

ALASKA LEGISLATURE

2615

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

**A Resolution by the Presbytery of Alaska Delegates in Sitka, Alaska, October 2003
In Opposition to Video Poker in Alaska.**

WHEREAS, as followers of Jesus Christ, we are called to work toward healing of persons afflicted with gambling addictions and to protect vulnerable populations from becoming addicted, and

WHEREAS, gambling addiction is increasing in the United States and over 8.1 million Americans have a gambling problem, and

WHEREAS, 66% of individuals suffering from pathological gambling turn to crime, one out of five attempt suicide, and many face bankruptcy, divorce and other family problems, and

WHEREAS, gambling addiction is more prevalent among the poor, various ethnic groups, and youth, and

WHEREAS, the gambling industry and some members of the Alaska State Legislature are promoting bringing video poker into the State of Alaska as a source of income, and

WHEREAS, video poker has been called "the crack cocaine of gambling" and is the most dangerous and most addictive of all current forms of legalized gambling, and

WHEREAS, since video poker was introduced in Oregon in 1991, the number of Gamblers Anonymous groups has grown from 3 to 30, and

WHEREAS, 81% of the problem gamblers in Oregon's state-subsidized gambling treatment programs gambled primarily on video poker and had an average gambling debt of \$16,000, which was more than half the average annual income of the group, and

WHEREAS, video poker is rejected by communities faster than any other form of gambling;

THEREFORE, LET IT BE RESOLVED that the Presbytery of Alaska declares opposition to the practice of video poker in the State of Alaska, whether it be publicly or privately operated;

FURTHERMORE, BE IT RESOLVED that Governor Frank H. Murkowski and members of the Alaska State Legislature be urged to oppose the establishment of video poker in Alaska.

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Subject: Fw: Opposition to HB522, HB509, and HB240**From:** JoAnn Shore and Walt Hays <haysshore@alaskalife.net>**Date:** Sun, 18 Apr 2004 22:16:57 -0800**To:** Dick Heacock <akimpact@mosquitonet.com>**X-UIDL:** 33949-1045901267**X-Mozilla-Status:** 0001**X-Mozilla-Status2:** 00000000**Return-path:** <haysshore@alaskalife.net>**Received:** from malik.acsalaska.net (malik.prv.nwc.acsalaska.net [10.0.0.41]) by ims02.prv.nwc.acsalaska.net (iPlanet Messaging Server 5.2 HotFix 1.10 (built Jun 23 2003)) with ESMTP id <0HWF002CMMS5PN@ims02.prv.nwc.acsalaska.net> for

akimpact@mosquitonet.com@ims-ms-daemon; Sun, 18 Apr 2004 22:16:53 -0800 (AKDT)

Received: from mmp-1 (mmp-1.gci.net [208.138.130.80]) by malik.acsalaska.net (8.12.11/8.12.11) with ESMTP id i3J6Gp1M074762 for <akimpact@mosquitonet.com>; Sun, 18 Apr 2004 22:16:51 -0800**Received:** from computer (171-124-237-24.gci.net [24.237.124.171]) by mmp-1.gci.net (iPlanet Messaging Server 5.2 HotFix 1.14 (built Mar 18 2003)) with SMTP id

<0HWF00681MRYVI@mmp-1.gci.net> for akimpact@mosquitonet.com; Sun, 18 Apr 2004 22:16:52 -0800 (AKDT)

Message-Id: <004201c425d5\$ec74dd00\$ab7ced18@computer>**MIME-version:** 1.0**X-MIMEOLE:** Produced By Microsoft MimeOLE V6.00.2800.1165**X-Mailer:** Microsoft Outlook Express 6.00.2800.1158**Content-type:** multipart/alternative; boundary="Boundary_(ID_GiBnbSGdPnGkEppmmXJK3g)"**X-Priority:****X-MSMail-priority:** Normal**X-ACS-Spam-Status:** no**X-ACS-Scanned-By:** MD 2.37; SA 2.63; spamdefang 1.93**Original-recipient:** rfc822;akimpact@mosquitonet.com

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

From: JoAnn Shore and Walt Hays**To:** [Representative John Harris@Legis.state.ak.us](mailto:Representative_John_Harris@Legis.state.ak.us); [Representative Bill Williams@Legis.state.ak.us](mailto:Representative_Bill_Williams@Legis.state.ak.us)**Cc:** [Representative Kevln Meyer@Legis.state.ak.us](mailto:Representative_Kevln_Meyer@Legis.state.ak.us); [Representative Mike Chenault@Legis.state.ak.us](mailto:Representative_Mike_Chenault@Legis.state.ak.us);[Representative Hugh Fate@Legis.state.ak.us](mailto:Representative_Hugh_Fate@Legis.state.ak.us); [Representative Mike Chenault@Legis.state.ak.us](mailto:Representative_Mike_Chenault@Legis.state.ak.us);[Representative Mike Hawker@Legis.state.ak.us](mailto:Representative_Mike_Hawker@Legis.state.ak.us); [Representative Richard Foster@Legis.state.ak.us](mailto:Representative_Richard_Foster@Legis.state.ak.us);[Representative Bill Stoltze@Legis.state.ak.us](mailto:Representative_Bill_Stoltze@Legis.state.ak.us); [Representative Eric Croft@Legis.state.ak.us](mailto:Representative_Eric_Croft@Legis.state.ak.us);[Representative Rennle Joule@Legis.state.ak.us](mailto:Representative_Rennle_Joule@Legis.state.ak.us); [Representative Carl Moses@Legis.state.ak.us](mailto:Representative_Carl_Moses@Legis.state.ak.us)**Sent:** Sunday, April 18, 2004 6:45 PM**Subject:** Opposition to HB522, HB509, and HB240

To: Member of House Finance Committee: Perry Green was recently quoted on our evening TV news to the effect that "the proposed new gambling casino for Anchorage will generate 1,000 jobs." Perry may have been conservative in his estimate; he forgot to include the dozens- perhaps hundreds of jobs -- that will be added at the payday loan companies, pawn shops, shelters for abused women and children, food banks, paralegals, attorneys and court workers that process individual bankruptcy and family counseling agencies. **My point: liberalization of Alaska's gaming**

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laws will exact a significant economic and social cost - most of it born on the backs of those who can least afford it.

I would ask you to consider the following FACTS as you consider this and related pending legislation: (You may want to have your staff reference the sources I am providing).

The CHAR Legislative Priorities. This booklet distributed by CHAR to every legislator is misleading and inaccurate! I would refer you to page 5. The final sentence of the first paragraph is either very creative copywriting or just plain "twisting the truth". The statement would infer that "the Department of Public Safety, the Anchorage Assembly, the Anchorage School Board, the Anchorage Education Association AND the Anchorage Baptist Temple were part of this concept and at least tacitly endorsed HB240 for electronic gaming machines (EGM's). This is not the case! I know for a fact that the Anchorage Assembly turned down flat the appeal of a CHAR board member this past fall when a request for endorsement of video gaming legislation was presented. **HAVE YOU STAFF FOLLOW UP WITH THESE GROUPS TO GET AT THE TRUTH OF THIS STATEMENT.** Note: CHAR quotes the National Gambling Impact Study to soften the argument about negative impacts. This is a massive, landmark study. CHAR did not share the MAJOR FINDINGS that call for a pause in or nbling expansion. The study found that:

- . 15 million Americans were "at risk" gamblers.
- . 2.5 million Americans were "pathological gamblers"
- . pathological gambling occurred pro-fortunately more often among the young, less educated and poor.
- . gambling leads to destructive behaviors affecting families and communities and played a part in some 2 million divorces.
- . About one in five compulsive gamblers attempt suicide – and the actual suicide rate is higher than for victims of any other type of addiction.

RECENT ACTION IN GA & SC. In GA the state supreme court upheld a legislative prohibition on video gaming. The legislature had authorized the removal of 15,000 - 20,000 EGM's in June of 2002 due to the public outcry of the negative, addictive impact that they were having on the poor in a number of counties. SC also has banned video gaming and this action was upheld by the US Supreme Court. (Source: (BP) News. <http://www.bpnews.net/bpnews.asp?ID=5723>.)

Reports from LA and MT. In recent months LA has unplugged 4,683 video poker machines. Since the introduction of video gaming in MT, 60 meetings of Gamblers Anonymous are held each week. MT has concluded that each 1 million in gaming tax revenue accounts for 172 additional crimes in the state. (Source: Video Lottery Terminals (VLT's) and Electronic Gaming Devices by Chad Hills. This is a well researched article with over 40 footnotes from the Focus on the Family website. <http://www.family.org/cforum/fost/gambling/facts/a0028806.cfm>. Note: The host of Focus on the Family is Dr. James Dobson who has a daily radio audience of 2 million; Dr. Dobson was a member of the National Gambling Impact Study Commission.)

Casinos & Bankruptcies. Creighton University undertook a major study that essentially took two snapshots of counties throughout the nation (one in 1990 and the other in 1999); then they compared those with and without casino gambling. It found that personal bankruptcy rates were twice as high as the rate in comparable counties without casino gambling. (Source: Christian Science Monitor (03/19/04), feature story by Alexandra Marks. (<http://www.csmonitor.com/2004/0319/n02s01-ussc.html>).

The National Trend. The tide has turned. In 2003 with 47 states facing budget deficits, one would think that support "harmless" gambling revenue would have been a "slam dunk" NOT SO! Throughout the nation cities, counties and states defeated gambling expansion. Good public policy and the desire for a good quality of life defeated greed by a box score of 42 -3 in 30 states this past year. (Source: Summary report from the National Coalition against Legalized Gam g. 01/08/04.)

Recently, there was a headline in a major Chicago daily - "Time for Illinois to fold its hand, swear off

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gambling"

This wasn't from a liberal press but from the venerable voice of business for the state - Crain's Chicago Business. The editorial opposes the state approving the license for a 10th Casino. It questioned whether gambling was really worth it. The editorial related: "Gambling has been very lucrative for state government bringing in 617.8 million in taxes last year from nine existing casinos. But our state isn't in business to make a profit. How it spends money -- on schools, the environment, roads prisons - has a lot to do with the quality of life in Illinois. So, too, does how the state raises money. A few years back, Illinois did the easy thing and embraced gambling. It was a mistake. To provide the state with its \$617.8 million last year, gamblers had to lose 1.7 Billion at the casinos." The article goes on to relate that "Location matters a lot, and when casinos are nearby, people gamble a lot more." It closes with this telling phrase, "Legalized, widespread gambling coarsens society and saps the finances of too many families... we'd like to see the 10th casino license to remain dormant and, over time, to see the other nine retired as well. Illinois lived without gaming taxes before and, with some streamlining can do it again." (Source: Crain's Chicago Business, 03/01/04)

As a 40 year resident of Alaska, voter, home and rental property owner, father of three and grandfather of five and a person who has "paid his dues" in significant community service, I look to our public servants to craft good public policy for our state. Further liberalization of Alaska's gambling/gaming laws is bad public policy. The revenue raised will be at the expense of the poor and those on the margins of society. I hope you, as our leaders, can smell the coffee! Are we in Alaska so superior that we will avoid the negative impacts (addiction, corruption and bankruptcy) that have happened in GA, SC, MT, LA & IL? **No Way!**

In the wrap up report on gambling expansion cited above, those opposed to expansion were outspent by gambling interest in every contest but they won elections and court battles in 30 states because public opinion was on their side.

I urge you to oppose HB 509, HB 240 and related legislation. Say no to CHAR and gambling interests and listen to the voice of educators, major church bodies, consumer protection groups and the editorials of our state's largest daily papers.

Over 40 years ago our first legislature was courted by "big money" and outside interests that wanted to open up Alaska for "wide-open gambling". The state was young, fragile and poor BUT your predecessors saw the BIG PICTURE. They saw the promise of the new state and the responsibility that they shared. THEY DID NOT HAVE THE "CUSHION OF A CBR" BUT THEY DID HAVE THE GCS (Good Common Sense) to say no to gambling.

The Bottom Line: "How will you RAISE money?" Say no to greed and the "easy money" of gambling and craft responsible legislation for equitable taxation which is the real answer to Alaska's budget problems.

Walter L. Hays
907-348-6633

16410 St. James Circle
Anchorage, AK

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Gambling's Toll in Minnesota

When a state legalizes gambling, everybody pays

*Condensed from
MINNEAPOLIS STAR TRIBUNE
CHRIS ISON WITH DENNIS J. MCGRATH*

America is becoming a nation of gamblers. Once confined to Atlantic City, Las Vegas and Reno, gambling is now legal in 48 states—all but Hawaii and Utah—and casinos run full tilt in 24. Almost 100 million Americans bet \$400 billion last year and lost \$39 billion to the house.

To win legal status, the industry promised some tax-poor states a river of money for public programs. But along with the wealth came an alarming rise in suicides, bankruptcies and crime. Here

is the experience of one state, where the first full-service casino was welcomed in 1988.

HOUR AFTER HOUR, the blackjack cards flipped past, and still she played. Friday afternoon blurred into Saturday. Through the ringing of slot machines and chattering of coins dropping into tin trays, Catherine Avina heard her name paged.

"Are you coming home tonight?"

READER'S DIGEST • APRIL 1996

It was her 21-year-old son, Joaquin, on the phone. "Probably not," she answered.

Avina didn't go to Mystic Lake Casino in Prior Lake, Minn., as much as she escaped to it. That weekend in May 1994, the depressed 49-year-old mother of three was escaping the worst news yet--she was in danger of being fired after almost 11 years as an assistant state attorney general. On Monday--her fourth straight day at the casino--she dragged herself back to her St. Paul home, broke and more depressed than ever.

Two days later, Joaquin confronted his mother about her gambling, and they argued. The next morning, when she didn't come out of her bedroom, he peeked in. Two empty bottles of anti-depressants and a suicide note were near her body. Later the family found debts of more than \$7,000, and Avina was still making payments for gambling addiction therapy received a year earlier.

IN LESS THAN A DECADE legalized gambling in Minnesota--\$4.1 billion is legally wagered in the state each year--has created a new class of addicts, victims and criminals whose activities are devastating families. Even conservative estimates of the social toll suggest that problem gambling costs Minnesotans more than \$200 million per year in taxes, lost income, bad debts and crime.

Ten years ago only one Gamblers Anonymous group was meeting in the state; today there are 53 groups. According to research by the Center for Addic-

tion Studies at the University of Minnesota in Duluth, nearly 38,000 Minnesota adults are probable pathological gamblers. A 1994 *Star Tribune*/WCCO-TV poll found that 128,000 adults in Minnesota--four percent--showed signs associated with problem gambling and gambling addiction.

Many experts agree that the potential for gambling addiction among the young--the most vulnerable group--is worse. Teens are twice as likely as adults to become addicted.

Jeff Copeland, a 21-year-old from suburban Minneapolis, can't go to college because he's accumulated a \$20,000 gambling debt. "It ruins your life," he says. "And people don't really understand. I thought about suicide. It's the easiest way to get out of it."

