are awarded for the correct guess of the racing time of a dog team or of team position in the race, including prizes to the race contestants;

(13) "educational organization" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction;

(14) "established village" means an unincorporated community that is in

(A) the unorganized borough and that has 25 or more permanent residents;

or

(B) an organized borough, has 25 or more permanent residents; and

(i) is on a road system and is located more than 50 miles outside

the boundary limits of a unified municipality; or

(ii) is not on a road system and is located more than 15 miles outside the boundary limits of a unified municipality;

(15) "fishing derby association" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(16) "fish derby" means a contest in which prizes are awarded for catching fish;

(17) "fraternal organization" means a civic, service, or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, that is a branch or lodge or chapter, of a national or state organization and exists for the common business, brotherhood, or other interest of its members;

(18) "fund raiser or consultant" means a person who provides advice or technical assistance in support of or concerning the conduct of gaming activities under this chapter, whether the person is or is not an employee of a licensee;

(19) "goose classic" means a game of chance where a prize of money is awarded for the closest guess of the time of the arrival of the first goose in spring to Creamer's Field in Fairbanks or to the Kenai River Flats near Kenai and is limited to the goose classics operated and administered

(A) jointly or by either the Fairbanks Montessori Association or the Friends of Creamer's Field; and

(B) by the Kenai Chamber of Commerce;

(20) "governing body" has the meaning given in AS 29.71.800;

(21) "gross receipts" means receipts from the sale of shares, tickets, or rights connected with participation in any activity permitted under this chapter or the right to participate, including admission, fee or charge, sale of equipment or supplies, and all other miscellaneous receipts;

(22) "ice classic" means a game of chance where a prize of money is awarded for the closest guess of the time the ice moves in a body of water or watercourse in the state and is limited to the Nenana and Chena Ice Pools in the same manner as they were conducted in 1959 and previous years, a Kuskokwim Ice Classic to be operated and administered by Bethel Social Services, Inc., a Kenai River Ice Classic to be operated and administered by the Kenai and Soldotna Rotary Clubs jointly or by either the Kenai Rotary Club or the Soldotna Rotary Club, a Yukon River Ice Classic to be operated and administered by the City of Fort Yukon, an Alaska Soviet Ice Classic to be operated and administered jointly by CAMAI, Inc., and the City of Diomedea, a Big Lake Ice Classic to be operated and administered by the Houston Junior-Senior High School Booster Club and the Big Lake Chamber of Commerce jointly or by either the Houston Junior-Senior High School Booster Club or the Big Lake Chamber of Commerce, and a McGrath Ice Classic to be operated and administered by the Kuskokwim Public Broadcasting Company;

(23) "ideal net" means an amount equal to the total amount of receipts that would be received if every individual pull-tab ticket in a series were sold at face value, less the prizes to be awarded for that series;

(24) "king salmon classic" means a game of chance where a prize of money is awarded for the closest guess of the time of the arrival of the first king salmon of the year at a designated spot on the fish ladder in the Douglas Island Pink and Chum hatchery at Salmon

Creek in Juneau and is limited to the king salmon classic operated and administered by the Greater Juneau Chamber of Commerce;

(25) "labor organization" means an organization, not for pecuniary profit, constituted wholly or partly to bargain collectively or deal with employers, including the state and its political subdivisions, concerning grievances, terms, or conditions of employment or other mutual aid or protection in connection with employees;

(26) "managerial or supervisory capacity" means that the employee

(A) is responsible for gaming receipts;

(B) has the authority to hire employees or to dismiss or otherwise discipline them;

(C) prepares financial reports required under this chapter;

(D) is responsible for keeping the accounts for activities under this chapter;

(E) is responsible for conducting activities under this chapter, including the arranging for locations at which those activities will occur; or

(F) is a fund raiser or a consultant;

(27) "mercury classic" means a game of chance where a prize of money is awarded for the closest guess of the time the temperature reaches a certain degree and is limited to the mercury classic operated and administered by the Greater Fairbanks Chamber of Commerce or jointly, in the discretion of the Greater Fairbanks Chamber of Commerce, by the Greater Fairbanks Chamber of Commerce and the Fairbanks Convention and Visitors' Bureau;

(28) "mushing sweepstakes" means a game of chance where a prize of money is awarded for the closest guess or guesses of at least three elements of uncertainty about a sled dog race that cannot be determined before the commencement of the race, and is limited to the Iditarod Sweepstakes operated and administered by the Iditarod Trail Committee;

(29) "net proceeds" means the gross receipts from an authorized activity less the fee described in AS 05.15.020(b), the expenses authorized by AS 05.15.160, and the prizes awarded at the activity;

