

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7452 SENATE JUDICIARY

SB

4

Delivered To Senate Secretary

SEVENTEENTH LEGISLATURE
SENATE JUDICIARY COMMITTEE BILL FILE

BILL NUMBER: SB 4
ABBREVIATED TITLE:

Gaming Commission

SPONSER: Zhauff Jones ORIGINAL RECEIVED: April 19, 1991
WRITTEN REQUEST TO SCHEDULE REC'D: _____ FROM: _____
SPONSER'S STATEMENT REC'D: _____ FROM: _____
SECTIONAL ANALYSIS RQST'D: _____ FROM: _____
SECTIONAL ANALYSIS RECEIVED: _____
FISCAL NOTE (ORIGINAL)

RQST'D OF: _____ REC'D FROM: Section 3994 DATE: With Bill
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
RQST'D OF: _____ REC'D FROM: _____ DATE: _____

FISCAL NOTE (C.S.)

RQST'D OF: _____ REC'D FROM: OCC fee DATE: With File
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
RQST'D OF: _____ REC'D FROM: _____ DATE: _____

FIVE DAY NOTICE GIVEN: _____ NOTICE OF HEARINGS GIVEN: 4-25-91
COMMITTEES OF REFERRAL: FIRST: L&C SECOND: Jud THIRD: Fin

COMMITTEE ACTION Legislative Draftsman

DATE:

4-30-91

Moved CS adding Sunset
Passed out on Ord Re. Requested final
CS for LAA
Delivered to Sen Sec -

May 15 -

Sen Pearce in Indian for Bill. Computer says
we still have it. I checked - Sen Sec Found
it and will move it. Says nothing else need
to do.

PERSONS TO BE NOTIFIED OF HEARING

- | | |
|------------|-----------|
| 1. SPONSOR | 6. _____ |
| 2. AGENCY | 7. _____ |
| 3. _____ | 8. _____ |
| 4. _____ | 9. _____ |
| 5. _____ | 10. _____ |

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 4

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act establishing the Alaska BRU: Occupational Licensing
Gaming Commission Component: Administration
 Sponsor: Senator Zharoff
 Requestor: Senator Zharoff COMPONENT SERIAL NO.

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

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	289.1	289.1	289.1	289.1	289.1	289.1
TRAVEL	30.0	30.0	30.0	30.0	30.0	30.0
CONTRACTUAL	25.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES	5.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	50.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	399.1	352.1	352.1	352.1	352.1	352.1

CAPITAL						
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REVENUE	75.0	100.0	100.0	100.0	100.0	100.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND *	399.1	352.1	352.1	352.1	352.1	352.1
FEDERAL FUNDS						
OTHER						
TOTAL	399.1	352.1	352.1	352.1	352.1	352.1

*Funding source is General Fund in bill as proposed.

POSITIONS:

FULL-TIME	5	5	5	5	5	5
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

The CS has no change to operating Funding, Expenditures or Revenue.

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: _____
 Approved by Commissioner: Glenn A. Olds *[Signature]*
 Agency: Department of Commerce & Economic Development Date: 4-11-91 *[Signature]*

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

FISCAL NOTE ATTACHMENT - SB 4

EXPENDITURES AND REVENUES

This program was transferred from the Department of Revenue to the Department of Commerce and Economic Development effective July 1, 1989 through Executive Order #74. The total number of employees that transferred with the program was five: one Auditor and one Investigator located in Anchorage, one Auditor, one Tax Examiner and one Clerk Typist located in Juneau. Since that time, the following new positions have been filled: a Gaming Program Manager located in Juneau, one Investigator located in Fairbanks, a Chief of Gaming Compliance located in Anchorage, and a Licensing Examiner located in Juneau.

The bill establishes a five-member Alaska Gaming Commission giving it the authority to license, regulate and enforce gaming statutes and regulations.

Charitable gaming activity in the state has rapidly grown beyond the capacity of the current staff, especially in the area of audits and investigations. Presently, the gaming program has only two investigators which is woefully inadequate given the number of permittees and the geographical size of the state. While the two auditors may conduct desk audits at their workstations and obtain documentation by way of correspondence, the number of audits that can be accomplished during the year is limited by the growing number of permittees, operators and distributors. We are, therefore, submitting a fiscal note requesting funding for an additional investigator and auditor. Also contained in the fiscal note is a request for funding of an Executive Director (based on our recommendation in the bill analysis), a Secretary to be utilized for Commission business and during their meeting(s), and a Records and Licensing Supervisor to oversee the licensing staff. We feel if this Commission is to effectively administer this program, they must be provided with the proper staff to do it. Without these positions, there is no reason to consider this legislation. You cannot accomplish the mandate of the law without being able to administer proper enforcement.

The \$399.1 required includes \$30.0 in travel to fund the cost of widespread travel to various communities and for Commission meetings quarterly, as well as \$50.0 to purchase the necessary workstations, computers and software. The required \$5.0 for equipment for FY 93 through FY 97 represents computer upgrades and programming. This is based on the assumption that charitable gaming will steadily increase as more and more charitable organizations search for other sources of revenue in light of other sources becoming less available.

With the additional auditor and investigator positions, we estimate that \$75.0 in additional revenue will be generated the first year. While the amount of funds generated is considerably less than projected costs, other gaming revenue sources will more than compensate for the difference. Additionally, with the amount of travel that will be required to effectively administer this program, the auditors and investigators can also use the opportunity to educate the licensees and strive towards voluntary compliance. During FY 91, the Gaming program generated \$1.6 million in revenue.

**FISCAL NOTE ATTACHMENT
SB 4**

OPERATING EXPENDITURES

<u>Position</u>	<u>Range</u>	<u>Cost</u>	<u>Subtotal</u>
<u>Personal Services:</u>			
Executive Director	26	\$90.1	
Investigator III	18	\$56.4	
Auditor III	18	\$56.4	
Records and Licensing Supervisor	16	\$50.0	
Secretary I	10	\$36.2	
			\$289.1
<u>Travel:</u>			
Five-Commission Members		\$15.0	
Executive Director		\$ 5.0	
Investigator		\$ 5.0	
Auditor III		\$ 5.0	
			\$ 30.0
<u>Contractual:</u>			
Lease Space			\$ 20.0
Public Notices, Printing and Postage			\$ 5.0
<u>Supplies:</u>			
Executive Director		\$ 1.0	
Investigator III		\$ 1.0	
Auditor III		\$ 1.0	
Licensing Supervisor		\$ 1.0	
Secretary		\$ 1.0	
			\$ 5.0
<u>Equipment:</u>			
Executive Director		\$10.0	
Investigator III		\$10.0	
Auditor III		\$10.0	
Licensing Supervisor		\$10.0	
Secretary I		\$10.0	
			\$ 50.0
TOTAL COST			\$399.1

Travel for the commissioners is based on the assumption that they will meet on a quarterly basis.

Equipment represents the cost for a workstation and computer.