Pawnshop Boom. Thousands of Minnesotans are burying themselves in debt because of gambling, borrowing millions they'll never be able to pay back. Bankruptcy experts estimate that more than 1000 people a year are filing for bankruptcy protection (average owed: \$40,000), at an estimated cost to creditors of more than \$2.5 million. "Compared with ten years ago, there are 20 times as many people who have gambling debts," says bankruptcy attorney Jack Prescott of Minneapolis.

One of these is Hennepin County Commissioner Sandra Hilary of Minneapolis. She filed for bankruptcy two days after admitting she was addicted to slot machines. She estimated she'd lost nearly \$100,000 gambling. After counseling, Hilary is now trying to reimburse her creditors.

Throughout the state, at least 17

new pawnshops have sprung up near casinos, with gamblers hocking possessions for far less than real value to support their gambling habits. In or near Cass Lake (pop. 923), four miles from Palace Bingo & Casino, there are four pawnshops. That's a pawnshop for every 231 people.

Police near casinos note an increase in bogus reports of thefts. These come from people who lie about the disappearance of a ring, video camera or other expensive item that they actually pawned to pay for their gambling.

Easy Credit. Minnesotans are also burning up welfare payments at casinos. Hundreds of thousands of taxpayer dollars that are meant to provide food, clothes and housing for the poor are being wagered on blackjack and in slot machines, and for residents of two Minnesota counties, the money is being made available from automated teller machines inside almost every casino in the state. During a typical month last year, welfare recipients from Hennepin and Ramsey counties withdrew \$39,000 in benefits from casino ATMs.

There are few incentives for casinos to regulate the availability of credit to gamblers. The casinos can't lose: they don't give the credit; they simply make the money.

Credit-card companies—there are now more than 7000—have made strong profits in recent years despite increasing bankruptcy and delinquent payments nationwide. Interest rates are so high—averaging 18 percent—they still make up for losses from bankruptcy. And the issuers pass much

GAMBUNG'S TOLL IN MINNESOTA

of the loss on to consumers through higher rates, fees and penalties, says Ruth Susswein, executive director of Bankcard Holders of America, a non-profit consumer-education group.

"They're making so much money it's been worth it to them to keep offering credit," Susswein adds. Some casinos also rent space to companies that cash checks and provide credit-card advances for fees.

Police Burden. It seemed to take only minutes for Carol Foley to get hooked on video gambling machines. "Within two or three days," she says, "I was playing every day." To cover her losses, Foley, 43, forged \$176,000 in checks at her job at the E. M. Lohmann Co., a church goods dealer in St. Paul. Last September she was released from a correction center in Roseville, Minn., after serving eight months for forgery. She underwent counseling for her gambling addiction and is on a monthly payment plan with her former employer.

The high crime rate among problem gamblers has been well established. The National Council on Problem Gambling found that 75 percent of gamblers treated at in-patient centers had committed a crime.

Between 1988—when the first of Minnesota's 17 casinos began operating—and 1994, counties with casinos saw the crime rate rise twice as fast as those without casinos. The increase was the greatest for crimes linked to gambling, such as fraud, theft and forgery/counterfeiting.

Casinos are burdening local police. When Grand Casino Mille Lacs

READER'S DIGEST • APRIL 1996

opened on the Mille Lacs Indian Reservation in April 1991, county police responded to almost twice as many incidents of crime or people seeking help on the reservation.

Jean Mott, a 38-year-old mother of three, worked nights at a Kmart distribution center to help pay the family bills. But the bills began backing up when Mott headed to Mystic Lake Casino, rather than her Shakopee home, at the end of her shift.

Just before dawn one day in January 1995, having lost another paycheck to the casino, Mott drove to the Brooks' Food Market in Shakopee. Wearing a ski mask and with her hand in her pocket to simulate a gun, she stole \$233. Police easily traced the holdup to Mott because a patrol officer had run a registration check after he saw her car parked with its lights on just south of the store that morning. Mott was convicted of simple robbery, and served 30 days in jail and 30 days on electronic home monitoring.

Taxpayer Tab. The list of violent gambling-related crimes is also growing. Redwood Falls police officer Derek Woodford was shot by a gambler from Gary, Ind., who had broken into a local bank after a day of gambling at Jackpot Junction in Morton. Woodford spent 13 days in the hospital recovering from three bullet wounds.

Gambling has long been recognized, as well, as a root cause of embezzlement. In most gambling-related embezzlement cases, authorities say, the court file shows the same thing: no previous criminal record.

"Prior to 1990, we had zero cases

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of gambling-related embezzlements," says William Urban, president of Loss Prevention Specialists, Inc., a Minneapolis company that helps employers deal with internal thefts. Since then the company has investigated gambling-related losses of well over \$500,000.

Reva Wilkinson, of Cedar, is now in federal prison for embezzling more than \$400,000 from the Guthrie Theater to support her gambling habit. Besides the money she stole from her Minneapolis employer, her case cost taxpayers over \$100,000 to investigate, prosecute and adjudicate.

In June 1993 Theresa Erdmann was charged with stealing nearly \$120,000 from the checking account and weekly offerings at St. Michael's Catholic Church in Madison. She said the money was blown on gambling, and now she's serving a three-year sentence in a state prison.

Hidden Suicides. More and more, some problem gamblers pay the ultimate price. The *Star Tribune* confirmed six gambling-related suicides in Minnesota—five in the past three years. Almost certainly, this is only a fraction of the total.

The victims are people like 19-year-old John Lee, a St. Paul college student who, in a three-month period, won about \$30,000 at blackjack. Then he started losing. Down to his last \$10,000, he lost it all one night. He returned home, put a shotgun to his head and killed himself. In addition, at least 122 Minnesota gamblers have attempted suicide, according to directors of the six state-

funded gambling-treatment centers.

Other deaths that may be related to depression over gambling losses are not listed as suicides at all. "So often, when people talk about suicide, they say, 'I'd just drive off the road. I'd drive into a tree,'" says Sandi Brustuen of the Vanguard Compulsive Gambling Treatment Program in Granite Falls, Minn. "They don't want anyone to know they committed suicide, and they want their families to collect the insurance."

The suicide rate among pathological gamblers nationally is believed to rival that of drug addicts. Ten to 20 percent of pathological gamblers have attempted suicide, and almost 90 percent have contemplated it.

Treatment experts, researchers and gamblers themselves say states can do more to reduce the negative consequences for gamblers. Here are some of the most frequently mentioned ideas:

- *Underwrite better research.* Many research efforts across the country have been criticized for failing to prove that treatment works, for failing to measure the social costs of gambling and for failing to implement a long-range plan to address problem-gambling issues. "We really don't know exactly how much problem gamblers cost society," says Henry Lesieur, editor of the *Journal of Gambling Studies* and a criminal-justice professor at Illinois State University in Normal.

On the federal level, the issue of gambling addiction only recently started to generate action. Last fall

GAMBINO'S TOLL IN MINNESOTA

committees in the House and Senate held hearings on bills that would authorize a national commission to study the economic and social effects of legalized gambling.

- *Emphasize public awareness and education - especially among young people - about the risks of gambling.* Some suggest funding more in-school efforts, perhaps in conjunction with math and science classes or anti-drug programs. "Let people know what the odds are. The longer you gamble, the more you're going to lose," says Alan Gilbert, solicitor general of Minnesota.

- *Train casino employees to spot and discourage problem gamblers from betting irresponsibly.* Some casinos already do this. But they offer only anecdotal evidence that such efforts are used, and some say they've never barred a person for problem gambling unless the person asked to be barred.

GAMBLING has significant social and economic impact. It results in ruined lives, families and businesses; in bankruptcies and bad loans; in suicides, embezzlements and other crimes committed to feed or cover up gambling habits - and increases in costs to taxpayers for investigating, prosecuting and punishing those crimes.

Few of these problems have been documented as communities and states across the nation instead focus on gambling as a way to boost their economies and increase tax revenues. But for Minnesota the social costs of gambling are emerging in vivid and tragic detail.

Reprints of this article are available. See page 234.

Sec. 04.11.370. Suspension and revocation of licenses and permits.

(a) A license or permit shall be suspended or revoked if the board finds

(1) misrepresentation of a material fact on an application made under this title or a regulation adopted under this title;

(2) continuation of the manufacture, sale, or service of alcoholic beverages by the licensee or permittee would be contrary to the best interests of the public;

(3) failure on the part of the licensee to correct a defect that constitutes a violation of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or other laws after receipt of notice issued by the board or its agent;

(4) conviction of a licensee of a violation of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010;

(5) conviction of an agent or employee of a licensee of a violation of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the board to have either knowingly allowed the violation or to have recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030 with the result that the agent or employee violates a law, regulation, or ordinance;

(6) failure of the licensee to comply with the public health, fire, or safety laws and regulations in the state;

(7) use of the licensed premises as a resort for illegal possessors or users of narcotics, prostitutes, or promoters of prostitution; in addition to any other legally competent evidence, the character of the premises may be proved by the general reputation of the premises in the community as a resort for illegal possessors or users of narcotics, prostitutes, or promoters of prostitution;

(8) occurrence of illegal gambling within the limits of the licensed premises;

(9) the licensee permitted a public offense involving moral turpitude to occur on the licensed premises;

(10) violation by a licensee of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010 ; or

Sec. 05.15.010. Department of Revenue to administer chapter.

The Department of Revenue shall administer this chapter.

CORRECTION

THE FOLLOWING DOCUMENT(S)
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Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

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(11) violation by an agent or employee of a licensee of a provision of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the board to have either knowingly allowed the violation or to have recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030 with the result that the agent or employee violates the law, condition or restriction, regulation, or ordinance.

(b) If the board finds that a licensee or permittee has been convicted of a violation of a criminal law related to gambling under AS 11.66.200 - 11.66.280, the board shall suspend the license or permit for a period of at least six months if the offense is the person's first conviction or violation and shall revoke the license or permit if the offense is the person's second or subsequent conviction or violation.

(c) If the board receives notice from the Department of Revenue that a licensee or permittee has violated a provision of AS 05.15 related to gambling, the board

(1) may suspend the license or permit; and

(2) shall suspend the license or permit for a period of at least 30 days if the offense is the person's second or subsequent violation of AS 05.15 related to gambling.

Sec. 05.15.010. Department of Revenue to administer chapter.

The Department of Revenue shall administer this chapter.

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

(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; or

(B) a game of chance, conducted by a dog mushers' association, in which 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; of the three elements of uncertainty, one element must be identified as the primary determinant of success, with the other two elements being used as secondary and tertiary determinants if there are multiple correct guesses of the primary determinant;

(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;

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(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 Community Services Foundation, 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

(A) [Effective January 1, 2004]. Homer Mercury Classic operated and administered by the Boys and Girls Club of the Kenai Peninsula; and

(B) 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) [Repealed, Sec. 8 ch 13 SLA 1995].

(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 the license or permit; the organization may be a firm, corporation, company, association, or partnership;

(37) "race classic" means a game of chance where prizes are awarded for the closest guess or guesses of the official winning times of a human race

or races, and is limited to the Mt. Marathon Race Classic operated and administered by the Seward Chamber of Commerce Convention and Visitors' Bureau.

(38) "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;

(39) "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;

(40) "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;

(41) "salmon classic" means a game of chance, to be operated and administered by the

(A) 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;

(B) Seward Chamber of Commerce Convention and Visitors' Bureau, in which prizes are awarded for the closest guess or guesses of the weight of the fish officially designated winner of the Seward Silver Salmon Derby Classic;

(C) Sterling Area Senior Citizens, Inc., in which a prize of money is awarded for the closest guess of the total number of sockeye salmon crossing the counter operated by the Alaska Department of Fish and Game on the Kenai River as of a certain day and time; or

(D) Bristol Bay Native Corporation Education Foundation, in which a prize of money is awarded for the closest guess of the total number of salmon harvested commercially in the five Bristol Bay commercial fishing districts between June 1 and September 30, as determined by the Department of Fish and Game;

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

(43) "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

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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;

(44) "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 and Workforce Development 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 ;

(45) "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.

Sec. 11.66.280. Definitions.

In AS 11.66.200 - 11.66.280, unless the context requires otherwise,

(1) "contest of chance" means a contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that the skill of the contestants may also be a factor;

(2) "gambling" means that a person stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under the person's control or influence, upon an agreement or understanding that that person or someone else will receive something of value in the event of a certain outcome; "gambling" does not include

(A) bona fide business transactions valid under the law of contracts for the purchase or sale at a future date of securities or commodities and agreements to compensate for loss caused by the happening of chance, including contracts of indemnity or guaranty and life, health, or accident insurance;

(B) playing an amusement device that

(i) confers only an immediate right of replay not exchangeable for something of value other than the privilege of immediate replay; and

(ii) does not contain a method or device by which the privilege of immediate replay may be cancelled or revoked; or

(C) an activity authorized by the Department of Revenue under AS 05.15;

(3) "gambling device" means any device, machine, paraphernalia, or equipment that is used or usable in the playing phases of unlawful gambling, whether it consists of gambling between persons or gambling by a person involving the playing of a machine; "gambling device" does not include

(A) lottery tickets, policy slips, or other items used in the playing phases of lottery or policy schemes; or

(B) an amusement device as described in (2)(B) of this section;

(4) "gambling enterprise" means a gambling business that

(A) includes five or more persons who conduct, finance, manage, supervise, direct, or own all or part of the business;

(B) has been or remains in substantially continuous operation for a period in excess of 30 days or has a gross income of \$2,000 or more in any single day; and

(C) is not a municipality or a qualified organization under AS 05.15.690, except that, for purposes of this paragraph, no application for a license under AS 05.15 is required to be considered a qualified organization;

(5) "gambling record" means any writing or paper of a kind commonly used in the operation or promotion of unlawful gambling and includes lottery tickets, policy slips, or other writings or papers used in the playing phases of lottery or policy schemes;

(6) "player" means a person who engages in gambling solely as a contestant or bettor, believing that the risk of losing and the chances of winning are the same for all participants except for the advantages of skill and luck, without receiving or becoming entitled to receive any profit from gambling other than personal gambling winnings and without otherwise rendering any material assistance to the establishment, conduct, or operation of the particular gambling activity, except that, for purposes of this paragraph, a person who gambles at a social game on equal terms with the other participants does not "otherwise render material assistance" to the establishment, conduct, or operation by performing, without fee or remuneration, acts directed towards the arrangement or facilitation of the game, such as inviting persons to play, permitting the use of premises for the game, or supplying cards or other equipment used in the game;

(7) "profits from gambling" means that a person, acting other than as a player, accepts or receives money or other property under an agreement or understanding with another person by which the person participates or is to participate in the proceeds of gambling;

(8) "promoting gambling" means that a person, acting other than as a player, engages in conduct that materially aids any form of gambling; conduct of this nature includes

(A) conduct directed toward the

(i) creation or establishment of the particular gambling activity or acquisition or maintenance of premises, paraphernalia, equipment, or apparatus used in the gambling;

(ii) conduct of the playing phases of gambling; or

(iii) arrangement of the financial or recording phase of gambling or toward any other phase of its operation; or

(B) having control or right of control over premises that are used with the defendant's knowledge for purposes of gambling and permitting the gambling to occur or continue without making an effort to prevent its occurrence or continuation;

(9) "social game" means gambling in a home where no house player, house bank, or house odds exist and where there is no house income from the operation of the game;

(10) "something of value" means any money or property; any token, object, or article exchangeable for money or property; and any form of credit or promise directly or indirectly contemplating transfer of money or property or of an interest in money or property or involving extension of a service, entertainment, or privilege of playing at a game or scheme without charge;

(11) "unlawful" means not specifically authorized by law.