(30) "numbers wheel" means any electronic, mechanical, or other device with numbers or other figures that are selected randomly and used in a game of chance in which the outcome is determined by the number or figure selected by the device; not including games in which a hamster or other animal is placed in an enclosure with several numbered exit holes and the winner is determined by which hole the hamster or other animal exits, or slot machines or other devices that operate by insertion of a coin or other object that may entitle the person operating the machine to receive a prize by strict dependence on the element of chance;

(31) "operator" means a natural person who, or a municipality or qualified organization that, has obtained a license to conduct an activity subject to this chapter on behalf of a permittee;

(32) "permittee" means a municipality or a qualified organization that holds a valid permit under AS 05.15.100;

(33) "police or fire department and company" means a civic, service, or charitable organization in the state, not for pecuniary profit, consisting of members of a police department or fire company established by the state or a political subdivision of the state;

(34) "political organization" means an organization or club organized under or formally affiliated with a political party as defined in AS 15.60.010;

(35) "pull-tab game" means a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random;

(36) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, veterans, labor, political, or educational organization, police or fire department and company, dog mushers' association, outboard motor association, or fishing derby or nonprofit trade association in the state, that operates without profits to its members and that has been in existence continually for a period of three years immediately before applying for a license; the organization may be a firm, corporation, company, association, or partnership;

(37) "raffle and lottery" means the selling of rights to participate and the awarding of prizes in a game of chance conducted by the drawing for prizes by lot;

(38) "rain classic" means a game of chance in that a prize is awarded for the closest guess of the amount of precipitation that is recorded at a certain location during a certain length of time;

(39) "religious organization" means an organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship, and religious observances, or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place and that is recognized as a religious organization under the federal income tax laws and the selective service law;

(40) "salmon classic" means a game of chance, to be operated and administered by the United Fishermen of Alaska, in which a prize of money is awarded for the closest guess of the total number of salmon harvested commercially statewide, as determined by the Department of Fish and Game, during a certain period of time;

(41) "series" means a unit of pull-tabs with the same serial number;

(42) "snow machine classic" means a (A) contest in which prizes are awarded for the correct guess of the racing time of a snow machine or of the snow machine's position in the race, including prizes to the race contestants; or (B) game of chance where a prize of money is awarded for the closest guess or guesses of at least three elements of uncertainty about a snow machine race that cannot be determined before the commencement of the race; in this paragraph, "race" includes a race solely among snow machines or a race among teams consisting of a combination of a person involved in a contest of skill and a snow machine;

(43) "vendor" means a business whose primary activity is not regulated by this chapter but that

(A) is engaged in the sale of pull-tabs on behalf of a permittee;

(B) holds a business license under AS 43.70; and

(C) is an establishment holding a

(i) beverage dispensary license under AS 04.11.090 that has not been designated by the Alcoholic Beverage Control Board under AS 04.16.049(a)(2) - (3), has not been exempted by the Department of Labor under AS 04.16.049(c) and AS 23.10.355, and if the establishment is a hotel, motel, resort, or similar business that caters to the traveling public as a substantial part of its business, does not allow the sale of pull-tabs in a dining room, banquet room, guest room, or other public areas other than a room in which there is regularly maintained a fixed counter or service bar

at which alcoholic beverages are sold or served to members of the public for consumption;

(ii) package store license under AS 04.11.150;

(44) "veterans organization" means a civic, service, or charitable organization in the state, or a branch or lodge or chapter of a national or state organization in the state, not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States or persons who served in the Alaska Territorial Guard.

#### History -

(sec. 1 ch 27 SLA 1960; am sec. 4, 5 ch 66 SLA 1976; am sec. 6 - 8 ch 27 SLA 1982; am sec. 8 ch 59 SLA 1983; am sec. 1 ch 27 SLA 1985; am sec. 3, 4 ch 93 SLA 1986; am sec. 4 ch 94 SLA 1986; am sec. 23 - 35 ch 99 SLA 1988; am E.O. No. 74 sec. 4, 5 (1989); am sec. 1 ch 76 SLA 1989; am sec. 1 ch 22 SLA 1990; am sec. 62 ch 21 SLA 1991, am sec. 5 ch 24 SLA 1991; am sec. 2 ch 93 SLA 1991; am sec. 1 ch 30 SLA 1992; am sec. 36 ch 70 SLA 1993; am E.O. No. 82 sec. 14, 16 (1993); am sec. 4 ch 16 SLA 1994; am sec. 7, 8 ch 13 SLA 1995; am sec. 4, 5 ch 104 SLA 1995; am sec. 1 ch 11 SLA 1996; am sec. 1 ch 98 SLA 1996)

Delayed repeal of paragraph (28). - Section 8, ch. 13, SLA 1995, repeals paragraph (28), the definition of "'mushing sweepstakes", effective December 31, 1999.