Lease Space is for locating the Gaming staff into their own office space. Currently located in Occupational Licensing on the 9th floor of the State Office in 450 sq. ft., this space is inadequate for current needs and, with the increase demand with the commission, new space is a requirement.

REQUEST FOR NEW HIRE

POSITION TITLE: Executive Director
RANGE/STEP: 26a
SERVICE: Partially Exempt
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$67.8
Benefits \$22.3

Total Personal Services: \$ 90.1

TRAVEL: \$ 5.0
COMMODITIES:* \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$106.1

FUNDING SOURCE:

Funding source is general fund \$106.1

POSITION DUTIES:

- o Implement the policies and procedures of the Alaska Gaming Commission.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

The policies and procedures of the Alaska Gaming Commission will not be readily implemented.

REQUEST FOR NEW HIRE

POSITION TITLE: Investigator III
RANGE/STEP: 18a
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$40.5
Benefits \$15.9

Total Personal Services: \$56.4

TRAVEL: \$ 5.0
COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$72.4

FUNDING SOURCE:

Funding source is general fund \$72.4

POSITION DUTIES:

- o Conduct investigations of permit or license violations and complaints.
- o Conduct inspections of premises, observe gaming activity to ensure compliance with statutes and regulations.
- o Issue Notices of Violations when appropriate and necessary.
- o Educate the participants with regard to statutes and regulations.
- o Assist the participants by providing the correct forms, and answering inquiries.
- o Occasionally assist the auditor(s) in gathering information/documentation.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

Because of the numerous number of permittees and licensees, the expanse of the state, and the limited funding for travel purposes, many complaints and/or allegations could not be investigated.

REQUEST FOR NEW HIRE

POSITION TITLE: Auditor III
RANGE/STEP: 18a
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$40.5
Benefits \$15.9

Total Personal Services: \$56.4

TRAVEL: \$ 5.0
COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$72.4

FUNDING SOURCE:

Funding source is general fund \$72.4

POSITION DUTIES:

- o Plan, organize and complete audits of permittees, operators and distributors.
- o Provide technical assistance to permittees, operators and distributors.
- o Provide information to inquiring persons regarding statutes and regulations.
- o Assist the investigator(s) when necessary.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

Because of the numerous number of permittees and licensees, the expanse of the state, and the limited funding for travel purposes, many audits could not be done.

REQUEST FOR NEW HIRE

POSITION TITLE: Records and Licensing Supervisor
RANGE/STEP: 16a
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$35.5
Benefits \$14.5

Total Personal Services: \$50.0

COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$61.0

FUNDING SOURCE:

Funding source is general fund \$61.0

POSITION DUTIES:

- o Supervise and monitor the licensing of permittees, operators and distributors.
- o Direct and guide procedures for actual issuance of permits and licenses and computer entry of same. Responsible for the overall recording and establishment of the licensing record and maintenance of these records.
- o Provide information to the public and organizations regarding application of statutes, regulations and policies.
- o Responsible for form control and review of public handouts and applications to ensure proper format and content.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

Responsibility for the day-to-day operations will be shouldered by either the Gaming Program Manager or the Executive Director.

REQUEST FOR NEW HIRE

POSITION TITLE: Secretary I
RANGE/STEP: 10b
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$24.6
Benefits \$11.6

Total Personal Services: \$36.2

COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$47.2

FUNDING SOURCE:

Funding source is general fund \$47.2

POSITION DUTIES:

- o Open and process incoming applications, financial statements and correspondence.
- o Responsible for maintaining records/files for the Executive Director and Commission members.
- o Responsible for arrangement of transportation and accommodations of the entire staff. Make arrangements for meetings and notify the participants.
- o Responsible for transcribing minutes of meetings and distributing the written records to the appropriate parties.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

These duties would have to be fulfilled by a current staff member. The current staff is already overburdened, and the quality and quantity of work would decline.

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 4

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act establishing the Alaska BRU: Occupational Licensing
Gaming Commission Component: Administration
 Sponsor: Senator Zharoff
 Requestor: Senator Zharoff COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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TRAVEL	30.0	30.0	30.0	30.0	30.0	30.0
CONTRACTUAL	25.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES	5.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	50.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	399.1	352.1	352.1	352.1	352.1	352.1

CAPITAL						
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REVENUE	75.0	100.0	100.0	100.0	100.0	100.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND *	399.1	352.1	352.1	352.1	352.1	352.1
FEDERAL FUNDS						
OTHER						
TOTAL	399.1	352.1	352.1	352.1	352.1	352.1

*Funding source is General Fund in bill as proposed.

POSITIONS:

FULL-TIME	5	5	5	5	5	5
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581

Division: Occupational Licensing Date: _____

Approved by Commissioner: Glenn A. Olds *Glenn A. Olds* Spec. Asst II

Agency: Department of Commerce & Economic Development Date: 2-22-91

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

FISCAL NOTE ATTACHMENT - SB 4

EXPENDITURES AND REVENUES

This program was transferred from the Department of Revenue to the Department of Commerce and Economic Development effective July 1, 1989 through Executive Order #74. The total number of employees that transferred with the program was five: one Auditor and one Investigator located in Anchorage, one Auditor, one Tax Examiner and one Clerk Typist located in Juneau. Since that time, the following new positions have been filled: a Gaming Program Manager located in Juneau, one Investigator located in Fairbanks, a Chief of Gaming Compliance located in Anchorage, and a Licensing Examiner located in Juneau.

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FISCAL NOTE ATTACHMENT
SB 4

OPERATING EXPENDITURES

<u>Position</u>	<u>Range</u>	<u>Cost</u>	<u>Subtotal</u>
<u>Personal Services:</u>			
Executive Director	26	\$90.1	
Investigator III	18	\$56.4	
Auditor III	18	\$56.4	
Records and Licensing Supervisor	16	\$50.0	
Secretary I	10	\$36.2	
			\$289.1
<u>Travel:</u>			
Five-Commission Members		\$15.0	
Executive Director		\$ 5.0	
Investigator		\$ 5.0	
Auditor III		\$ 5.0	
			\$ 30.0
<u>Contractual:</u>			
Lease Space			\$ 20.0
Public Notices, Printing and Postage			\$ 5.0
<u>Supplies:</u>			
Executive Director		\$ 1.0	
Investigator III		\$ 1.0	
Auditor III		\$ 1.0	
Licensing Supervisor		\$ 1.0	
Secretary		\$ 1.0	
			\$ 5.0
<u>Equipment:</u>			
Executive Director		\$10.0	
Investigator III		\$10.0	
Auditor III		\$10.0	
Licensing Supervisor		\$10.0	
Secretary I		\$10.0	
			<u>\$ 50.0</u>
TOTAL COST			\$399.1

Travel for the commissioners is based on the assumption that they will meet on a quarterly basis.

Equipment represents the cost for a workstation and computer.