Sec. 11.81.900. Definitions.

(a) For purposes of this title, unless the context requires otherwise,

(1) a person acts "intentionally" with respect to a result described by a provision of law defining an offense when the person's conscious objective is to cause that result; when intentionally causing a particular result is an element of an offense, that intent need not be the person's only objective;

(2) a person acts "knowingly" with respect to conduct or to a circumstance described by a provision of law defining an offense when the person is aware that the conduct is of that nature or that the circumstance exists; when knowledge of the existence of a particular fact is an element of an offense, that knowledge is established if a person is aware of a substantial probability of its existence, unless the person actually believes it does not exist; a person who is unaware of conduct or a circumstance of which the person would have been aware had that person not been intoxicated acts knowingly with respect to that conduct or circumstance;

(3) a person acts "recklessly" with respect to a result or to a circumstance described by a provision of law defining an offense when the person is aware of and consciously disregards a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that disregard of it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation; a person who is unaware of a risk of which the person would have been aware had that person not been intoxicated acts recklessly with respect to that risk;

(4) a person acts with "criminal negligence" with respect to a result or to a circumstance described by a provision of law defining an offense when the person fails to perceive a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable person would observe in the situation.

(b) In this title, unless otherwise specified or unless the context requires otherwise,

(1) "access device" means a card, credit card, plate, code, account number, algorithm, or identification number, including a social security number, electronic serial number, or password, that is capable of being used, alone or in conjunction with another access device or identification document, to obtain property or services, or that can be used to initiate a transfer of property;

(2) "affirmative defense" means that

(A) some evidence must be admitted which places in issue the defense; and

(B) the defendant has the burden of establishing the defense by a preponderance of the evidence;

(3) "benefit" means a present or future gain or advantage to the beneficiary or to a third person pursuant to the desire or consent of the beneficiary;

(4) "building", in addition to its usual meaning, includes any propelled vehicle or structure adapted for overnight accommodation of persons or for carrying on business; when a building consists of separate units, including apartment units, offices, or rented rooms, each unit is considered a separate building;

(5) "cannabis" has the meaning ascribed to it in AS 11.71.900 (10), (11), and (14);

(6) "conduct" means an act or omission and its accompanying mental state;

(7) "controlled substance" has the meaning ascribed to it in AS 11.71.900(4);

(8) "correctional facility" means premises, or a portion of premises, used for the confinement of persons under official detention;

(9) "credit card" means any instrument or device, whether known as a credit card, credit plate, courtesy card, or identification card or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining property or services on credit;

(10) "crime" means an offense for which a sentence of imprisonment is authorized; a crime is either a felony or a misdemeanor;

(11) "crime involving domestic violence" has the meaning given in AS 18.66.990;

(12) "criminal street gang" means a group of three or more persons

(A) who have in common a name or identifying sign, symbol, tattoo or other physical marking, style of dress, or use of hand signs; and

(B) who, individually, jointly, or in combination, have committed or attempted to commit, within the preceding three years, for the benefit of, at the direction of, or in association with the group, two or more offenses under any of, or any combination of, the following:

(i) AS 11.41;

(ii) AS 11.46; or

(iii) a felony offense.

(13) "culpable mental state" means "intentionally", "knowingly", "recklessly", or with "criminal negligence", as those terms are defined in (a) of this section;

(14) "dangerous instrument" means any deadly weapon or anything that, under the circumstances in which it is used, attempted to be used, or threatened to be used, is capable of causing death or serious physical injury;

(15) "deadly force" means force that the person uses with the intent of causing, or uses under circumstances that the person knows create a substantial risk of causing, death or serious physical injury; "deadly force" includes intentionally discharging or pointing a firearm in the direction of another person or in the direction in which another person is believed to be and intentionally placing another person in fear of imminent serious physical injury by means of a dangerous instrument;

(16) "deadly weapon" means any firearm, or anything designed for and capable of causing death or serious physical injury, including a knife, an axe, a club, metal knuckles, or an explosive;

(17) "deception" means to knowingly

(A) create or confirm another's false impression that the defendant does not believe to be true, including false impressions as to law or value and false impressions as to intention or other state of mind;

(B) fail to correct another's false impression that the defendant previously has created or confirmed;

(C) prevent another from acquiring information pertinent to the disposition of the property or service involved;

(D) sell or otherwise transfer or encumber property and fail to disclose a lien, adverse claim, or other legal impediment to the enjoyment of the property, whether or not that impediment is a matter of official record; or

(E) promise performance that the defendant does not intend to perform or knows will not be performed;

(18) "defense", other than an affirmative defense, means that

(A) some evidence must be admitted which places in issue the defense; and

(B) the state then has the burden of disproving the existence of the defense beyond a reasonable doubt;

(19) "defensive weapon" means an electric stun gun, or a device to dispense mace or a similar chemical agent, that is not designed to cause death or serious physical injury;

(20) "drug" has the meaning ascribed to it in AS 11.71.900 (9);

(21) "dwelling" means a building that is designed for use or is used as a person's permanent or temporary home or place of lodging;

(22) "explosive" means a chemical compound, mixture, or device that is commonly used or intended for the purpose of producing a chemical reaction resulting in a substantially instantaneous release of gas and heat, including dynamite, blasting powder, nitroglycerin, blasting caps, and nitrojelly, but excluding salable fireworks as defined in AS 18.72.050, black powder, smokeless powder, small arms ammunition, and small arms ammunition primers;

(23) "felony" means a crime for which a sentence of imprisonment for a term of more than one year is authorized;

(24) "fiduciary" means a trustee, guardian, executor, administrator, receiver, or any other person carrying on functions of trust on behalf of another person or organization;

(25) "firearm" means a weapon, including a pistol, revolver, rifle, or shotgun, whether loaded or unloaded, operable or inoperable, designed for discharging a shot capable of causing death or serious physical injury;

(26) "force" means any bodily impact, restraint, or confinement or the threat of imminent bodily impact, restraint, or confinement, "force" includes deadly and nondeadly force;

(27) "government" means the United States, any state or any municipality or other political subdivision within the United States or its territories; any department, agency, or subdivision of any of the foregoing; an agency carrying out the functions of government; or any corporation or agency formed under interstate compact or international treaty;

(28) "highway" means a public road, road right-of-way, street, alley, bridge, walk, trail, tunnel, path, or similar or related facility, as well as ferries and similar or related facilities;

(29) "identification document" means a paper, instrument, or other article used to establish the identity of a person; "identification document" includes a social security card, driver's license, non-driver's identification, birth certificate, passport, employee identification, or hunting or fishing license;

(30) "includes" means "includes but is not limited to";

(31) "incompetent person" means a person who is impaired by reason of mental illness or mental deficiency to the extent that the person lacks sufficient understanding or capacity to make or communicate responsible decisions concerning that person;

(32) "intoxicated" means intoxicated from the use of a drug or alcohol;

(33) "law" includes statutes and regulations;

(34) "leased" includes "rented";

(35) "metal knuckles" means a device that consists of finger rings or guards made of a hard substance and designed, made, or adapted for inflicting serious physical injury or death by striking a person;

(36) "misdemeanor" means a crime for which a sentence of imprisonment for a term of more than one year may not be imposed;

(37) "nondeadly force" means force other than deadly force;

(38) "offense" means conduct for which a sentence of imprisonment or fine is authorized; an offense is either a crime or a violation;

(39) "official detention" means custody, arrest, surrender in lieu of arrest, or actual or constructive restraint under an order of a court in a criminal or juvenile proceeding, other than an order of conditional bail release;

(40) "official proceeding" means a proceeding heard before a legislative, judicial, administrative, or other governmental body or official authorized to hear evidence under oath;

(41) "omission" means a failure to perform an act for which a duty of performance is imposed by law;

(42) "organization" means a legal entity, including a corporation, company, association, firm, partnership, joint stock company, foundation, institution, government, society, union, club, church, or any other group of persons organized for any purpose;

(43) "peace officer" means a public servant vested by law with a duty to maintain public order or to make arrests, whether the duty extends to all offenses or is limited to a specific class of offenses or offenders;

(44) "person" means a natural person and, when appropriate, an organization, government, or governmental instrumentality;

(45) "physical injury" means a physical pain or an impairment of physical condition;

(46) "police dog" means a dog used in police work under the control of a peace officer;

(47) "possess" means having physical possession or the exercise of dominion or control over property;

(48) "premises" means real property and any building;

(49) "propelled vehicle" means a device upon which or by which a person or property is or may be transported, and which is self-propelled, including automobiles, vessels, airplanes, motorcycles, snow machines, all-terrain vehicles, sailboats, and construction equipment;

(50) "property" means an article, substance, or thing of value, including money, tangible and intangible personal property including data or information stored in a computer program, system, or network, real property, an access device, a domestic pet or livestock regardless of value, choses-in-action, and evidence of debt or of contract; a commodity of a public utility such as gas, electricity, steam, or water constitutes property, but the supplying of such a commodity to premises from an outside source by means of wires, pipes, conduits, or other equipment is considered a rendition of a service rather than a sale or delivery of property;

(51) "public place" means a place to which the public or a substantial group of persons has access and includes highways, transportation facilities, schools, places of amusement or business, parks, playgrounds, prisons, and hallways, lobbies, and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence;

(52) "public record" means a document, paper, book, letter, drawing, map, plat, photo, photographic file, motion picture, film, microfilm, microphotograph, exhibit, magnetic or paper tape, punched card or other document of any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by any agency, municipality, or any body subject to the open meeting provision of AS 44.62.310, as evidence of the organization, function, policies, decisions,

procedures, operations, or other activities of the state or municipality or because of the informational value in it; it also includes staff manuals and instructions to staff that affect the public;

(53) "public servant" means each of the following, whether compensated or not, but does not include jurors or witnesses:

(A) an officer or employee of the state, a municipality or other political subdivision of the state, or a governmental instrumentality of the state, including legislators, members of the judiciary, and peace officers;

(B) a person acting as an advisor, consultant, or assistant at the request of, the direction of, or under contract with the state, a municipality or other political subdivision of the state, or another governmental instrumentality; in this subparagraph "person" includes an employee of the person;

(C) a person who serves as a member of the board or commission created by statute or by legislative, judicial, or administrative action by the state, a municipality or other political subdivision of the state, or a governmental instrumentality;

(D) a person nominated, elected, appointed, employed, or designated to act in a capacity defined in (A) - (C) of this paragraph, but who does not occupy the position;

(54) a "renunciation" is not "voluntary and complete" if it is substantially motivated, in whole or in part, by

(A) a belief that circumstances exist which increase the probability of detection or apprehension of the defendant or another participant in the criminal enterprise, or which render more difficult the accomplishment of the criminal purpose; or

(B) a decision to postpone the criminal conduct until another time or to transfer the criminal effort to another victim or another but similar objective;

(55) "serious physical injury" means

(A) physical injury caused by an act performed under circumstances that create a substantial risk of death; or

(B) physical injury that causes serious and protracted disfigurement, protracted impairment of health, protracted loss or impairment of the function of a body member or organ, or that unlawfully terminates a pregnancy;

(56) "services" includes labor, professional services, transportation, telephone or other communications service, entertainment, including cable, subscription, or pay television or other telecommunications service, the supplying of food, lodging, or other accommodations in hotels, restaurants, or elsewhere, admission to exhibitions, the use of a computer, computer time, a computer system, a computer program, a computer network, or any part of a computer system or network, and the supplying of equipment for use;

(57) "sexual contact" means

(A) the defendant's

(i) knowingly touching, directly or through clothing, the victim's genitals, anus, or female breast; or

(ii) knowingly causing the victim to touch, directly or through clothing, the defendant's or victim's genitals, anus, or female breast;

(B) but "sexual contact" does not include acts

(i) that may reasonably be construed to be normal caretaker responsibilities for a child, interactions with a child, or affection for a child;

(ii) performed for the purpose of administering a recognized and lawful form of treatment that is reasonably adapted to promoting the physical or mental health of the person being treated; or

(iii) that are a necessary part of a search of a person committed to the custody of the Department of Corrections or the Department of Health and Social Services;

(58) "sexual penetration"

(A) means genital intercourse, cunnilingus, fellatio, anal intercourse, or an intrusion, however slight, of an object or any part of a person's body into the genital or anal opening of another person's body; each party to any of the acts described in this subparagraph is considered to be engaged in sexual penetration;

(B) does not include acts

(i) performed for the purpose of administering a recognized and lawful form of treatment that is reasonably adapted to promoting the physical health of the person being treated; or

(ii) that are a necessary part of a search of a person committed to the custody of the Department of Corrections or the Department of Health and Social Services;

(59) "solicits" includes "commands";

(60) "threat" means a menace, however communicated, to engage in conduct described in AS 11.41.520 (a)(1) - (7) but under AS 11.41.520(a)(1) includes all threats to inflict physical injury on anyone;

(61) "violation" is a noncriminal offense punishable only by a fine, but not by imprisonment or other penalty; conviction of a violation does not give rise to any disability or legal disadvantage based on conviction of a crime; a person charged with a violation is not entitled

(A) to a trial by jury; or

(B) to have a public defender or other counsel appointed at public expense to represent the person;

(62) "voluntary act" means a bodily movement performed consciously as a result of effort and determination, and includes the possession of property if the defendant was aware of the physical possession or control for a sufficient period to have been able to terminate it.

Sec. 18.65.080. Powers and duties of department and members of state troopers.

The Department of Public Safety and each member of the state troopers is charged with the enforcement of all criminal laws of the state, and has the power of a peace officer of the state or a municipality and those powers usually and customarily exercised by peace officers. Each member of the state troopers may prevent crime, pursue and apprehend offenders, obtain legal evidence, institute criminal proceedings, execute any lawful warrant or order of arrest, make an arrest without warrant for a violation of law committed in the presence of the state trooper, and may cooperate with other law enforcement agencies in detecting crime, apprehending criminals, and preserving law and order in the state.

Sec. 39.20.180. Transportation and per diem expenses for members of boards, commissions, etc.