#### Revisors Notes -

Formerly AS 05.15.210. Renumbered in 1994. Reorganized in 1983 to alphabetize the defined terms and in 1986, 1988, 1991, 1993, 1994, and 1995 to maintain alphabetical order. In 1994, in the definition of "vendor" "the business" was deleted from the beginning of (C) and "an establishment holding a" was deleted from the beginning of (C)(ii), to correct a manifest error in sec. 36, ch. 70, SLA 1993.

#### Amendment Notes -

The 1990 amendment added the provision for a Big Lake Ice Classic in the paragraph defining "ice classic."

The first 1991 amendment, effective June 11, 1991, repealed a definition of "municipality".

The second 1991 amendment, effective June 11, 1991, added the definition of "king salmon classic."

The third 1991 amendment, effective September 30, 1991, added "or persons who served in the Alaska Territorial Guard" at the paragraph defining "veterans organization."

The 1992 amendment, effective May 16, 1992, inserted "veterans," near the beginning of the paragraph defining "qualified organization."

The first 1993 amendment, effective June 26, 1993, added paragraphs (13), (17), (19), (22), (25), (30), and (40) (now (14)), (18), (20), (23), (26), (32), and (43), respectively.

The second 1993 amendment, effective July 1, 1993, repealed former paragraph (6) and substituted "Department of Revenue" for "Department of Commerce and Economic Development" in paragraph (8) (now paragraph (9)).

The 1994 amendment, effective April 30, 1994, added present paragraph (4).

The first 1995 amendment, effective July 31, 1995, added paragraph (42).

The second 1995 amendment, effective July 1, 1995, added the language beginning "or jointly" at the end of paragraph (26) and added paragraphs (42) and (43).

The first 1996 amendment, effective July 11, 1996, in paragraph (19), added the subparagraph designations and inserted "jointly or," "either," and "or the Friends of Creamer's

field."

The second 1996 amendment, effective September 23, 1996, added ", and a McGrath Ice Classic to be operated and administered by the Kuskokwim Public Broadcasting Company" at the end of paragraph (22).

AG Opinions -

Under AS 05.15.210 a permit may be issued which gives a qualified organization the privilege of conducting any of the designated activities. AS 05.15.040 limits the activities that may be conducted to those activities specified in the permit. Under AS 05.15.060 the commissioner [now department] has authority to further limit the number of activities which may be conducted pursuant to any permit. Therefore, absent any regulation to the contrary, a permit could be issued for more than one activity to a qualified organization. 1960 Op. Att'y Gen., No. 8.

That the term "lottery" as used in item (29) (now (37)) of this section does not include an ice pool is indicated by the express provisions of item (18) (now (20)). 1960 Op. Att'y Gen., No. 8.

While the conduct of an ice pool might come within the definition of a lottery, by the language in item (29) (now (37)) of this section, the legislature has limited a lottery to a game conducted by a drawing for prizes. 1960 Op. Att'y Gen., No. 8.

If the term lottery in item (29) (now (37)) of this section was meant to include an ice classic, then item (18) (now (22)) would be meaningless. 1960 Op. Att'y Gen., No. 8.

While there may have been other ice pools conducted prior to the date of this section, the language of item (18) (now (22)) showed that the legislature intended to authorize only two pools, the Nenana and Chena, and none other. 1960 Op. Att'y Gen., No. 8.

"Ice classics" are not exempt from the provisions of this title regulating games of chance generally. April 16, 1986, Op. Att'y Gen.

By designating specific organizations to operate the Big Lake Ice Classic, HB 323 [ch. 22, SLA 1990] might violate the constitutional prohibition against local and special legislation since Alaska Const., art. II, sec. 19, provides in part, "The legislature shall pass no local or special act if a general act can be made applicable. April 17, 1990, Op. Att'y Gen.

Promotional latex game tickets constituted pull-tab games under this chapter even though an "information product" containing information about an arctic animal was attached to the game piece and free game pieces could be obtained by mailing a request to the company, since the company's primary business was selling the game cards and the tickets had a prize structure much like traditional pull-tab games. September 2, 1992, Op. Att'y Gen.

Decisions -

Computerized bingo games. - Commissioner [now department] properly denied an application for permission to operate computerized bingo games after reasonably interpreting the statutes to authorize a game played with mechanical rather than electronic devices. *Malone v. Anchorage Amateur Radio Club, Inc.*, 781 P.2d 576 (Alaska 1989).

Taxation of pull-tabs. - Pull-tabs were intangible property not subject to Ketchikan Gateway Borough's sales tax ordinance. *Dilley v. Ketchikan Gateway Borough*, 855 P.2d 1335 (Alaska 1993).

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