Lease Space is for locating the Gaming staff into their own office space. Currently located in Occupational Licensing on the 9th floor of the State Office in 450 sq. ft., this space is inadequate for current needs and, with the increase demand with the commission, new space is a requirement.

REQUEST FOR NEW HIRE

POSITION TITLE: Executive Director
RANGE/STEP: 26a
SERVICE: Partially Exempt
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$67.8
Benefits \$22.3

Total Personal Services: \$ 90.1

TRAVEL: \$ 5.0
COMMODITIES:* \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$106.1

FUNDING SOURCE:

Funding source is general fund \$106.1

POSITION DUTIES:

- o Implement the policies and procedures of the Alaska Gaming Commission.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

The policies and procedures of the Alaska Gaming Commission will not be readily implemented.

REQUEST FOR NEW HIRE

POSITION TITLE: Investigator III
RANGE/STEP: 18a
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$40.5
Benefits \$15.9

Total Personal Services: \$56.4

TRAVEL: \$ 5.0
COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$72.4

FUNDING SOURCE:

Funding source is general fund \$72.4

POSITION DUTIES:

- o Conduct investigations of permit or license violations and complaints.
- o Conduct inspections of premises, observe gaming activity to ensure compliance with statutes and regulations.
- o Issue Notices of Violations when appropriate and necessary.
- o Educate the participants with regard to statutes and regulations.
- o Assist the participants by providing the correct forms, and answering inquiries.
- o Occasionally assist the auditor(s) in gathering information/documentation.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

Because of the numerous number of permittees and licensees, the expanse of the state, and the limited funding for travel purposes, many complaints and/or allegations could not be investigated.

REQUEST FOR NEW HIRE

POSITION TITLE: Auditor III
RANGE/STEP: 18a
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$40.5
Benefits \$15.9

Total Personal Services: \$56.4

TRAVEL: \$ 5.0
COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$72.4

FUNDING SOURCE:

Funding source is general fund \$72.4

POSITION DUTIES:

- o Plan, organize and complete audits of permittees, operators and distributors.
- o Provide technical assistance to permittees, operators and distributors.
- o Provide information to inquiring persons regarding statutes and regulations.
- o Assist the investigator(s) when necessary.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

Because of the numerous number of permittees and licensees, the expanse of the state, and the limited funding for travel purposes, many audits could not be done.

REQUEST FOR NEW HIRE

POSITION TITLE: Records and Licensing Supervisor
RANGE/STEP: 16a
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary: \$35.5
Benefits \$14.5

Total Personal Services: \$50.0

COMMODITIES: \$ 1.0
EQUIPMENT: \$10.0

Total Cost \$61.0

FUNDING SOURCE:

Funding source is general fund \$61.0

POSITION DUTIES:

- o Supervise and monitor the licensing of permittees, operators and distributors.
- o Direct and guide procedures for actual issuance of permits and licenses and computer entry of same. Responsible for the overall recording and establishment of the licensing record and maintenance of these records.
- o Provide information to the public and organizations regarding application of statutes, regulations and policies.
- o Responsible for form control and review of public handouts and applications to ensure proper format and content.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

Responsibility for the day-to-day operations will be shouldered by either the Gaming Program Manager or the Executive Director.

REQUEST FOR NEW HIRE

POSITION TITLE: Secretary I
RANGE/STEP: 10b
SERVICE: Classified
TYPE OF POSITION: PFT
STAFF MONTHS: 12 Months

TYPE OF EXPENDITURE:

PERSONAL SERVICES:

Salary:	\$24.6	
Benefits	\$11.6	
Total Personal Services:		\$36.2

COMMODITIES:	\$ 1.0	
EQUIPMENT:	\$10.0	
Total Cost		\$47.2

FUNDING SOURCE:

Funding source is general fund	\$47.2
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POSITION DUTIES:

- o Open and process incoming applications, financial statements and correspondence.
- o Responsible for maintaining records/files for the Executive Director and Commission members.
- o Responsible for arrangement of transportation and accommodations of the entire staff. Make arrangements for meetings and notify the participants.
- o Responsible for transcribing minutes of meetings and distributing the written records to the appropriate parties.

IMPACT TO DIVISION/PROGRAM IF POSITION IS NOT FILLED:

These duties would have to be fulfilled by a current staff member. The current staff is already overburdened, and the quality and quantity of work would decline.

SECTIONAL ANALYSIS - Sen. Zharoff
CSSB 4 (L&C)-ESTABLISHING THE ALASKA GAMING COMMISSION

SECTION 1: Establishes the Alaska Gaming Commission in AS 05.15 (Games of Chance & Contests of Skill). The commission would consist of 5 members appointed by the governor who must be state residents and must never have been convicted of a felony or an offense relating to gambling. One member shall be from each of the four Judicial Districts and one member shall be from anywhere in the state. Members of the Commission may not be operators, distributors or elected officials of the state or political subdivisions. Commission members would serve 4 year staggered terms, may not serve more than 8 years, and may be removed from office by the governor for cause including negligence of duty; incompetence; or misconduct in office. Members would be entitled to per diem and travel expenses. This section also delineates that the commission shall license, regulate and supervise games of chance & contest of skill under AS 05.15; hire an executive director and staff as necessary; meet at least every three months; and adopt regulations necessary to implement AS 05.15. This section also allows the commission to appoint hearing officers and clarifies that the executive director is partially exempt and the other employees are classified. In addition, the bill also states that the Attorney General shall enforce the regulations of the commission; that records of the commission are public except for records relating to audits and investigations of the commission; that all proceeds of the commission go into the general fund; that the commission is subject to the Administrative Procedures Act; and that the commission is subject to the conflict of interest statutes.

SECTION 2: AS 05.15.010 currently states that the Dept. of Commerce & Economic Development shall administer AS 05.15.

Section 2 of this bill replaces that language and states that the Alaska Gaming Commission would administer this chapter.

SECTION 3: Adds a new subsection prohibiting the commission from issuing a permit or license for gaming to anyone who has been a member of the Commission within the last year.

SECTION 4: Adds a new section prohibiting a person who has been a member of the Commission within the last year from being a member in charge.

SECTION 5: Removes the Commissioner of DC&ED from the definitions section of AS 05.15 and replaces it with "commission" since, under this bill, the Alaska Gaming Commission rather than the Department of Commerce & Economic Development would be administering gaming.

SECTION 6: Makes a change to the definition of gambling in the criminal law statutes by removing the reference to the Department of Commerce & Economic Development since gaming activity would be administered by the Commission.

SECTION 7: States that the Department of Public Safety shall determine whether a person appointed by the governor to serve on the commission has been convicted of a felony or a gambling offense.

SECTION 8: Adds a new subsection to include the executive director of the Alaska Gaming Commission to the list of partially exempt employees.

SECTION 9: Adds a new subsection to include the Alaska Gaming Commission under the Conflict of Interest Statutes.

SECTION 10: Adds a new subsection to include the Alaska Gaming Commission with the entities that must comply with the Administrative Procedures Act.