Except as otherwise provided by law, the provisions in this section relating to per diem and transportation govern exclusively with respect to a member of a state board, commission, committee, judicial council, or other similar body of persons of the state organized or established under the authority of law, but excluding any other state employee other than a legislator, who is otherwise entitled by law to receive from the state payments for expenses of transportation, and for reimbursement or for per diem in lieu of reimbursement for other expenses incident to duties as such member:

(1) for transportation, the member is entitled either to the use of state transportation requests, or to be reimbursed for expenses of transportation to the same extent, in the same manner, and under the same conditions as provided for state officials and employees by the provisions of AS 39.20.110 - 39.20.170;

(2) for reimbursement for other expenses, the member is entitled to a per diem allowance prescribed by the commissioner of administration under the regulatory authority set out in AS 39.20.160 for each day or portion of a day spent in actual meeting or on authorized official business incident to duties as a member.

Sec. 39.25.110. Exempt service.

Unless otherwise provided by law, the following positions in the state service constitute the exempt service and are exempt from the provisions of this chapter and the rules adopted under it:

- (1) persons elected to public office by popular vote or appointed to fill vacancies in elected offices;
- (2) justices, judges, magistrates, and employees of the judicial branch including employees of the judicial council;
- (3) employees of the state legislature and its agencies;
- (4) the head of each principal department in the executive branch;
- (5) officers and employees of the University of Alaska;
- (6) certificated teachers and noncertificated employees employed by a regional educational attendance area established and organized under AS 14.08.031 - 14.08.041 to teach in, administer, or operate schools under the control of a regional educational attendance area school board;
- (7) certificated teachers employed by the Department of Education and Early Development as correspondence teachers, teachers in skill centers operated by the Department of Education and Early Development or by the Department of Labor and Workforce Development, or in Mt. Edgecumbe School;
- (8) patients and inmates employed in state institutions;
- (9) persons employed in a professional capacity to make a temporary or special inquiry, study or examination as authorized by the governor;
- (10) members of boards, commissions, or authorities;
- (11) the officers and employees of the following boards, commissions, and authorities:
 - (A) [Repealed, Sec. 13 ch 43 SLA 1994].
 - (B) Alaska Permanent Fund Corporation;
 - (C) Alaska Industrial Development and Export Authority;
 - (D) Alaska Commercial Fisheries Entry Commission;

- (E) Alaska Commission on Postsecondary Education;
- (F) Alaska Aerospace Development Corporation;
- (G) Alaska Natural Gas Development Authority;
- (12) the executive secretary and legal counsel of the Alaska Municipal Bond Bank Authority;
- (13) the state medical examiner, deputy medical examiner, and assistant medical examiners appointed under AS 12.65.015 and physicians licensed to practice in this state and employed by the division of mental health and developmental disabilities in the Department of Health and Social Services or by the Department of Corrections;
- (14) petroleum engineers and petroleum geologists employed in a professional capacity by the Department of Natural Resources and by the Oil and Gas Conservation Commission, except for those employed in the division of geological and geophysical surveys in the Department of Natural Resources;
- (15) [Repealed, Sec. 1 ch 32 SLA 1999].
- (16) persons employed by the division of marine transportation as masters and members of the crews of vessels who operate the state ferry system and who are covered by a collective bargaining agreement provided in AS 23.40.040 ;
- (17) officers and employees of the state who reside in foreign countries;
- (18) employees of the Alaska Seafood Marketing Institute;
- (19) emergency fire-fighting personnel employed by the Department of Natural Resources for a fire emergency or for fire prevention and related activities conducted under AS 41.15.030 ;
- (20) employees of the Office of the Governor and the office of the lieutenant governor, including the staff of the governor's mansion;
- (21) employees of the Citizens' Advisory Commission on Federal Areas in Alaska established under AS 41.37.010 ;
- (22) youth employed by the Department of Natural Resources under the Youth Employment and Student Intern programs;
- (23) [Repealed, Sec. 6 ch 28 SLA 2003].

- (24) students employed by the state institutions in which the students are enrolled;
- (25) the executive director and staff of the Alaska Science and Technology Foundation established under AS 37.17.010 ;
- (26) investment officers in the Department of Revenue;
- (27) [Repealed, Sec. 10 ch 29 SLA 1999].
- (28) persons engaged in employment or pre-employment training programs operated by the Department of Military and Veterans' Affairs;
- (29) [Repealed, Sec. 9 ch 115 SLA 1989].
- (30) a person employed as an actuary or assistant actuary by the division of insurance in the Department of Community and Economic Development;
- (31) the chief administrative law judge and any other administrative law judges appointed to the office of tax appeals of the Department of Administration under AS 43.05.400 - 43.05.499;
- (32) a participant in the Alaska temporary assistance program under AS 47.27 who holds a temporary position with the state in order to obtain job training or experience;
- (33) a person employed as a convener under AS 44.62.730 or as a facilitator under AS 44.62.760 related to a negotiated regulation making process under AS 44.62.710 - 44.62.800;
- (34) the chief executive officer and employees of the Alaska Mental Health Trust Authority employed under AS 47.30.026 (b);
- (35) the assistant adjutant general for space and missile defense appointed under AS 26.05.185 ;
- (36) the victims' advocate established under AS 24.65.010 and the advocate's staff;
- (37) employees of the Alaska mental health trust land unit established under AS 44.37.050 ;
- (38) the executive director and staff of the Council on Domestic Violence and Sexual Assault established under AS 18.66.010 ;
- (39) the executive director and employees of the Knik Arm Bridge and Toll Authority under AS 19.75.051 and 19.75.061.

Sec. 39.50.200. Definitions.

(a) In this chapter

(1) "assistant to the governor or the lieutenant governor" includes any executive, legislative, special, administrative, or press assistant to the governor or lieutenant governor, and any person similarly employed in a policy-making position;

(2) "child" includes a biological child, an adoptive child, and a stepchild;

(3) "commission" means the Alaska Public Offices Commission created under AS 15.13.020 (a);

(4) "domestic partner" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;

(5) "instrumentality of the state" means a state department or agency, whether in the legislative, judicial, or executive branch, including the University of Alaska;

(6) "judicial officer" means a person appointed as a justice to the supreme court or as a judge to the court of appeals, superior court, district court, or magistrate court;

(7) "mother or father" includes a biological parent, an adoptive parent, and a step-parent;

(8) "municipal officer" includes a borough or city mayor, borough assemblyman, city councilman, school board member, elected utility board member, city or borough manager, members of a city or borough planning or zoning commission within a home rule or general law city or borough, or a unified municipality;

(9) "public official" means

(A) a judicial officer;

(B) the governor or the lieutenant governor;

(C) a person hired or appointed in a department in the executive branch as

(i) the head or deputy head of the department;

(ii) the director or deputy director of a division;

(iii) a special assistant to the head of the department;

(iv) a person serving as the legislative liaison for the department;

(D) an assistant to the governor or the lieutenant governor;

(E) the chair or a member of a state commission or board other than physician members or alternates of the Alaska Teachers' Retirement Board appointed under AS 14.25.035 (a)(2) or of the Public Employees' Retirement Board appointed under AS 39.35.030 (d);

(F) state investment officers and the state comptroller in the Department of Revenue;

(G) [Repealed, Sec. 10 ch 29 SLA 1999].

(H) the chief procurement officer appointed under AS 36.30.010 ;

(I) the executive director of the Alaska Workforce Investment Board; and

(J) each appointed or elected municipal officer;

(10) "source of income" means the entity for which service is performed or that is otherwise the origin of payment; if the person whose income is being reported is employed by another, the employer is the source of income; but if the person is self-employed by means of a sole proprietorship, partnership, professional corporation, or a corporation in which the person, the person's spouse or domestic partner, or the person's dependent children, or a combination of them, hold a controlling interest, the "source" is the client or customer of the proprietorship, partnership, or corporation, but, if the entity that is the origin of payment is not the same as the client or customer for whom the service is performed, both are considered the source.

(b) In this chapter "state commission or board" means the

(1) [Repealed, Sec. 30 ch 81 SLA 2000].

(2) Alaska State Council on the Arts (AS 44.27.040);

(3) Alcoholic Beverage Control Board (AS 04.06.010);

(4) State Assessment Review Board (AS 43.56.040);

(5) [Repealed, Sec. 1 ch 54 SLA 1981].

(6) Board of Education and Early Development (AS 14.07.075);

- (7) Alaska Public Broadcasting Commission (AS 44.21.256);
- (8) Alaska Public Offices Commission (AS 15.13.020);
- (9) [Repealed, Sec. 16 ch 61 SLA 1995].
- (10) Alaska Commercial Fisheries Entry Commission (AS 16.43.020);
- (11) Fishermen's Fund Advisory and Appeals Council (AS 23.35.010);
- (12) [Repealed, Sec. 140 ch 4 FSSLA 1992].
- (13) State Commission for Human Rights (AS 18.80.010);
- (14) [Repealed, Sec. 86 ch 59 SLA 1982].
- (15) Alaska Judicial Council (art. IV, Sec. 8, Alaska Constitution);
- (16) Commission on Judicial Conduct (art. IV, Sec. 10, Alaska Constitution);
- (17) [Repealed, Sec. 24 ch 22 SLA 2001].
- (18) Local Boundary Commission (AS 44.33.810);
- (19) Occupational Safety and Health Review Board (AS 18.60.057);
- (20) Board of Parole (AS 33.16.020);
- (21) State Personnel Board (AS 39.25.060);
- (22) [Repealed, Sec. 20 ch 110 SLA 1981].
- (23) Public Employees Retirement Board (AS 39.35.030);
- (24) Regulatory Commission of Alaska (AS 42.04.010);
- (25) University of Alaska Board of Regents (AS 14.40.120);
- (26) Alaska Royalty Oil and Gas Development Advisory Board (AS 38.06.020);
- (27), (28) [Repealed, Sec. 86 ch 59 SLA 1982].
- (29) Alaska Teachers' Retirement Board (AS 14.25.035);
- (30) [Repealed, 1983 Initiative Proposal No. 2, Sec. 6].

- (31) Workers' Compensation Board (AS 23.30.005);
- (32) Alaska Commission on Postsecondary Education (AS 14.42.015);
- (33) Alaska Municipal Bond Bank Authority (AS 44.85.020);
- (34) [Repealed, Sec. 1 ch 54 SLA 1981].
- (35) Alaska Medical Facility Authority (AS 18.26);
- (36) Alaska Oil and Gas Conservation Commission (AS 31.05);
- (37) Alaska Housing Finance Corporation (AS 18.56.010 - 18.56.900);
- (38) [Repealed, Sec. 44 ch 24 SLA 2003].
- (39) [Repealed, Sec. 4 ch 75 SLA 1979].
- (40) Board of Fisheries (AS 16.05.221 (a));
- (41) Board of Game (AS 16.05.221 (b));
- (42) Board of Trustees, executive director, and investment officers of the Alaska Permanent Fund Corporation (AS 37.13.040);
- (43) [Repealed, Sec. 69 ch 14 SLA 1987].
- (44) Alaska Seafood Marketing Institute (AS 16.51.010);
- (45) Council on Domestic Violence and Sexual Assault (AS 18.66.010);
- (46) [Repealed, Sec. 27 ch 18 SLA 1993].
- (47) [Repealed, Sec. 38 ch 168 SLA 1990].
- (48) [Repealed, Sec. 16 ch 33 SLA 1996].
- (49) [Repealed, Sec. 10 ch 29 SLA 1999].
- (50) [Repealed, Sec. 9 E.O. No. 84 (1993)].
- (51) [Repealed, Sec. 102 ch 21 SLA 2000].
- (52) Correctional Industries Commission (AS 33.32.070);

(53) the board of directors and the executive director of the Alaska Aerospace Development Corporation (AS 14.40.821);

(54) Alaska State Pension Investment Board (AS 37.10.210);

(55) Alaska Workforce Investment Board (AS 23.15.550);

(56) Board of Agriculture and Conservation (AS 03.09.010);

(57) the board of directors and chief executive officer of the Alaska Natural Gas Development Authority (AS 41.41.020).

PERRY GREEN LEASING
130 West 4th Avenue, Anchorage, AK 99501
Phone:907/277-9595 Fax:907/272-2125

April 19, 2004

Representative John Harris, Co-chair
Representative Bill Williams, Co-chair
House Finance Committee
State Capitol
Juneau, AK 99801-1182

Re: HB 552-An Act relating to gambling and gaming.

Dear Representative:

Thank you for the opportunity to address HB 552, a bill that will create the Alaska Gaming Commission and allow them to issue a single site casino gaming license in Anchorage. As you know, it has been my dream for some time to develop a world-class casino operation in the vacant Alaska Seafood International (ASI) building that is currently owned and maintained, at a loss, by the state.

In a recent survey by KTUU Channel 2, they asked their viewers if they were in favor or opposed to the single site casino concept in Anchorage. I found the results startling, as 67% were in favor of the concept, 32% opposed and 1% were undecided. The over 500 respondents were informed viewers as they were watching the newscast and one must conclude they are people who know and appreciate the reality of the state's situation and what the future holds for Alaska. They care and understand, as I do, that the state needs sources of revenue and good jobs for her residents.

It is a fact that 48 states currently use gaming as revenue source with that new revenue and industry revitalizing cities, counties, and even states. Not one state that has established gaming has reversed their decision. After 5 years, for example, the state of Louisiana decided to have a referendum to determine if they should still continue gaming. Seventy-six percent of the voters approved the referendum, sending the message that gaming had operated successfully. Voters there understood that this environmentally clean industry afforded good jobs and the myths associated with gaming were just that.

In the very conservative state of Mississippi, gaming began in Tunica County, an area of over 25% unemployment. Today, unemployment is under 4.3% as well paying jobs were created for many residents who had never before had the opportunity to work. Food stamp recipients fell 70% and people who had been raised on welfare found employment and self-respect. The casino sponsored programs that educated these people on not only the importance of doing their jobs, but in life skills. They learned that being timely for their jobs, dressing properly and carrying out proper hygiene were not complicated but were necessary in order to get and keep a job. The mayors of these cities, be they fundamental Christian or conservative Catholic, realized that employment was far better for the souls of their citizens than welfare, and that the resulting benefits far out weighed any concerns they may have had.

You may ask what will the benefits be of just one casino in Alaska? I would offer the following estimates over the next 10 years:

1. The State of Alaska will receive a minimum of \$200,000,000 in revenue. The bill proposes a 17% tax on the adjusted gross receipts, more than double the amount currently collected by California (8.5%) and triple that of Nevada (6.7%).
2. The Municipality of Anchorage will receive \$50,000,000 in taxes which would include the assessed worth of the valuable ASI property. The bill allows the municipality to tax up to 3% on the adjusted gross receipts. The City currently receives no revenue from this state owned property.

Rep. John Harris
Rep. Bill Williams
April 19, 2004
Page 2

3. Increased retail sales of \$3,000,000,000 statewide will result. Local sales taxes and bed taxes will increase for other communities from Ketchikan to Barrow, when these cities are visited by new tourists traveling to Alaska.
4. Without using any state funding, the casino would generate millions of dollars worth of marketing value by promoting this destination and our state to travelers in the Far East and other coveted markets.
5. During the renovation of the facility into a world-class Alaska-themed attraction, construction jobs worth over \$100,000,000 will be created.
6. An education program will be created in conjunction with South Central Foundation or established religious organizations for many Alaskans who currently have no working experience. Employment will be 98% Alaskan and those that are in need will learn life skills in addition to their job training. We will utilize the unemployed, the underemployed and senior citizens. We will train and employ young Alaskans who may have been incarcerated in the past and give them a good job for the first time in their lives.
7. A childcare facility will be established for working single parents on site, which will allow Alaskans who could not afford to work outside of their home previously because of concerns over the expense and quality of childcare, to seek employment.
8. Additional work will be available for many trained professionals, including local musicians and stagehands; as star attractions will be performing regularly in the facility.
9. Cost savings will be realized by local law enforcement agencies because existing illegal after-hours clubs will disappear with the onset of regulated legal casino gaming, not unlike during Prohibition.
10. Alaskan businesses will be given the opportunity to provide services and supplies to the casino.

One of the main reasons I have chosen the ASI facility for this project is to relieve the state of an expensive and underutilized facility. This proposal requires little from the state in the form of money or government jobs, as all costs of the Commission will be borne either by the license holder or through the taxes collected from the facility. It will create valuable new tourism infrastructure that can be of great benefit to everyone in our visitor industry. I feel that by allowing this proposal to go forward, we will have a wonderful opportunity to grow our statewide economy for the benefit of all Alaskans.

I understand that changes approved by the Committee will be incorporated into a Finance Committee Substitute. I would like to state for the record that it is not my intent to impact current charitable gaming statutes (AS 05.15) and I will work together with your staff to make the changes needed to reflect that position.

Thank you for the opportunity to continue this education process regarding the single site casino gaming issue. I look forward to working with you and the other members of the House as you enact these changes that will greatly enhance state revenues, provide 1,000 jobs and promote privately financed economic development for all of Alaska.

Most sincerely,


Perry Green

From Perry Green

4-19-04

Whenever gaming is brought up to some people their immediate response is one of fear and rejection. Fear for the ills of gaming is easy to understand, especially from people who have limited or no experience with gaming or living in an area that has no gaming. Las Vegas is one thing, but **not** for my city or community, is the general thought. Some of these people actually go, or have gone, to Las Vegas and enjoyed the fine dining, the 1st rate professional entertainment/shows produced, the general excitement. Still others enjoy playing cards or slot machines. Others haven't chosen, or just haven't had the opportunity, to enjoy the fun of this world famous entertainment location and that's understandable since they might fear the unknown.

There is another location that has six (6) casinos in a community of several hundred thousand residents that I am totally familiar with, as I spend a good deal of time there. That location is Palm Springs, California. It is much quieter and less famous, however, it's challenge is much the same as ours here in Alaska. It relies on tourism as a major source of government revenue and jobs. Palm Springs cannot be compared to Mt. McKinley or Kenai or the Inside Passage or world class sport fishing & hunting, but it does have the Bob Hope Classic PGA Golf Tournament and over 100 golf courses. Over 100,000 jobs depend upon the success of the Palm Springs tourism attraction and it is being effectively marketed and sold throughout the lower 48 and internationally. Palm Springs has to pull tourists, and their spending, to the isolated desert floor location just like Alaska has to pull people to it's location. Of course, their job is easier than Alaska since we are further away. One thing is for sure - the pulling power of both attractions needs to be as powerful as it can be and it must be sold to potential visitors aggressively.

The addition of six (6) casinos in Palm Springs increases the entertainment value of the attraction. Visiting Palm Springs for golf and sun during the day is augmented by exciting shows and gaming in the evening and this important strategy should apply to Alaska as well.

The attraction of Alaska must not be just marketed with ads. We must still sell Alaska by having additional attractions.

By the way, ask the residents of Palm Springs if the inclusion of six (6) casinos in their community has created problems for them. I don't believe you will get many negative comments and I don't think you will hear their residents being concerned about the ills of gaming. Quite the contrary, thousands of jobs and millions in government revenue are the benefits.

There is one big difference between Palm Springs gaming and what House Bill #552 will do for Alaska. It's not the jobs, it's not the entertainment, it's not the expansion of new marketing capability that will be created. The **BIG** difference calls for the State of Alaska to receive more than **DOUBLE** the percentage of revenue than either California or Nevada are now receiving.

My name is Guy Warren. I am the Stated Clerk of the Presbytery of Alaska.

On behalf of the Presbytery, I come before this Committee to express our sincere opposition to the approval of House Bill 552.

The Presbytery of Alaska consists of the 15 member churches of the Presbyterian Church (U.S.A.) from Yakutat in the north, to Metlakatla in the south.

We believe that this bill represents a significant step towards situations which will not be in the best interest of the state government or the citizens which it serves.

While we know that approval of this legislation could provide new funding to meet the state's financial needs and perhaps new employment, we also believe that the costs the state will incur attempting to repair the social ills that gambling brings with it will more than consume that new funding, and remove any real benefit from any new employment. These social ills include increased domestic violence, various psychological and social problems and an increased incidence of suicide. These are all issues that trouble our state enough, and certainly no additional encouragement for these are needed.

We understand that our concerns about these costs are only beliefs and that some might disagree. We however, believe it would be prudent and only right for the legislature to seek detailed and independently researched estimates on these costs before taking the steps which would force the state to pay them. This legislation will see serious casino gambling introduced to our state prior to this research.

The presbytery submitted a resolution approved by us last fall, to the members of the legislature earlier in the session expressing our specific opposition to video gambling. Our reasons for doing so are given in that resolution, additional copies of which will be made available to the members of the committee.

While this resolution concerns itself only with video poker, our opposition certainly extends to more extreme forms of gambling which the bill before your body would propose.

The presbytery met again, just this last weekend, in our regular Spring meeting, and while no specific resolution on these matters was considered at that meeting, a discussion with a member of the State Senate who briefly visited us more than amply demonstrated that our opposition to increased gambling within the state remains.

Finally, we would strongly urge the members of the legislature to remember who they represent, namely the people of Alaska. The people of the state have spoken on the matter of gambling and they spoke loudly. A proposal to set up an Alaska Gambling Board was presented to the people in 1990. This measure was defeated by over 40,000 votes, almost a 2-1 margin. We would hope that the legislature would step carefully before turning their back on such a clear mandate from the people.

**A Resolution by the Presbytery of Alaska Delegates in Sitka, Alaska, October 2003
In Opposition to Video Poker in Alaska.**

WHEREAS, as followers of Jesus Christ, we are called to work toward healing of persons afflicted with gambling addictions and to protect vulnerable populations from becoming addicted, and

WHEREAS, gambling addiction is increasing in the United States and over 8.1 million Americans have a gambling problem, and

WHEREAS, 66% of individuals suffering from pathological gambling turn to crime, one out of five attempt suicide, and many face bankruptcy, divorce and other family problems, and

WHEREAS, gambling addiction is more prevalent among the poor, various ethnic groups, and youth, and

WHEREAS, the gambling industry and some members of the Alaska State Legislature are promoting bringing video poker into the State of Alaska as a source of income, and

WHEREAS, video poker has been called "the crack cocaine of gambling" and is the most dangerous and most addictive of all current forms of legalized gambling, and

WHEREAS, since video poker was introduced in Oregon in 1991, the number of Gamblers Anonymous groups has grown from 3 to 30, and

WHEREAS, 81% of the problem gamblers in Oregon's state-subsidized gambling treatment programs gambled primarily on video poker and had an average gambling debt of \$16,000, which was more than half the average annual income of the group, and

WHEREAS, video poker is rejected by communities faster than any other form of gambling;

THEREFORE, LET IT BE RESOLVED that the Presbytery of Alaska declares opposition to the practice of video poker in the State of Alaska, whether it be publicly or privately operated;

FURTHERMORE, BE IT RESOLVED that Governor Frank H. Murkowski and members of the Alaska State Legislature be urged to oppose the establishment of video poker in Alaska.

Adopted
4.21.04

23-LS1802N
Luckhaupt
4/20/04

CS FOR HOUSE BILL NO. 552(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE.- SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to gambling and gaming."

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

3 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
4 to read:

5 LEGISLATIVE INTENT. This chapter is intended to benefit the people of Alaska by
6 promoting tourism and assisting economic development. The public's confidence and trust
7 will be maintained only through

- 8 (1) comprehensive law enforcement supervision; and
- 9 (2) the strict regulation of facilities, persons, associations, and gambling
10 operations under AS 05.18.

11 * Sec. 2. AS 05 is amended by adding a new chapter to read:

12 **Chapter 18. Gambling and the Alaska Gaming Commission.**

13 **Sec. 05.18.010. Gaming Commission established; membership.** (a) The
14 Alaska Gaming Commission is established in the Department of Revenue.

15 (b) The commission consists of three members appointed by the governor.

1 Each member of the commission must be a resident of the state. At least one member
2 shall be experienced in law enforcement and criminal investigation. At least one
3 member shall be a certified public accountant experienced in accounting and auditing.
4 Not more than two members may be affiliated with the same political affiliation or
5 party. The governor shall designate one member to serve as chair.

6 (c) Except as provided in (b) of this section the term of office of a commission
7 member is three years. Each member of the commission is eligible for reappointment
8 at the discretion of the governor.

9 (d) Each member of the commission is entitled to receive

10 (1) salary as determined by the commission for each day the member

11 (A) attends a meeting of the commission; or

12 (B) conducts a hearing under this chapter;

13 (2) per diem and travel expenses authorized for members of boards and
14 commissions under AS 39.20.180.

15 (e) A person may not be appointed to the commission or continue to be a
16 member of the commission if the person or the person's spouse, child, or parent is a
17 member of the board of directors of or financially interested in a gambling operation
18 subject to the jurisdiction of the commission under this chapter or a permittee,
19 licensee, or registrant under AS 05.15.

20 (f) A member of the commission may not be a public officer of the state
21 except by the member's service on the commission. In this subsection, "public officer"
22 has the meaning given in AS 39.52.960.

23 (g) A person may not serve on the commission if the person

24 (1) has knowingly provided false statements or information of a
25 material nature to the commission;

26 (2) has been determined by the governor or the commission to be a
27 person whose prior activities, criminal record, if any, or reputation, habits, and
28 associations pose a threat to the public interest or to the effective regulation or control
29 of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices,
30 methods, and activities in the regulation of gaming; or

31 (3) has been convicted of or is under indictment for a felony under the

1 laws of any state in the United States, or of the United States.

2 (h) A member of the commission may be removed by the governor for

3 (1) neglect of duty, including lack of attendance at meetings of the
4 commission; the failure of a member to attend at least 50 percent of the meetings in
5 any 12-month period is prima facie evidence of neglect of duty under this paragraph;

6 (2) misfeasance, which is the improper performance of an act within
7 the power of the member or the commission;

8 (3) malfeasance, which is the performance of an act not within the
9 power of the member or the commission;

10 (4) nonfeasance, which is the failure to perform an act within the
11 power of the member or the commission that should be performed;

12 (5) becoming unqualified to be a member of the commission under (e)
13 - (g) of this section.

14 (i) Each member of the commission shall, before beginning the discharge of
15 the duties of the member's office, provide a bond to the state that is in the amount of
16 \$25,000, is approved by the governor, and is recorded in the office of the lieutenant
17 governor. If the governor determines that the bond of a commission member has
18 become or is likely to become invalid or insufficient, the governor shall immediately
19 require the member to renew the member's bond. To be valid, a bond renewed under
20 this section must be approved by the governor. The governor shall remove a member
21 of the commission who does not provide the required bond within 30 days after the
22 member is appointed to the commission or fails to renew the bond required by this
23 subsection within 30 days after the governor requires the renewal. The commission
24 may pay the cost of a bond obtained by a member of the commission under this
25 chapter.

26 **Sec. 05.18.020. Staff support; personnel.** (a) The commission may hire
27 staff to carry out the duties of the commission. A person may not be employed to
28 serve the commission if

29 (1) the person or the person's spouse, parent, or child is

30 (A) an official of a licensee engaged in gambling operations or
31 charitable gaming in the state; or

1 (B) a person with a financial interest in or a financial
2 relationship with a licensee engaged in gambling operations or charitable
3 gaming in the state; or

4 (2) the person is a spouse, parent, or child of a commission member.

5 (b) The commission may employ or contract with inspectors and agents
6 required to carry out the duties required in this chapter. A licensed owner shall, in the
7 manner prescribed by the rules of the commission, reimburse the commission for the
8 salaries and other expenses of the inspectors and agents or other commission
9 employees and contractors required to be present during the time gambling operations
10 are conducted in a gambling facility.

11 **Sec. 05.18.030. Executive director; compensation; duties.** (a) The
12 governor shall appoint an executive director of the commission to serve at the pleasure
13 of the governor. The executive director is entitled to compensation at an amount to be
14 approved annually by the governor.

15 (b) The executive director shall perform the duties assigned to the executive
16 director by the commission.

17 (c) The executive director shall devote the executive director's full time to the
18 duties of the office and may not hold another office or employment. The executive
19 director shall

20 (1) keep records of all proceedings of the commission;

21 (2) preserve all papers, books, documents, and other records belonging
22 to or held by the commission;

23 (3) supervise and manage the staff of the commission in accordance
24 with the policies established by the commission;

25 (4) ensure the financial integrity of all aspects of the operations of the
26 commission; and

27 (5) perform other duties the commission may from time to time
28 delegate to the executive director.

29 **Sec. 05.18.040. Meetings; records.** (a) The commission shall meet at least
30 quarterly.

31 (b) The chair or any member of the commission may call a special meeting. A

1 special meeting may be held not earlier than 72 hours after written notice has been
2 sent to each member.

3 (c) Two members of the commission constitute a quorum of the commission.
4 Two affirmative votes are required for the commission to take official action.

5 (d) The commission shall keep a complete and accurate record of the
6 commission's meetings. The commission's records shall be available for public
7 inspection and must accurately reflect all commission proceedings.

8 **Sec. 05.18.050. Annual report.** (a) The commission shall file a written
9 annual report with the governor and the legislature before March 1 of each year. The
10 commission shall file any additional reports that the governor requests.

11 (b) The annual report must include a statement describing

12 (1) the receipts and disbursements of the commission;

13 (2) licensing, enforcement, and other actions taken by the commission;

14 (3) any additional information and recommendations that the
15 commission considers useful or the governor requests.