SECTION 11: Removes the definition of the "department" under AS 05.15 as it would no longer apply if the commission is established and removes the regulation of games of chance & contest of skill from the duties of the Department of Commerce & Economic Development since these would become duties of the commission.

SECTION 12: Requires the governor to make the appointments to the commission within 120 days after the effective date of this bill and requires that the governor set the terms of the initial members as follows: 2 members for 4 years; 1 member for 3 years; 1 member for 2 years; and 1 member for 1 year.

SECTION 13: States that any regulations in place pertaining to games of chance or contests of skill prior to July 1, 1991 and regulations on these matters in effect on the effective date of this bill remain in effect until the commission adopts new regulations. In addition, DC&ED will administer AS 05.15 from the effective date of this bill until the members of the commission are appointed.

SECTION 14: Allows the revisor of statutes and the assistant attorney general assigned to review regulations the latitude to clean up statute and regulation with regard to the administration of AS 05.15 and references to the "department" or "commissioner" should be read as referring to the Alaska Gaming Commission.

SECTION 15: Gives this legislation an effective date of July 1, 1991.

SECTIONAL ANALYSIS - Sen. Zharoff
SB 4-ESTABLISHING THE ALASKA GAMING COMMISSION

SECTION 1: Establishes the Alaska Gaming Commission in AS 05.15 (Games of Chance & Contests of Skill). The commission would consist of 5 members appointed by the governor who must be state residents and must never have been convicted of a felony or an offense relating to gambling. Commission members would serve 4 year staggered terms and may be removed from office by the governor for cause including negligence of duty; incompetence; or misconduct in office. Members would be entitled to per diem and travel expenses. This section also delineates that the commission shall license, regulate and supervise games of chance & contest of skill under AS 05.15; hire staff as necessary; and adopt regulations necessary to implement AS 05.15. This section also allows the commission to issue subpoenas; produce the records of persons licensed to conduct gaming; and appoint hearing officers if any are required by AS 05.15 or regulations adopted under it. This section also clarifies that employees of the commission are partially exempt; that the Attorney General shall enforce the regulations of the commission; that all records of the commission are public; all proceeds of the commission go into the general fund; that the commission is subject to the Administrative Procedures Act; and that the commission is subject to the conflict of interest statutes.

SECTION 2: AS 05.15.010 currently states that the Dept. of Commerce & Economic Development shall administer AS 05.15. Section 2 of this bill replaces that language and states that the Alaska Gaming Commission would administer this chapter.

SECTION 3: Removes the Commissioner of DC&ED from the definitions section of AS 05.15 and replaces it with "commission" since, under this bill, the Alaska Gaming Commission rather than the

Department of Commerce & Economic Development would be administering gaming.

SECTION 4: Makes a technical change to the definition of gambling in the criminal law statutes. The only change to the definition is on page 4, line 3. Subsection C of the bill says, "an activity authorized under AS 05.15." Current law under subsection C says, "an activity authorized by the commissioner of commerce & Economic Development under AS 05.15."

SECTION 5: States that the Department of Public Safety shall determine whether a person appointed by the governor to serve on the commission has been convicted of a felony or a gambling offense.

SECTION 6: Adds a new subsection to include employees of the Alaska Gaming Commission to the list of partially exempt employees.

SECTION 7: Adds a new subsection to include the Alaska Gaming Commission under the Conflict of Interest Statutes.

SECTION 8: Adds a new subsection to include the Alaska Gaming Commission with the entities that must comply with the Administrative Procedures Act.

SECTION 9: Removes the definition of the "department" under AS 05.15 as it would no longer apply if the commission is established and removes the regulation of games of chance & contest of skill from the duties of the Department of Commerce & Economic Development since these would become duties of the commission.

SECTION 10: Requires the governor to make the appointments to the commission within 120 days after the effective date of this bill and requires that the governor set the terms of the initial members as follows: 2 members for 4 years; 1 member for 3 years; 1 member for 2 years; and 1 member for 1 year.

SECTION 11: States that any regulations in place pertaining to games of chance or contests of skill prior to July 1, 1991 and regulations on these matters in effect on the effective date of this bill remain in effect until the commission adopts new regulations. In addition, DC&ED will administer AS 05.15 from the effective date of this bill until the members of the commission are appointed.

SECTION 12: Allows the revisor of statutes and the assistant attorney general assigned to review regulations the latitude to clean up statute and regulation with regard to the administration of AS 05.15 and references to the "department" or "commissioner" should be read as referring to the Alaska Gaming Commission.

SECTION 13: Gives this legislation an effective date of July 1, 1991.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERENCE

DATE: 1/21/91

FURTHER: Judiciary
Finance

Date of 5-Day Notice: 3-14-91
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: 4-16-91

L&C Committee considered SENATE BILL NO. 4

"An Act establishing the Alaska Gaming Commission; and providing for an effective date."

and recommended:

- replace with _____ CS SB 4 (L+C) same title
- attached amendment(s) new title
- _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) COMMERCE 12-22-91
COMMERCE 4-11-91

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Debra NO REC.
Rick Halford NO REC.

[Signature]
Chair: Signature and Recommendation

To LAA Legal -
From Senate Judiciary
Doug Bailey

April 30, 91

Please prepare a CS (Jud)
for SB 4 adding a new section (15?)

to add the Alaska Gaming Commission
to AS 8.03.010 with a 4 year cycle
sunset provision. Originally June 30, 1995.

and such other changes, if any, to conform
this commission to sunset laws.

This can be done in final form as the
committee has already passed the bill out
in this form.

T. Hanx _____
L

CS FOR SENATE BILL NO. 4 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/17/91
Referred: Judiciary, Finance

Sponsor(s): SENATORS ZHAROFF, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Gaming Commission; and providing for an effective date."

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

3 * Section 1. AS 05.15 is amended by adding new sections to read:

4 ARTICLE 4. ALASKA GAMING COMMISSION.

5 Sec. 05.15.300. ALASKA GAMING COMMISSION. (a) The Alaska Gaming
6 Commission is established in the Department of Commerce and Economic Development. The
7 commission is composed of five members appointed by the governor, subject to confirmation by
8 the legislature.

9 (b) Each member of the commission shall at the time of the member's appointment be
10 a resident of the state. One member shall be appointed from each of the four judicial districts
11 of the state, and the fifth member may reside anywhere in the state.

12 (c) A person may not serve as a member of the commission if that person

13 (1) has been convicted of

14 (A) a felony; or

1 (B) an offense under this chapter, AS 11.66.200 - 11.66.280, or a
2 comparable provision of municipal, state, or federal law;

3 (2) holds an operator's license under AS 05.15.122 or a distributor's license under
4 AS 05.15.183; or

5 (3) is an elected official of the state or of a political subdivision of the state.

6 (d) A person may not serve as a member of the commission until the investigation
7 required under AS 18.65.080(b) is completed.

8 (e) The commission shall elect a chair from its membership.