16 **Sec. 05.18.060. Hearings.** (a) If approved by a majority of the commission, a
17 commission member or an administrative law judge appointed by the commission may

18 (1) conduct a hearing authorized under this chapter;

19 (2) recommend findings of fact and conclusions of law to the
20 commission.

21 (b) A member of the commission or administrative law judge conducting a
22 hearing has all the powers, rights, and duties granted to the commission. When
23 conducting a public hearing, the commission may not limit the number of speakers
24 who may testify. However, the commission may set reasonable time limits on the
25 length of an individual's testimony or the total amount of time allotted to proponents
26 and opponents of an issue before the commission.

27 (c) A person may seek judicial review of a final administrative order of the
28 commission in the manner provided in AS 44.62.560 and 44.62.570.

29 **Sec. 05.18.070. Administration, regulation, and enforcement.** (a) The
30 commission has the following powers and duties for the purpose of administering,
31 regulating, and enforcing the gambling operations authorized under this chapter:

- 1 (1) all powers and duties specified in this chapter;
- 2 (2) all powers necessary to execute this chapter;
- 3 (3) jurisdiction and supervision over the following:
 - 4 (A) all authorized gambling operations in the state;
 - 5 (B) all persons in gambling facilities where gambling
 - 6 operations are conducted;
- 7 (4) the power and duty to investigate and reinvestigate applicants and
- 8 license holders and determine the eligibility of applicants for licenses and to require
- 9 applicants and license holders to reimburse the commission for the costs of the
- 10 investigation and reinvestigation;
- 11 (5) the power and duty to select from among competing applicants the
- 12 applicants that promote the most economic development and that best serve the
- 13 interests of the citizens of the state;
- 14 (6) the power and duty to take appropriate administrative enforcement
- 15 or disciplinary action against a licensee under this chapter;
- 16 (7) the power and duty to investigate alleged violations of this chapter;
- 17 (8) the power and duty to establish fees for the review and
- 18 investigation of applications for the licenses that are authorized under this chapter;
- 19 (9) the power and duty to adopt appropriate standards for the design,
- 20 appearance, aesthetics, and construction of gaming facilities;
- 21 (10) the power to conduct hearings;
- 22 (11) the power to issue subpoenas to compel the attendance of
- 23 witnesses and subpoenas duces tecum for the production of books, records, and other
- 24 relevant documents;
- 25 (12) the power to administer oaths and affirmations to witnesses;
- 26 (13) the power and duty to prescribe a form to be used by a licensed
- 27 owner as an application for employment by potential employees of the gambling
- 28 facility and licensees of the commission;
- 29 (14) the power to revoke, suspend, or renew licenses issued under this
- 30 chapter;
- 31 (15) the power to hire employees to gather information, conduct

1 investigations, and carry out other tasks under this chapter;

2 (16) the power to take any appropriate action to enforce this chapter,
3 including the issuance of notices of violations of this chapter or regulations of the
4 commission, orders to cease and desist, and closure orders;

5 (17) the power to adopt regulations for the implementation and
6 enforcement of this chapter;

7 (18) the power to, through the office of the attorney general, apply to
8 the courts for injunctive and declaratory relief in aid of any action or decision of the
9 commission on any matter within the jurisdiction of the commission.

10 (b) The Department of Public Safety and the attorney general shall assist the
11 commission in conducting background investigations of applicants. The commission
12 shall reimburse the Department of Public Safety for the costs incurred by the
13 department as a result of assistance provided to the commission. The commission
14 shall make the payment from fees collected from applicants for licenses.

15 (c) The commission shall require any person holding an owner's license to
16 adopt policies concerning the preferential hiring of residents of the state.

17 **Sec. 05.18.080. Violations; fees and taxes; inspections.** (a) The commission
18 shall

19 (1) provide for the establishment and collection of license fees and
20 taxes imposed under this chapter and deposit the license fees and taxes in the state
21 gaming fund under AS 05.18.570;

22 (2) levy and collect penalties for noncriminal violations of this chapter
23 and deposit the penalties in the state gaming fund under AS 05.18.570;

24 (3) be present through the commission's inspectors and agents during
25 the time gambling operations are conducted in a gambling facility to do the following:

26 (A) certify the revenue received by gambling facilities as a
27 result of gambling operations;

28 (B) receive complaints from the public;

29 (C) conduct other investigations into the conduct of the
30 gambling games, the maintenance of the gambling equipment, and the
31 operation of the gambling facility as the commission considers necessary and

1 proper.

2 (b) The commission may enter an office, a gambling facility, or other premises
3 of a person holding an owner's or supplier's license where evidence of compliance or
4 noncompliance with this chapter is likely to be found.

5 **Sec. 05.18.090. Licensing.** (a) The commission shall adopt standards for the
6 licensing of

7 (1) persons regulated under this chapter;

8 (2) electronic or mechanical gambling games.

9 (b) The commission shall require that the records, including financial
10 statements, of a person holding an owner's or supplier's license must be maintained in
11 the manner prescribed by the commission.

12 (c) The commission may not issue a license to a person who has been
13 convicted of a felony in this or another jurisdiction.

14 (d) An applicant for a license under this chapter shall provide the following
15 information to the commission:

16 (1) the name, business address, and business telephone number of the
17 applicant;

18 (2) an identification of the applicant;

19 (3) the following information for an applicant that is not an individual:

20 (A) the state of incorporation and any states where the
21 corporation is registered to do business;

22 (B) the names and addresses of all corporate officers;

23 (C) the identity of

24 (i) any entity in which the applicant has an equity
25 interest of at least one percent; the identification must include the state
26 of incorporation or registration, if applicable; however, an applicant
27 that has a pending registration statement filed with the United States
28 Securities and Exchange Commission is not required to provide
29 information under this item;

30 (ii) the shareholders or participants of the applicant; an
31 applicant that has a pending registration statement filed with the United

1 States Securities and Exchange Commission is required to provide only
2 the names of persons holding an interest of more than one percent of all
3 shares;

4 (4) an identification of any business, including the state of
5 incorporation and all states where the business is registered to do business, if
6 applicable, in which an applicant or the spouse or children of an applicant has an
7 equity interest of more than one percent of all shares;

8 (5) if the applicant has been indicted, been convicted, pled guilty or
9 nolo contendere, or forfeited bail concerning a criminal offense other than a traffic
10 violation under the laws of any jurisdiction, the applicant must include the following
11 information under this paragraph:

12 (A) the name and location of the court, the arresting agency,
13 and the prosecuting agency;

14 (B) the case number;

15 (C) the date and type of offense;

16 (D) the disposition of the charge;

17 (E) the location and length of incarceration, if any;

18 (6) if the applicant has had a license or certificate issued by a licensing
19 authority in this state or any other jurisdiction denied, restricted, suspended, revoked,
20 or not renewed, the applicant must provide the following information under this
21 paragraph:

22 (A) a statement describing the facts and circumstances
23 concerning the denial, restriction, suspension, revocation, or nonrenewal;

24 (B) the date each action described in (A) of this paragraph was
25 taken;

26 (C) the reason each action described in (A) of this paragraph
27 was taken;

28 (7) a statement of whether the applicant has filed or had filed against
29 the applicant a proceeding in bankruptcy or been involved in a formal process to
30 adjust, defer, suspend, or work out the payment of a debt, including the date of filing,
31 the name and location of the court, and the case and number of the disposition;

1 (8) a statement of whether the applicant has filed or been served with a
2 complaint or notice filed with a public body concerning a delinquency in the payment
3 of or a dispute over a filing concerning the payment of a tax required under federal,
4 state, or local law, including the amount, type of tax, taxing agency, and times
5 involved;

6 (9) a statement listing the names and titles of public officials or
7 officers of units of government and relatives of the public officials or officers who
8 directly or indirectly have a financial interest in, have a beneficial interest in, are the
9 creditors of, hold a debt instrument issued by, or have an interest in a contractual or
10 service relationship with the applicant;

11 (10) the name and business telephone number of the attorney who will
12 represent the applicant in matters before the commission;

13 (11) a description of a proposed or an approved gambling facility,
14 including the following information:

15 (A) the expected economic benefit to local communities;

16 (B) the anticipated or actual number of employees;

17 (C) any statements from the applicant concerning compliance
18 with federal and state affirmative action guidelines;

19 (D) the anticipated or actual number of patrons;

20 (E) the anticipated or actual gross receipts;

21 (12) a description of the product or service to be supplied by the
22 applicant if the applicant has applied for a supplier's license;

23 (13) the following information from each licensee involved in the
24 ownership or management of gambling operations:

25 (A) an annual balance sheet;

26 (B) an annual income statement;

27 (C) a list of the stockholders or other persons having at least
28 one percent beneficial interest in the gambling activities of the person who has
29 been issued the owner's license;

30 (D) any other information the commission considers necessary
31 for the effective administration of this chapter.

1 (e) The commission shall review and approve or disapprove promptly and in
2 reasonable order all license applications.

3 (f) A party aggrieved by an action of the commission denying, suspending,
4 revoking, restricting, or refusing the renewal of a license may request a hearing before
5 the commission. A request for a hearing must be made to the commission in writing
6 not more than 10 days after service of notice of the action of the commission.

7 (g) Except as provided in AS 05.18.140, the commission shall serve notice of
8 the commission's actions under this section on a party by personal delivery or by
9 certified mail. Notice served by certified mail is considered complete on the business
10 day following the date of the mailing.

11 (h) The commission shall conduct all requested hearings under this section
12 promptly and in reasonable order.

13 (i) The commission shall require an applicant for a license to submit
14 fingerprints and the fees required by the Department of Public Safety for criminal
15 justice information and a national criminal history record check. The commission
16 shall forward the fingerprints and fees to the Department of Public Safety for a report
17 of criminal justice information under AS 12.62 and a national criminal history record
18 check and shall use the results to evaluate applicants.

19 **Sec. 05.18.100. Ejection or exclusion from facilities.** (a) The commission
20 may eject or exclude or authorize the ejection or exclusion of a person from a
21 gambling facility if

22 (1) the person violates this chapter or a regulation adopted by the
23 commission; or

24 (2) the commission determines that the person's conduct or reputation
25 is such that the person's presence within the gambling facility may

26 (A) call into question the honesty and integrity of the gambling
27 operations; or

28 (B) interfere with the orderly conduct of the gambling
29 operations.

30 (b) A person may petition the commission for a hearing on the person's
31 ejection or exclusion from a gambling facility under this section.

1 **Sec. 05.18.110. Violations of chapter; fraudulent acts.** If a licensee or an
2 employee of a licensee violates this chapter or engages in a fraudulent act, the
3 commission may

4 (1) suspend, revoke, or restrict the license of a licensee;

5 (2) require the removal of a licensee or an employee of a licensee from
6 the gambling facility;

7 (3) impose a civil penalty of not more than \$5,000 against an
8 individual who has been issued an occupational license or a person who has been
9 issued a supplier's license for each violation of this chapter;

10 (4) impose for each violation of this chapter by a licensed owner a
11 penalty of not more than the greater of \$10,000 or an amount equal to the licensee's
12 daily gross receipts for each day of the violation.

13 **Sec. 05.18.120. Investigative procedure; complaints.** (a) The commission
14 shall review and make a determination on a complaint by a person who has been
15 issued an owner's license concerning an investigative procedure that the licensee
16 alleges is unnecessarily disruptive of gambling operations.

17 (b) A licensee filing a complaint under this section must prove by clear and
18 convincing evidence that the investigative procedure

19 (1) does not have a reasonable law enforcement purpose; and

20 (2) is so disruptive as to unreasonably inhibit gambling operations.

21 (c) For purposes of this section, the need to inspect and investigate a licensee
22 shall be presumed at all times.

23 **Sec. 05.18.130. Transfer of licenses; rules of procedure; prohibitions.** (a)
24 A licensed owner or another person shall apply for and receive the commission's
25 approval before an owner's license is transferred, sold, or, purchased or a voting trust
26 agreement or other similar agreement is established with respect to the owner's
27 license. A licensed owner or another person may not lease, hypothecate, or borrow or
28 loan money against an owner's license.

29 (b) The commission shall adopt regulations governing the procedure a
30 licensed owner or another person shall follow to take an action under (a) of this
31 section. The regulations must specify that a person who obtains an ownership interest

1 in a license shall meet the criteria of this chapter and regulations adopted by the
2 commission. A licensed owner may transfer an owner's license only in accordance
3 with this chapter and regulations adopted by the commission.

4 **Sec. 05.18.140. Suspension of license without notice or hearing; revocation**
5 **of license.** (a) The commission may suspend a license issued to the owner of a
6 gambling facility without notice or hearing if the commission determines that the
7 safety or health of patrons or employees would be threatened by the continued
8 operation of the gambling facility. The opportunity for a hearing shall be provided
9 within a reasonable time following a suspension.

10 (b) The suspension of a license under this section may remain in effect until
11 the commission determines that the cause for suspension has been abated. The
12 commission may revoke the license if the commission determines that the owner has
13 not made satisfactory progress toward abating the hazard.

14 **Sec. 05.18.150. Commission records.** (a) Notwithstanding any other law,
15 upon written request from a person, the commission shall provide the following
16 information to the person:

17 (1) the information provided under this chapter concerning a licensee
18 or an applicant;

19 (2) the amount of the adjusted gross receipts tax under AS 05.18.580
20 paid daily to the state by a licensed owner;

21 (3) a copy of a letter providing the reasons for the denial of an owner's
22 license;

23 (4) a copy of a letter providing the reasons for the commission's refusal
24 to allow an applicant to withdraw the applicant's application.

25 (b) The commission may assess fees for the copying of information provided
26 by the commission to a person requesting information under (a) of this section.

27 **Sec. 05.18.160. Owner's licenses.** (a) The commission may issue to a person
28 a license to own and conduct gambling games at a specified gambling facility in any
29 municipality of the state with a population of at least 150,000 according to the most
30 recent federal census information. A person may not have more than one owner's
31 license in effect at any time. Only one owner's license may be issued in a

1 municipality.

2 (b) A person applying for an owner's license under this chapter shall pay a
3 nonrefundable application fee to the commission. The commission shall determine the
4 amount of the application fee.

5 (c) An applicant shall submit the following on forms provided by the
6 commission:

7 (1) the information required under AS 05.18.090;

8 (2) if the applicant is an individual, two sets of the individual's
9 fingerprints;

10 (3) if the applicant is not an individual, two sets of fingerprints for
11 each officer and director of the applicant.

12 (d) The commission shall review an application for an owner's license under
13 this chapter and inform each applicant of the commission's decision concerning the
14 issuance of an owner's license.

15 (e) The costs of investigation of an applicant for an owner's license under this
16 chapter shall be included in the application fee paid by the applicant.

17 (f) An applicant for an owner's license under this chapter shall pay all
18 additional costs that are associated with the investigation of the applicant that exceed
19 the portion of the application fee paid by the applicant that is assessed for the
20 investigation.