9 (f) Three members of the commission constitute a quorum for the transaction of business.

10 Sec. 05.15.310. TERM OF OFFICE. (a) Members of the commission serve staggered
11 terms of four years. A vacancy is filled by appointment for the unexpired term.

12 (b) A member may not serve for more than eight years.

13 Sec. 05.15.320. REMOVAL AND SUSPENSION OF MEMBERS. (a) The governor
14 may remove a member for cause, including incompetence, neglect of duty, or misconduct in
15 office. A member being removed for cause shall be given a copy of the charges and afforded
16 an opportunity to publicly present a defense in person or by counsel upon not less than 10 days'
17 notice. If a member is removed for cause, the governor shall file with the lieutenant governor
18 a complete statement of all charges made against the member and the governor's findings based
19 on the charges, together with a complete record of the proceedings.

20 (b) The governor may immediately suspend a member for a violation of law or for
21 misconduct in office pending removal from office under (a) of this section.

22 Sec. 05.15.330. COMPENSATION AND PER DIEM. Members of the commission do
23 not receive a salary for their service on the commission but are entitled to per diem and travel
24 expenses authorized for state boards and commissions under AS 39.20.180.

25 Sec. 05.15.340. DUTIES AND POWERS OF THE COMMISSION. (a) The commission
26 shall

27 (1) license, regulate, and supervise games of chance and contests of skill under
28 this chapter;

29 (2) hire an executive director and other staff as needed to enforce and administer
30 this chapter;

31 (3) meet at least once every three months; and

1 (4) adopt regulations necessary to carry out the provisions of this chapter.

2 (b) The commission may appoint a hearing officer to conduct a hearing required by this
3 chapter or by a regulation adopted under it.

4 Sec. 05.15.350. EMPLOYEES OF THE COMMISSION. The executive director of the
5 commission is in the partially exempt service under AS 39.25.120. Other employees of the
6 commission are in the classified service under AS 39.25.100.

7 Sec. 05.15.360. REGULATIONS OF THE COMMISSION. The attorney general shall
8 enforce the regulations of the commission.

9 Sec. 05.15.370. RECORDS OF THE COMMISSION. (a) Except as provided in (b) of
10 this section, all records of the commission are public records and subject to public inspection.

11 (b) Records relating to audits and investigations by the commission, both ongoing and
12 completed, are confidential, except for the audit report issued by the commission and records
13 submitted as evidence in an administrative or judicial proceeding that results from an
14 investigation.

15 Sec. 05.15.380. PROCEEDS. Fees and other money received by the commission shall
16 be paid into the general fund.

17 Sec. 05.15.390. ADMINISTRATIVE PROCEDURE ACT. The operations of the
18 commission are subject to the Administrative Procedure Act (AS 44.62).

19 Sec. 05.15.400. CONFLICT OF INTEREST ACT. The commission is subject to
20 AS 39.50 (conflict of interest).

21 * Sec. 2. AS 05.15.010 is repealed and reenacted to read:

22 Sec. 05.15.010. ALASKA GAMING COMMISSION TO ADMINISTER CHAPTER.

23 The Alaska Gaming Commission shall administer this chapter.

24 * Sec. 3. AS 05.15.100 is amended by adding a new subsection to read:

25 (d) The commissioner may not issue a permit or license under this chapter to a person
26 who has, within one year preceding the person's application for a permit or license, been a
27 member of the Alaska Gaming Commission established under AS 05.15.300.

28 * Sec. 4. AS 05.15.122 is amended by adding a new subsection to read:

29 (e) A person may not serve as a member in charge if the person has, within the preceding
30 one year, been a member of the Alaska Gaming Commission established under AS 05.15.300.

31 * Sec. 5. AS 05.15.210(6) is repealed and reenacted to read:

1 (6) "commission" means the Alaska Gaming Commission;

2 * Sec. 6. AS 11.66.280(2) is amended to read:

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

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

11 (B) playing an amusement device that

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

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

17 (C) an activity authorized [BY THE COMMISSIONER OF COMMERCE
18 AND ECONOMIC DEVELOPMENT] under AS 05.15;

19 * Sec. 7. AS 18.65.080 is amended by adding a new subsection to read:

20 (b) The Department of Public Safety shall investigate and ascertain whether a person
21 appointed by the governor to serve as a member of the Alaska Gaming Commission has been
22 convicted of a crime set out in AS 05.15.300(c).

23 * Sec. 8. AS 39.25.120(c) is amended by adding a new paragraph to read:

24 (21) the executive director of the Alaska Gaming Commission.

25 * Sec. 9. AS 39.50.200(b) is amended by adding a new paragraph to read:

26 (52) Alaska Gaming Commission (AS 05.15.300).

27 * Sec. 10. AS 44.62.330(a) is amended by adding a new paragraph to read:

28 (57) Alaska Gaming Commission (AS 05.15.300).

29 * Sec. 11. AS 05.15.210(8) and AS 44.33.020(31) are repealed.

30 * Sec. 12. INITIAL COMMISSION APPOINTMENTS. The governor shall make the initial
31 appointment of members of the Alaska Gaming Commission within 120 days after the effective date of

1 this Act. The governor shall set the terms of initial members so that two members serve terms of four
2 years, one member serves a term of three years, one member serves a term of two years, and one
3 member serves a term of one year.

4 * Sec. 13. TRANSITION. (a) Regulations relating to games of chance and contests of skill, adopted
5 by the Department of Revenue or the Department of Commerce and Economic Development under
6 authority of AS 05.15 before July 1, 1991, and in effect on the effective date of this Act remain in effect
7 until regulations relating to that function that are adopted by the Alaska Gaming Commission under
8 AS 05.15 as amended by this Act, take effect. The Alaska Gaming Commission shall administer the
9 Department of Revenue and the Department of Commerce and Economic Development regulations until
10 its own take effect.

11 (b) Until the Alaska Gaming Commission is appointed, the Department of Commerce and
12 Economic Development shall administer games of chance and contests of skill under AS 05.15 and under
13 the regulations referred to in (a) of this section.

14 * Sec. 14. IMPLEMENTATION OF LEGISLATION. To be consistent with the changes made by
15 this legislation, wherever in AS 05.15 and in regulations adopted under those statutes "Department of
16 Commerce and Economic Development," "department," or "commissioner" is used, they shall be read
17 as referring to the Alaska Gaming Commission or commission when to do so would implement the
18 purposes of this Act. Under AS 01.05.031, the revisor of statutes shall implement this section in the
19 statutes, and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section in the
20 administrative regulations.

21 * Sec. 15. This Act takes effect July 1, 1991.

7-LS0019G
Gaguine
3/26/91

CS FOR SENATE BILL NO. 4 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS ZHAROFF, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing the Alaska Gaming Commission; and providing for an effective date."

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

3 * Section 1. AS 05.15 is amended by adding new sections to read:

4 ARTICLE 4. ALASKA GAMING COMMISSION.

5 Sec. 05.15.300. ALASKA GAMING COMMISSION. (a) The Alaska Gaming
6 Commission is established in the Department of Commerce and Economic Development. The
7 commission is composed of five members appointed by the governor, subject to confirmation by
8 the legislature.

9 (b) Each member of the commission shall at the time of the member's appointment be
10 a resident of the state. One member shall be appointed from each of the four judicial districts
11 of the state, and the fifth member may reside anywhere in the state.

12 (c) A person may not serve as a member of the commission if that person

13 (1) has been convicted of

14 (A) a felony; or

1 (B) an offense under this chapter, AS 11.66.200 - 11.66.280, or a
2 comparable provision of municipal, state, or federal law;

3 (2) holds an operator's license under AS 05.15.122; or

4 (3) is an elected official of the state or of a political subdivision of the state.

5 (d) A person may not serve as a member of the commission until the investigation
6 required under AS 18.65.080(b) is completed.

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8 (f) Three members of the commission constitute a quorum for the transaction of business.

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15 an opportunity to publicly present a defense in person or by counsel upon not less than 10 days'
16 notice. If a member is removed for cause, the governor shall file with the lieutenant governor
17 a complete statement of all charges made against the member and the governor's findings based
18 on the charges, together with a complete record of the proceedings.

19 (b) The governor may immediately suspend a member for a violation of law or for
20 misconduct in office pending removal from office under (a) of this section.

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23 expenses authorized for state boards and commissions under AS 39.20.180.

24 Sec. 05.15.340. DUTIES AND POWERS OF THE COMMISSION. (a) The commission
25 shall

26 (1) license, regulate, and supervise games of chance and contests of skill under
27 this chapter;

28 (2) hire an executive director and other staff as needed to enforce and administer
29 this chapter;

30 (3) meet at least once every three months; and

31 (4) adopt regulations necessary to carry out the provisions of this chapter.

- 1 (b) The commission may
2 (1) issue subpoenas to compel witnesses to appear before it;
3 (2) compel the production of documents showing the receipts and disbursements
4 of a person licensed to conduct a gaming enterprise;
5 (3) appoint a hearing officer to conduct a hearing required by this chapter or by
6 a regulation adopted under it.

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7 the purchase or sale at a future date of securities or commodities and agreements to
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10 (B) playing an amusement device that

11 (i) confers only an immediate right of replay not
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14 (ii) does not contain a method or device by which the
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17 purposes of this Act. Under AS 01.05.031, the revisor of statutes shall implement this section in the
18 statutes, and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section in the
19 administrative regulations.

20 * Sec. 15. This Act takes effect July 1, 1991.

CSSB 4: "An Act establishing the Alaska Gaming Commission; and providing for an effective date."

The department supports moving the Gaming program out of the Division of Occupational Licensing into a separate division within the Department of Commerce and Economic Development. However, if a commission is established, this bill would provide for the necessary authority to implement the Alaska Gaming Commission's duties. Our major concerns have been addressed in the CS version. The remaining sectional concerns are addressed below:

SECTIONAL CONCERNS

1. Alaska Gaming Commission

AS 05.15.300(c)(2). This subsection would exclude a person holding an operator license from serving on the commission. Of the twenty-one (21) currently licensed operators, seven (7) are also licensed as distributors and another three (3) have spouses who are licensed distributors. If the intent of this subsection is to prevent those persons already in a segment of the gaming industry from serving on the commission, then this subsection should be expanded to include licensed distributors.

2. Duties and Powers of the Commission

AS 05.15.340(b)(2). Only subsection (1) mentions the power of the commission to issue subpoena to compel witnesses to appear before the commission. There remains, however, a questions of what legal action may be taken/needed to ensure production of books, records and other relevant information. Subpoena power should also include subsection (2).

If the subpoena power in AS 05.15.070 is unaffected by this bill, then the proposed AS 05.15.340(b)(2) should be removed as it is redundant.

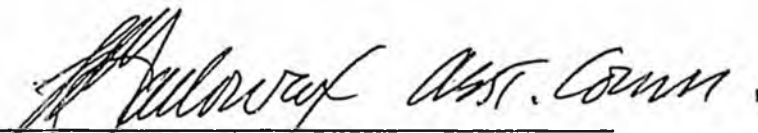
3. Records of the Commission

AS 05.15.370. Ongoing audits and investigations should be kept confidential. Investigative files should remain confidential even when closed, except where documentation is submitted as evidence in a hearing or trial, and only the completed audit should be made available.

4. Proceeds

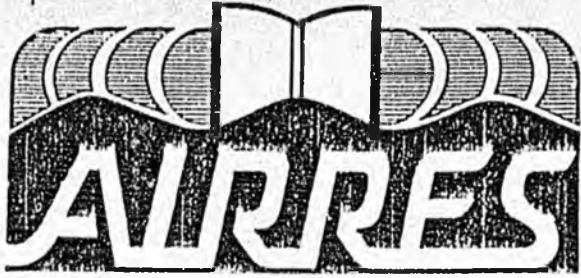
AS 05.15.380. Beginning with FY 90, the Games of Chance and Skill program is funded by Program Receipts. Because of the growing interest and participation in the gaming industry, to ensure that the program is properly administered and enforced, the funding should remain as Program Receipts. Additionally, should the Alaska Gaming Commission be instituted, readily available funding would help in determining and scheduling much needed workshops, seminars and effective administrations of the Games of Chance and Skill program.

If this bill fails to pass this legislative session, the department will create a separate Division of Gaming which we believe would go a long way in solving many of the administrative problems with this program.



Glenn A. Oids, Commissioner
Date: 4-11-91

APR 8 1991



RUD

ALASKA RADIO READING SERVICE

1102 West International Airport Road
Anchorage, AK 99518 • (907) 563-2121 • FAX 562-5951

April 4, 1991

Attached is a copy of a survey that we conducted in 1990 of non-profit organizations concerning convicted felons involvement in charitable gaming.

The results were conclusive that the majority of organizations did not want any type of criminal element involved in charitable gaming. Most states would not allow this criminal element to be involved in gaming of any kind.

We would be happy to supply you with copies of surveys from the non-profits who responded to the questionnaire.

Sincerely,

Sandy Sanderson
Executive Director

ATTENTION!

ALL NON-PROFIT CORPORATIONS:

The Alaska Information Radio Reading Education Service is a non-profit agency which uses Games of Chance and Skill to raise a portion of our funding. Recently, the Alaska Department of Commerce and Economic Development proposed sweeping changes in the charitable gaming regulations. These changes included eliminating the non-profit corporations right to sell pull tabs in multiple locations. We feel that this will severely impact the funding needed by many Alaskan non-profit corporations.

We at AIRRES are asking the Governor to stop these proposed regulations and let the Legislature decide this issue when they convene in January. If your organization is dependent on Games of Chance and Skill for funding, we urge you to join us in protecting your right to sell pull tabs through retail locations; these have been dubbed by the State as third party vendors. Please contact your legislators through Public Opinion Messages, telephone calls, and hand written letters.