21 (g) The commission may not issue an owner's license under this chapter to a
22 person if the person

23 (1) has been convicted of a felony under the laws of the state, the laws
24 of another state, or laws of the United States;

25 (2) has knowingly or intentionally submitted an application for a
26 license under this chapter that contains false information;

27 (3) is a member of the commission;

28 (4) is an officer, a director, or a managerial employee of a person
29 described in (1) or (2) of this subsection; or

30 (5) employs an individual described in (1), (2), or (3) of this subsection
31 and that individual participates in the management or operation of gambling

1 operations authorized under this chapter.

2 **Sec. 05.18.170. Factors considered in granting owner's licenses;**
3 **submission of design.** (a) In determining whether to grant an owner's license to an
4 applicant, the commission shall consider

5 (1) the character, reputation, experience, and financial integrity of

6 (A) the applicant;

7 (B) a person that

8 (i) directly or indirectly controls the applicant; or

9 (ii) is directly or indirectly controlled by the applicant

10 or by a person that directly or indirectly controls the applicant;

11 (2) the facilities or proposed facilities for the conduct of gambling;

12 (3) the highest prospective total revenue to be collected by the state
13 from the conduct of gambling;

14 (4) the good faith affirmative action plan of each applicant to recruit,
15 train, and upgrade minorities in all employment classifications;

16 (5) the financial ability of the applicant to purchase and maintain
17 adequate liability and casualty insurance;

18 (6) whether the applicant has adequate capitalization to provide and
19 maintain the gambling facility for the duration of the license;

20 (7) the extent to which the applicant exceeds or meets other standards
21 adopted by the commission by regulation.

22 (b) In an application for an owner's license, the applicant must submit to the
23 commission a proposed design of the gambling facility.

24 **Sec. 05.18.180. Issuance of license; fee; bond.** (a) The commission may
25 issue an owner's license to an eligible person if the person pays an initial license fee of
26 \$50,000 and posts a bond as required in this section.

27 (b) A licensed owner must post a bond with the commission at least 60 days
28 before the commencement of the construction of a gambling facility or the
29 commencement of gambling under the license, whichever is earlier. The bond shall be
30 furnished in

31 (1) cash or negotiable securities;

1 (2) a surety bond with a surety company approved by the commission
2 and guaranteed by a satisfactory guarantor; or

3 (3) an irrevocable letter of credit issued by a banking institution in this
4 state that is acceptable to the commission.

5 (c) If a bond is furnished in cash or negotiable securities, the principal shall be
6 placed without restriction at the disposal of the commission, but any income earned on
7 the principal shall be paid to the benefit of the licensee.

8 (d) The bond is subject to the approval of the commission and must be payable
9 to the commission for use by the commission in satisfaction of the licensed owner's
10 financial obligations to the local community, the state, and other parties, as determined
11 by regulations of the commission.

12 (e) If, following a hearing held after at least five days written notice, the
13 commission determines that the amount of a licensed owner's bond is insufficient, the
14 licensed owner shall, upon written demand of the commission, file a new bond.

15 (f) The commission may require a licensed owner to file a new bond with a
16 satisfactory surety in the same form and amount if

17 (1) liability on the old bond is discharged or reduced by judgment
18 rendered, payment made, or otherwise; or

19 (2) in the opinion of the commission, a surety on the old bond becomes
20 unsatisfactory.

21 (g) If a new bond obtained under (e) or (f) of this section is unsatisfactory, the
22 commission shall cancel the owner's license. If the new bond is satisfactorily
23 furnished, the commission shall release, in writing, the surety on the old bond from
24 any liability accruing after the effective date of the new bond.

25 (h) A bond is released on the condition earlier of

26 (1) five years from the effective date of the owner's license if the
27 licensed owner remains at the site for which the owner's license is granted for the
28 entire five-year period; or

29 (2) the date on which the commission grants a license to another
30 licensed owner to operate from the site for which the bond was posted.

31 (i) A licensed owner who does not meet the requirements of (h)(1) of this

1 section forfeits a bond filed under this section. The proceeds of a bond that is in
2 default under this subsection are paid to the commission for the benefit of the local
3 unit of government from which the gambling facility is operated.

4 (j) The total and aggregate liability of the surety on a bond is limited to the
5 amount specified in the bond, and the continuous nature of the bond may not be
6 construed as allowing the liability of the surety under a bond to accumulate for each
7 successive approval period during which the bond is in force.

8 (k) A bond filed under this section is released 60 days after the time has run
9 under (h) of this section and a written request for release is submitted by the licensed
10 owner.

11 **Sec. 05.18.190. Term of a license.** An owner's initial license expires five
12 years after the effective date of the license and may be renewed for additional five-
13 year periods under AS 05.18.210.

14 **Sec. 05.18.200. Revocation of owner's license for delay.** The commission
15 may revoke an owner's license if

16 (1) the licensee begins regular operations more than 12 months after
17 receiving the commission's approval of the application for the license; and

18 (2) the commission determines that the revocation of the license is in
19 the best interests of the state.

20 **Sec. 05.18.210. Renewal of owner's license; compliance investigations.** (a)
21 Unless the commission determines that a licensed owner does not qualify to hold a
22 license under the terms of this chapter, the owner's license shall be renewed for an
23 additional five-year period upon the payment of a \$50,000 renewal fee.

24 (b) A licensed owner shall undergo a complete investigation by the
25 commission every five years to determine whether the licensed owner remains in
26 compliance with this chapter.

27 (c) Notwithstanding (b) of this section, the commission may investigate a
28 licensed owner at any time the commission determines necessary to ensure that the
29 licensee remains in compliance with this chapter.

30 (d) The licensed owner shall bear the cost of an investigation or
31 reinvestigation of the licensed owner and an investigation resulting from a potential

1 transfer of ownership.

2 **Sec. 05.18.220. Other licenses.** A licensed owner may apply to the
3 commission for and may hold licenses that are necessary for the operation of a
4 gambling facility, including a license to prepare and serve food for human
5 consumption, and any other necessary license.

6 **Sec. 05.18.230. Gambling equipment, devices, and supplies.** A licensed
7 owner may own gambling equipment, devices, and supplies. A licensed owner shall
8 file an annual report listing the licensed owner's inventories of gambling equipment,
9 devices, and supplies.

10 **Sec. 05.18.240. Schools for training occupational licensees.** This chapter
11 does not prohibit a licensed owner from operating a school for the training of
12 occupational licensees.

13 **Sec. 05.18.250. Nature of license.** An owner's license is a revocable privilege
14 granted by the state and is not a property right.

15 **Sec. 05.18.260. Supplier's license; requirements.** (a) The commission may
16 issue a supplier's license under this chapter to a person if the commission determines
17 that the person is eligible for a supplier's license and the person has

18 (1) applied for the supplier's license and provided the information
19 required under AS 05.18.090;

20 (2) paid a nonrefundable application fee set by the commission;

21 (3) paid a annual license fee set by the commission; and

22 (4) submitted the following on forms provided by the commission:

23 (A) if the applicant is an individual, two sets of the individual's
24 fingerprints; and

25 (B) if the applicant is not an individual, two sets of fingerprints
26 for each officer and director of the applicant.

27 **Sec. 05.18.270. Gambling equipment and supplies; distributor.** (a) A
28 person holding a supplier's license may sell, lease, and contract to sell or lease security
29 and surveillance services and supplies, money counting services and supplies or
30 gambling equipment and supplies to a licensee involved in the ownership or
31 management of a gambling facility.

1 (b) Gambling equipment and supplies may not be distributed unless the
2 gambling supplies and equipment conform to standards adopted by the commission.

3 **Sec. 05.18.280. Restrictions on issuance of supplier's license.** A person may
4 not receive a supplier's license if

5 (1) the person has been convicted of a felony under the laws of this
6 state, the laws of another state, or the laws of the United States;

7 (2) the person has knowingly or intentionally submitted an application
8 for a license under this chapter that contains false information;

9 (3) the person is a member of the commission;

10 (4) the person is an officer, a director, or a managerial employee of a
11 person described in (1) or (2) of this section;

12 (5) the commission determines that the person does not have the
13 character reputation, experience, and financial integrity necessary for a licensee;

14 (6) the person employs an individual described in (1), (2), or (3) of this
15 section and that individual participates in the management or operation of gambling
16 operations authorized under this chapter.

17 **Sec. 05.18.290. Necessity of supplier's license; exception.** (a) Except as
18 provided in (b) of this section, a person may not furnish security and surveillance
19 services and supplies, money counting services and supplies, or gambling equipment,
20 devices, or supplies to a gambling operation unless the person possesses a supplier's
21 license.

22 (b) A person holding a valid license to deal in alcoholic beverages may supply
23 alcoholic beverages to a gambling operation without possessing a supplier's license.

24 **Sec. 05.18.300. Sale or lease of equipment, devices, and supplies;
25 information furnished to commission.** (a) A supplier shall furnish to the
26 commission a list of all services, equipment, devices, and supplies offered for sale or
27 lease in connection with gambling games authorized under this chapter.

28 (b) A supplier shall keep books and records for the furnishing of services,
29 equipment, devices, and supplies to gambling operations separate from books and
30 records of any other business operated by the supplier.

31 (c) A supplier shall file a quarterly return with the commission listing all sales

1 and leases.

2 (d) A supplier shall permanently affix the supplier's name to all of the
3 supplier's equipment, devices, and supplies for gambling operations.

4 **Sec. 05.18.310. Forfeiture of equipment, devices, or supplies.** A supplier's
5 equipment, devices, or supplies that are used by a person in an unauthorized gambling
6 operation shall be forfeited to the state.

7 **Sec. 05.18.320. Repair of equipment, devices, and supplies.** Gambling
8 equipment, devices, and supplies that are provided by a supplier may be repaired in
9 the gambling facility or removed for repair from the gambling facility to a facility
10 owned by a licensed supplier.

11 **Sec. 05.18.330. Renewal of supplier's license; compliance investigations.**

12 (a) Unless a supplier's license is suspended, expires, or is revoked, the supplier's
13 license may be renewed upon the payment of a renewal fee in an amount established
14 by the commission and a determination by the commission that the licensee is in
15 compliance with this chapter.

16 (b) A licensed supplier shall undergo a complete investigation by the
17 commission every five years to determine whether the licensee is in compliance with
18 this chapter.

19 (c) Notwithstanding (b) of this section, the commission may investigate a
20 licensed supplier at any time the commission determines necessary to ensure that the
21 licensee is in compliance with this chapter.

22 (d) A licensed supplier shall bear the cost of an investigation or reinvestigation
23 of the licensee and an investigation resulting from a potential transfer of ownership.

24 **Sec. 05.18.340. Occupations requiring license.** The commission shall
25 determine the occupations related to gambling that require a license under this chapter.
26 The commission shall require that an individual applying for an occupational license

27 (1) to manage gambling operations under this chapter is subject to
28 background inquiries and requirements similar to those required for an applicant for an
29 owner's license under this chapter; and

30 (2) may manage gambling operations for only one licensed owner.

31 **Sec. 05.18.350. Occupational license; requirements; fees; duration;**

1 **renewal; compliance investigations.** (a) The commission may issue an occupational
2 license to an individual if

3 (1) the individual has applied for the occupational license and provided
4 the information required under AS 05.18.090;

5 (2) a nonrefundable application fee set by the commission has been
6 paid on behalf of the applicant in accordance with (b) of this section;

7 (3) the commission has determined that the applicant is eligible for an
8 occupational license; and

9 (4) an annual license fee set by the commission has been paid on
10 behalf of the applicant in accordance with (b) of this section.

11 (b) A licensed owner, an applicant for an owner's license, or a licensed
12 supplier shall pay the application fee of an individual applying for an occupational
13 license to work at the licensed owner's gambling operation or for the licensed supplier.
14 The licensed owner, applicant for an owner's license, or licensed supplier shall pay the
15 annual occupational license fee on behalf of an employee or potential employee. The
16 licensed owner, applicant for an owner's license, or licensed supplier may seek
17 reimbursement of the application fee or annual license fee from an employee who is
18 issued an occupational license by the commission.

19 (c) A license issued under this section is valid for one year after the date of
20 issuance.

21 (d) Unless an occupational license is suspended, expires, or is revoked by the
22 commission, the occupational license may be renewed annually upon the payment of
23 an annual license fee by the licensed owner or licensed supplier on behalf of the
24 licensee, or by the licensee in an amount established by the commission and a
25 determination by the commission that the licensee is in compliance with this chapter.

26 (e) The commission may investigate the holder of an occupational license at
27 any time the commission determines necessary to ensure that the licensee is in
28 compliance with this chapter.

29 (f) A licensed owner, an applicant for an owner's license, or a licensed
30 supplier shall pay the cost of an investigation or reinvestigation by the commission of
31 a holder of an occupational license who is employed by the licensed owner or licensed

1 supplier. The licensed owner, applicant for an owner's license, or licensed supplier
2 may seek reimbursement of the cost of an investigation or reinvestigation from an
3 employee who holds an occupational license.

4 **Sec. 05.18.360. Qualifications for occupational license.** The commission
5 may not issue an occupational license to an individual unless the individual

6 (1) is at least 18 years of age;

7 (2) has not been convicted of a felony under the laws of this state, the
8 laws of another state, or the laws of the United States;

9 (3) has demonstrated a level of skill or knowledge that the commission
10 determines is necessary to operate gambling games; and

11 (4) has met standards of character and fitness adopted by the
12 commission for the holding of an occupational license.

13 **Sec. 05.18.370. Application for occupational license.** (a) An application for
14 an occupational license shall be made on forms prescribed by the commission and
15 contain all information required by the commission.

16 (b) An applicant for an occupational license shall provide the following
17 information in the application:

18 (1) a statement of whether the applicant has held any other licenses
19 related to gambling;

20 (2) if the applicant has been licensed in another state under any other
21 name, the name under which the applicant was licensed in the other state;

22 (3) the applicant's age;

23 (4) if a permit or license issued to the applicant in another state has
24 been suspended, restricted, or revoked, the date, duration, and nature of the
25 suspension, restriction, or revocation.

26 (c) An applicant for an occupational license shall submit with the application
27 two sets of the applicant's fingerprints. The applicant must submit the fingerprints on
28 forms provided by the commission. The commission shall charge each applicant the
29 fee set by the Department of Public Safety for state and national fingerprint record
30 searches.

31 **Sec. 05.18.380. Restrictions on issuance of occupational license.** Unless a

1 person is granted a waiver under AS 05.18.420, the commission may refuse to issue an
2 occupational license to an individual who

- 3 (1) is unqualified to perform the duties required of the applicant;
4 (2) does not disclose or states falsely any information required by the
5 application;
6 (3) has been found guilty of a violation of this chapter;
7 (4) has had a gambling-related license or an application for a
8 gambling-related license suspended, restricted, revoked, or denied for just cause in
9 another state; or
10 (5) has not met standards of character and fitness adopted by the
11 commission for the holding of an occupational license.