AIRRES is also concerned that there is a strong possibility that the criminal element is infiltrating the operations of Games of Chance and Skill in Alaska. We recommend that you urge the State to prohibit the participation of anyone with a felony conviction in the operation or regulation of Games of Chance and Skill in Alaska.

A good model is in those laws and regulations governing gaming in the State of Nevada. In an effort to preserve our right to gain revenues from the sale of pull tabs through retail locations we are collecting statistics on the number of non-profit corporations which use Games of Chance and Skill to fund their operations. We hope to use this information to convince the legislature that all of us in non-profit corporations depend on this to fund our worthwhile causes through Games of Chance and Skill.

Please fill out the following questionnaire.

Thank you.

QUESTIONNAIRE

1. Name of non-profit organization:

2. Address:

3. Telephone Number:

TOTAL RESPONSES: 85

1. Do you hold a Games of Chance and Skill Permit? Yes: 46 ; No: 39
2. Are you receiving revenues from same? Yes: 35 Mp: 35 No Answer: 15
3. Do you use an operator to place your permit? Yes: 13 No: 50 No Answer: 22
4. Do you place your own permit? Yes: 31 No: 27 No Answer: 27
5. Do you plan to apply for a Games of Chance and Skill permit in the future?
Yes: 50 No: 22 No Answer: 7 Maybe: 6
6. Are you interested in legislation to keep the criminal element out of gaming in the state of Alaska?
Yes: 74 No: 4 No Answer: 7 Three of these who answered NO, answered no to all questions.
7. Are you interested in legislation to protect your right to sell pull tabs in retail locations?
Yes: 55 No: 21 Maybe: 2 No Answer: 7

We urge you to participate in the process of forming laws and regulations governing Games of Chance and Skill in Alaska so that your programs may continue to exist and expand.

HALFORD



Office of the Minister
Box 2703, Whitehorse, Yukon Y1A 2C6

MAR 14 1991

Senator Drue Pearce
Alaska State Legislature
3111 C Street, Suite 150
Anchorage Alaska
USA
99503

Dear Senator Pearce:

I refer to your letter of March 5 to Mr. Patrick Michael, Clerk of the Yukon Legislative Assembly.

Unfortunately due to other pressing commitments, I will be unable to attend the Yukon-Alaska Legislative Assembly exchange.

I would however, like to briefly comment on your two specific issues of gaming and tourism.

One of our most significant tourism attractions in my constituency of Dawson is the Diamond Tooth Gerties Gambling Casino featuring blackjack, roulette and wheels of fortune.

With regard to your specific questions, I offer the following:

1. Who regulates gaming in the Yukon?

Gaming is controlled under our Yukon Lotteries Licensing Act administered by our Department of Justice, Consumer Services Branch.

Licenses are reviewed and approved by an independent 3 member Licensing Board.

A copy of the Act and Regulations are attached.

2. Do we have charitable gaming and is there a split requirement between the permit holder and the agent?

Yes and no. Licenses are issued only to charitable organizations. There are no agents operating gaming halls and therefore, no split requirement.



3. Are there any restrictions on licensing operators with criminal records?

No. As licenses are issued only to charitable organizations, this restriction does not apply.

4. What restrictions are there on advertising and media use?

The only requirement is that all ads must include the license number.

It is unfortunate that I will be unable to attend the informal lunch to discuss the cooperative tourism marketing efforts taking place with the Yukon. We are currently involved in two key cooperative marketing efforts with Alaska.

The Tourism North Agreement was signed by Alaska, B.C. and the Yukon in May of 1989. This is a long term coop marketing agreement aimed to increase the number of people travelling through northern B.C. and the Yukon to Alaska and to improve the tourism opportunities for highway visitation in the region. The annual base budget is \$200,000 per jurisdiction.

The joint Alaska/Yukon Agreement: A coop marketing program between Alaska's and Yukon's Tourism Departments and Tourism Industry Associations (AVA, TIAY) and aimed at the Canadian market. The annual budget is \$200,000 per jurisdiction and is utilized in a joint advertising campaign.

I trust this information will be helpful in your deliberations.

Sincerely,



Art Webster
Minister of Tourism

BILL'S distributing of alaska

RECEIVED MAR 17 1991

March 7, 1991

Senator Fred Zharoff
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Zharoff

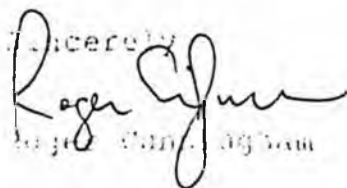
I was pleased to learn that SB-4, for an Alaska Gaming Commission is to be considered again this session.

As you probably have heard, several members of the public spoke in favor of a gaming commission at hearings on HB168 by Rep. Choquette. As well as citizen support, Rep. Robin Taylor supported it, along with John Hansen, Gaming Program Manager, DCED.

Charitable Gaming has grown to the place where a full commission is needed to oversee it. The amount of money changing hands daily dictates that a group of dedicated individuals give gaming their undivided attention.

I support your bill and would offer any help you may need in the way of supporting material or information to insure its passage this session. I would envision the commission structured along the same lines as the Alcoholic Beverage Control Board which includes respected industry representatives.

Please call if I can provide any further input to insure passage of SB-4.

Sincerely,

Roger G. Johnson

cc: Rep. Robin Taylor

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Delivered To Senate Secretary

SEVENTEENTH LEGISLATURE
SENATE JUDICIARY COMMITTEE BILL FILE

BILL NUMBER: SB6
ABBREVIATED TITLE: Charith Gamins - Preclude Felons -

SPONSER: Z. Lauff ORIGINAL RECEIVED: April 18, 1991
WRITTEN REQUEST TO SCHEDULE REC'D: 4-21-91 FROM: Fred
SPONSER'S STATEMENT REC'D: _____ FROM: _____
SECTIONAL ANALYSIS RQST'D: _____ FROM: _____
SECTIONAL ANALYSIS RECEIVED: _____

FISCAL NOTE (ORIGINAL)
RQST'D OF: _____ REC'D FROM: Office A DATE: 2-13-91
RQST'D OF: _____ REC'D FROM: Office 13M DATE: 4-15-91
RQST'D OF: _____ REC'D FROM: _____ DATE: _____

FISCAL NOTE (C.S.)
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
RQST'D OF: _____ REC'D FROM: _____ DATE: _____

FIVE DAY NOTICE GIVEN: BuL & C NOTICE OF HEARINGS GIVEN: _____
COMMITTEES OF REFERRAL: FIRST: _____ SECOND: _____ THIRD: _____

COMMITTEE ACTION Legislative Draftsman
John Ruggens

DATE: 5-20-91 Heard Adopted Ref to Sen Gov

PERSONS TO BE NOTIFIED OF HEARING

- 1. SPONSOR
- 2. AGENCY
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 6

Revision Date: 5/6/91 Department Affected: Commerce & Economic Dev.
 Title: An Act relating to charitable gaming, providing for multiple-beneficiary gaming permits BRU: Occupational Licensing
 Sponsor: Senator Zharoff Component: Administration
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO.