12 **Sec. 05.18.390. Suspension, revocation, or restriction of licenses.** The
13 commission may suspend, revoke, or restrict an occupational licensee for

- 14 (1) a violation of this chapter;
15 (2) a cause that, if known to the commission, would have disqualified
16 the applicant from receiving the occupational license;
17 (3) a default in the payment of an obligation or a debt due to the state;
18 or
19 (4) any other just cause.

20 **Sec. 05.18.400. Schools for training occupational licensees.** (a) This
21 chapter does not prohibit a licensed owner from entering into an agreement with a
22 school approved by the commission for the training of an occupational licensee.

23 (b) Training offered by a school described in (a) of this section must be in
24 accordance with a written agreement between the licensed owner and the school and
25 approved by the commission.

26 **Sec. 05.18.410. Training locations.** Training provided for occupational
27 licensees may be conducted in a gambling facility or at a school with which a licensed
28 owner has entered into an agreement under this chapter.

29 **Sec. 05.18.420. Convicted felons; rehabilitation; waiver.** (a) An individual
30 applying for an occupational license who is disqualified under AS 05.18.360 due to a
31 conviction for a felony may apply to the commission for a waiver of that

1 disqualification, and the commission may issue a license to the person if the
2 commission determines that the individual has demonstrated by clear and convincing
3 evidence the individual's rehabilitation.

4 (b) In determining whether the individual applying for the occupational
5 license has demonstrated rehabilitation under (a) of this section, the commission shall
6 consider

7 (1) the nature and duties of the position for which the individual has
8 applied;

9 (2) the nature and seriousness of the offense or conduct;

10 (3) the circumstances under which the offense or conduct occurred;

11 (4) the date of the offense or conduct;

12 (5) the age of the individual when the offense or conduct was
13 committed;

14 (6) whether the offense or conduct was an isolated or a repeated
15 incident;

16 (7) a social condition that may have contributed to the offense or
17 conduct;

18 (8) evidence of rehabilitation, including good conduct in prison or in
19 the community, counseling or psychiatric treatment received, acquisition of additional
20 academic or vocational education, successful participation in a correctional work
21 release program, or the recommendation of a person who supervises or has supervised
22 the individual;

23 (9) the complete criminal record of the individual;

24 (10) the prospective employer's written statement that

25 (A) the employer has been advised of all of the facts and
26 circumstances of the individual's criminal record; and

27 (B) after having considered the facts and circumstances, the
28 prospective employer will hire the individual if the commission grants a waiver
29 of the requirements of this chapter.

30 (d) The commission may not waive the requirements of this chapter for an
31 individual who has been convicted of committing any of the following:

- 1 (1) a felony in violation of federal law, as classified in 18 U.S.C. 3559;
2 (2) a felony of fraud, deceit, or misrepresentation under the laws of this
3 state or another jurisdiction;
4 (3) a felony of conspiracy to commit a felony of fraud, deceit, or
5 misrepresentation under the laws of this state or another jurisdiction; or
6 (4) a felony related to gambling under the laws of this state or a crime
7 in another jurisdiction in which the elements of the crime for which the conviction was
8 entered are substantially similar to the elements of a felony related to gambling under
9 the laws of this state.

10 **Sec. 05.18.430. Gambling permitted in gambling facilities.** Gambling
11 operations shall only be conducted by a licensed owner in a gambling facility.

12 **Sec. 05.18.440. Minimum and maximum wagers.** Minimum and maximum
13 wagers on gambling games shall be determined by the commission.

14 **Sec. 05.18.450. Inspection of gambling facilities.** The following persons may
15 inspect a gambling facility at any time to determine if this chapter is being violated:

- 16 (1) employees of the commission;
17 (2) officers of the Department of Public Safety.

18 **Sec. 05.18.460. Presence of commission employees in gambling facilities.**
19 Employees of the commission have the right to be present in a gambling facility or any
20 adjacent facilities under the control of a licensed owner.

21 **Sec. 05.18.470. Gambling equipment and supplies; purchase or lease.**
22 Gambling equipment and supplies customarily used in conducting gambling
23 operations may be purchased or leased only from suppliers licensed under this chapter.

24 **Sec. 05.18.480. Permitted forms of wagering.** A licensed owner may not
25 permit any form of wagering on gambling games except as permitted under this
26 chapter.

27 **Sec. 05.18.490. Presence required for wagering.** Wagers may be received
28 only from a person present in a licensed gambling facility. A person present in a
29 gambling facility may not place or attempt to place a wager on behalf of another
30 person who is not present in the gambling facility.

31 **Sec. 05.18.500. Wagering prohibited with negotiable currency.** Wagering

1 may not be conducted with money or other negotiable currency.

2 **Sec. 05.18.510. Persons under 21 years of age; presence in gambling area.**

3 (a) Except as provided in (b) of this section, a person who is under 21 years of age
4 may not be present in the area where gambling is being conducted in a gambling
5 facility.

6 (b) A person who is at least 18 years of age and who is an employce of the
7 gambling facility may be present in an area where gambling is conducted. However,
8 an employee who is under 21 years of age may not perform a function involving
9 gambling by the patrons or the sale and distribution of alcoholic beverages.

10 **Sec. 05.18.520. Persons under 21 years of age; wagering prohibited.** A
11 person who is under 21 years of age may not make a wager under this chapter.

12 **Sec. 05.18.530. Tokens, chips, or electronic cards; purchase.** (a) All tokens,
13 chips, or electronic cards that are used to make wagers must be purchased from the
14 owner of the gambling facility while in the gambling facility or at a facility that is
15 adjacent to the gambling facility and has been approved by the commission.

16 (b) The tokens, chips, or electronic cards may be purchased by means of an
17 agreement under which the licensed owner extends credit to the patron.

18 **Sec. 05.18.540. Crimes.** (a) A person commits a class A misdemeanor if the
19 person knowingly

20 (1) makes a false statement on an application submitted under this
21 chapter;

22 (2) operates a gambling operation in which wagering is conducted or is
23 to be conducted in a manner other than the manner required under this chapter;

24 (3) permits a person under 21 years of age to make a wager;

25 (4) aids, induces, or causes a person under 21 years of age who is not
26 an employee of the gambling facility to enter or attempt to enter the gambling facility;

27 (5) wagers or accepts a wager at a location other than a gambling
28 facility owned by a licensed owner;

29 (6) makes a false statement on an application submitted to the
30 commission under this chapter; or

31 (7) enters or attempts to enter a gambling facility and is not an

1 employee of the gambling operation and is under 21 years of age.

2 (b) A person commits a class C felony if the person knowingly

3 (1) offers, promises, or gives anything of value or benefit

4 (A) to a person who is connected with the owner of a gambling
5 facility, including an officer or an employee of a licensed owner or holder of
6 an occupational license; and

7 (B) under an agreement to influence or with the intent to
8 influence

9 (i) the actions of the person to whom the offer, promise,
10 or gift was made in order to affect or attempt to affect the outcome of a
11 gambling game; or

12 (ii) an official action of a member of the commission;

13 (2) solicits, accepts, or receives a promise of anything of value or
14 benefit

15 (A) while the person is connected with a gambling facility,
16 including an officer or employee of a licensed owner or a holder of an
17 occupational license; and

18 (B) under an agreement to influence or with the intent to
19 influence the actions of the person to affect or attempt to affect the outcome of
20 a gambling game or an official action of a commission member;

21 (3) uses, or possesses with the intent to use, a device to assist in

22 (A) projecting the outcome of a game;

23 (B) keeping track of the cards played;

24 (C) analyzing the probability of the occurrence of an event
25 relating to a gambling game; or

26 (D) analyzing the strategy for playing or betting to be used in a
27 game, except as permitted by the commission;

28 (4) cheats at a gambling game;

29 (5) manufactures, sells, or distributes any cards, chips, dice, game, or
30 device that is intended to be used to violate this chapter;

31 (6) alters or misrepresents the outcome of a gambling game on which

1 wagers have been made after the outcome is made sure but before the outcome is
2 revealed to the players;

3 (7) places a bet on the outcome of a gambling game after acquiring
4 knowledge that is not available to all players and that concerns the outcome of the
5 gambling game that is the subject of the bet;

6 (8) aids a person in acquiring the knowledge described in (7) of this
7 subsection for the purpose of placing a bet contingent on the outcome of a gambling
8 game;

9 (9) claims, collects, takes, or attempts to claim, collect, or take money
10 or anything of value in or from a gambling game with the intent to defraud or without
11 having made a wager contingent on winning a gambling game;

12 (10) claims, collects, or takes an amount of money or thing of value of
13 greater value than the amount won in a gambling game;

14 (11) uses or possesses counterfeit chips or tokens in or for use in a
15 gambling game;

16 (12) possesses a key or device designed for opening, entering, or
17 affecting the operation of a gambling game, a drop box, or an electronic or mechanical
18 device connected with the gambling game or removing coins, tokens, chips, or other
19 contents of a gambling game; this paragraph does not apply to a licensee or an
20 employee of a licensee acting in the course of the employee's employment;

21 (13) possesses materials used to manufacture a slug or device intended
22 to be used in a manner that violates this chapter.

23 **Sec. 05.18.550. Possession of cheating devices; presumption.** The
24 possession of more than one of the devices described in AS 05.18.540(b) as cheating
25 devices creates a rebuttable presumption that the possessor intended to use the devices
26 for cheating.

27 **Sec. 05.18.560. Convicted felons; entering gambling facilities prohibited.**
28 A person who is convicted of a felony described in AS 05.18.540(b) is barred for life
29 from entering a gambling facility in this state.

30 **Sec. 05.18.570. State gaming fund.** There is created in the general fund the
31 state gaming fund. The state gaming fund consists of all revenue received from

1 gambling activities under AS 05.18 and all other money credited or transferred to the
2 fund from another fund or source.

3 **Sec. 05.18.580. Adjusted gross receipts tax; rate; payment.** (a) A tax is
4 imposed on the adjusted gross receipts received from gambling games authorized
5 under this chapter at the rate of 17 percent of the amount of the adjusted gross receipts.

6 (b) The licensed owner shall remit the tax imposed by this section to the
7 department before the close of the business day following the day the wagers are
8 made.

9 (c) The department may require payment under this section to be made by
10 electronic funds transfer.

11 (d) If the department requires taxes to be remitted under this section by
12 electronic funds transfer, the department may allow the licensed owner to file a
13 monthly report to reconcile the amounts remitted to the department.

14 (e) A municipality in which a gambling facility is located may not tax the
15 adjusted gross receipts received from gambling games authorized under this chapter at
16 a rate of more than three percent of the amount of the adjusted gross receipts. This
17 subsection applies to home rule and general law municipalities.

18 **Sec. 05.18.900. Definitions.** In this chapter,

19 (1) "adjusted gross receipts" means the total of all cash and property,
20 including checks received by a licensee, whether collected or not, received by a
21 licensee from gambling operations, minus the total of all cash paid out as winnings to
22 patrons and uncollectible gaming receivables, not to exceed the lesser of a reasonable
23 protection for uncollectible patron checks received from gambling operations or two
24 percent of the total of all sums, including checks, whether collected or not, less the
25 amount paid out as winnings to patrons; for purposes of this paragraph, a counter or
26 personal check that is invalid or unenforceable under this chapter is considered cash
27 received by the licensee from gambling operations;

28 (2) "cheat" means to alter the selection of criteria that determine the
29 result of a gambling game or the amount or frequency of payment in a gambling game;

30 (3) "commission" means the Alaska Gaming Commission established
31 by AS 05.18.010,

1 (4) "department" means the Department of Revenue;

2 (5) "gambling facility" means a structure in which lawful gambling is
3 conducted by a licensed owner;

4 (6) "gambling game" includes any of the following if approved by the
5 commission: baccarat, twenty-one, poker, craps, slot machines, videc games of
6 chance, roulette, Klondike table, punchboard, faro layout, keno layout, numbers ticket,
7 push card, jar ticket, pull tab, big six;

8 (7) "gambling operation" means the conduct of authorized gambling
9 games in a licensed gambling facility;

10 (8) "gross receipts" means the total amount of money exchanged for
11 the purchase of chips, tokens, or electronic cards by gambling facility patrons;

12 (9) "intentionally" has the meaning given in AS 11.81.900;

13 (10) "knowingly" has the meaning given in AS 11.81.900;

14 (11) "license" means a license issued by the commission under this
15 chapter;

16 (12) "licensed owner" means a person that owns a gambling facility
17 who is licensed under this chapter;

18 (13) "licensee" means a person holding a license issued under this
19 chapter;

20 (14) "owner's license" means a license issued under this chapter that
21 allows a person to own and operate a gambling facility;

22 (15) "supplier's license" means a license issued under this chapter that
23 allows a person to supply security and surveillance services and supplies, money
24 counting services and supplies, and gambling paraphernalia and equipment to a
25 licensed owner.

26 * **Sec. 3.** ~~AS~~ 11.66.280(2) is amended to read:

27 (2) "gambling" means that a person stakes or risks something of value
28 upon the outcome of a contest of chance or a future contingent event not under the
29 person's control or influence, upon an agreement or understanding that that person or
30 someone else will receive something of value in the event of a certain outcome;
31 "gambling" does not include

1 (A) bona fide business transactions valid under the law of
2 contracts for the purchase or sale at a future date of securities or commodities
3 and agreements to compensate for loss caused by the happening of chance,
4 including contracts of indemnity or guaranty and life, health, or accident
5 insurance;

6 (B) playing an amusement device that

7 (i) confers only an immediate right of replay not
8 exchangeable for something of value other than the privilege of
9 immediate replay; and

10 (ii) does not contain a method or device by which the
11 privilege of immediate replay may be cancelled or revoked; or

12 (C) an activity authorized by the Department of Revenue under
13 AS 05.15 or by the Alaska Gaming Commission under AS 05.18;

14 * Sec. 4. AS 18.65.080 is amended by adding a new subsection to read:

15 (b) The Department of Public Safety shall investigate and ascertain whether a
16 person appointed by the governor to serve as a member of the Alaska Gaming
17 Commission has been convicted of a crime set out in AS 05.18.010(g).

18 * Sec. 5. AS 39.25.110(11) is amended to read:

19 (11) the officers and employees of the following boards, commissions,
20 and authorities:

21 (A) [REPEALED

22 (B)] Alaska Permanent Fund Corporation;

23 (B) [(C)] Alaska Industrial Development and Export Authority;

24 (C) [(D)] Alaska Commercial Fisheries Entry Commission;

25 (D) [(E)] Alaska Commission on Postsecondary Education;

26 (E) [(F)] Alaska Aerospace Development Corporation;

27 (F) [(G)] Alaska Natural Gas Development Authority;

28 (G) Alaska Gaming Commission;

29 * Sec. 6. AS 39.50.200(b) is amended by adding a new paragraph to read:

30 (58) Alaska Gaming Commission (AS 05.18).

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