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

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	203.0	203.0	203.0	203.0	203.0	203.0
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	44.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES	4.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	40.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	301.0	245.0	245.0	245.0	245.0	245.0

CAPITAL						
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REVENUE	1,318.0	1,343.0	1,343.0	1,343.0	1,343.0	1,343.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	301.0	245.0	245.0	245.0	245.0	245.0
FEDERAL FUNDS						
OTHER						
TOTAL	301.0	245.0	245.0	245.0	245.0	245.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: John N. Hansen, Jr., Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 5/6/91
 Approved by Commissioner: Glenn A. Olds *[Signature]* 5-6-91
 Agency: Department of Commerce & Economic Development Date: 5/6/91

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

FISCAL NOTE ATTACHMENT - CSSSSB 6

EXPENDITURES AND REVENUES

This program was transferred from the Department of Revenue to the Department of Commerce and Economic Development effective July 1, 1989 through Executive Order #74. The total number of employees that transferred with the program was five: one auditor and one investigator located in Anchorage, one auditor, one tax examiner and one clerk typist located in Juneau. Since that time, the following new positions have been filled: a Gaming Program Manager located in Juneau, one investigator located in Fairbanks, a Chief of Gaming Compliance located in Anchorage and a Licensing Examiner located in Juneau.

This bill would authorize the licensing and regulating of pull-tab vendors, the issuance of multiple-beneficiary permits, provide a minimum percentage of ideal net of pull-tabs that is required to be paid to a permittee that contracts with an operator, specifies those individuals excluded from participation with a felony conviction, a crime involving theft or dishonesty, or a violation of a municipal, state or federal gambling law, changes the minimum percentage of adjusted gross receipts that must be paid to a permittee who contracts with an operator, removes the prohibition of an operator receiving compensation based on a percentage, increases the allowable total prize awards that a permittee may award from \$1,000,000 to \$1,500,000, places a fixed price on the amount charged for a bingo card, increases the pull-tab tax collected from 3% of ideal net to 1% of gross receipts, allows for delivery of pull-tabs directly to a vendor location when certain restrictions are met, restricts vendor sales of pull-tabs to a fixed location, provides a licensing fee of \$50 for vendor endorsements, provides a minimum percentage of the ideal net that must be paid to a permittee or operator that contracts with a vendor, allows the department to issued orders prohibiting violations.

Charitable gaming activity in the state has rapidly grown beyond the capacity of the current staff, especially in the area of audits and investigations. Presently, the gaming program has only two investigators and is woefully inadequate given the number of permittees and the geographical size of the state. While the two auditors may conduct desk audits at their work station and obtain documentation by way of correspondence, the number of audits that can be accomplished during the year is limited by the number of permittees, operators, and distributors. We are, therefore, submitting a fiscal note requesting funding for an additional investigator and auditor. Also contained in the fiscal note is a request for funding of a licensing examiner and a records and licensing supervisor to oversee the licensing staff. Given the number of permittees, and the number that would use vendor locations, an additional licensing examiner is necessary if the vendor endorsements are to be issued in a timely manner.

The \$301.0 required includes \$10.0 in travel, to fund the cost of widespread travel to various communities throughout the state, as well as \$40.0 to purchase the necessary workstations, computers and software. The required \$5.0 for equipment for FY 93 through FY 97 represents computer upgrades and programming. This is based on the assumption that charitable gaming will steadily continue to increase as more and more charitable organizations search for other sources of revenue.

Because of the termination of vendor sales by the Attorney General's opinion of October 24, 1990 and the subsequent denial of permits for vendor locations, the amount of pull-tab sales and the amount of pull-tab tax collected have dramatically decreased. In FY 90, the total tax collected was \$1,398,300. For FY 91, to date (May 2, 1990), the tax collected is only \$958,520. Before the loss of vendor sales, the anticipated revenue from the 3% tax for FY 92 was \$1,530,000. If legislation authorizing vendors is not passed this session, the anticipated revenue would decrease to an estimated \$800,000 to \$850,000. Even changing the amount and tax base from 3% of ideal net to 1% of gross sales will not substantially increase the amount of tax collected unless vendor locations are authorized.

In changing the amount and tax base from 3% of ideal net to 1% of gross sales, we estimate the amount of pull-tab tax collected for FY 92 will be \$993,000 (based on 1989 financial records). With the additional auditor and investigator positions, we estimate that \$75,000 in additional revenue based on the 1% net proceeds fee will be generated in addition to \$250,000 generated by the \$50 vendor endorsement fee. We estimate that 5,000 such vendor endorsements will be applied for. Further, with the amount of travel that will be required to effectively administer this program, the auditors and investigators can also use the opportunity to educate the licensees and to help them strive toward voluntary compliance with the gaming laws.

**FISCAL NOTE ATTACHMENT
CSSSB 6**

OPERATING EXPENDITURES

<u>Position</u>	<u>Range</u>	<u>Cost</u>	<u>Subtotal</u>
<u>Personal Services:</u>			
Investigator III	18	\$56.4	
Auditor III	18	\$56.4	
Records and Licensing Supervisor	16	\$50.0	
Occupational Licensing Examiner I	12	\$40.2	
			\$203.0
<u>Travel:</u>			
Investigator III		\$ 5.0	
Auditor III		\$ 5.0	
			\$ 10.0
<u>Contractual:</u>			
Lease Space		\$20.0	
Printing and Postage		\$24.0	
			\$ 44.0
<u>Supplies</u>			
Investigator III		\$ 1.0	
Auditor III		\$ 1.0	
Records and Licensing Supervisor		\$ 1.0	
Occupational Licensing Examiner I		\$ 1.0	
			\$ 4.0
<u>Equipment:</u>			
Investigator III		\$10.0	
Auditor III		\$10.0	
Records and Licensing Supervisor		\$10.0	
Occupational Licensing Examiner I		\$10.0	
			\$ 40.0
TOTAL COST			<u>\$301.0</u>

Lease Space is for locating the Gaming staff into their own office space. Currently located in Occupational Licensing on the 9th floor of the State Office in 450 square feet, this space is inadequate for current needs and, with the increased personnel, new space is a requirement.

The majority of the printing and postage cost is for the vendor endorsement license.

Equipment represents the cost for a workstation and computer.

REQUEST FOR NEW HIRE

POSITION TITLE Investigator III
RANGE/STEP 18a
SERVICE Classified
TYPE POSITION PFT
STAFF MONTHS 12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY \$40.5
BENEFITS \$15.9

TOTAL PERSONAL SERVICES \$56.4

TRAVEL \$ 5.0
SUPPLIES \$ 1.0
EQUIPMENT \$10.0

TOTAL COST \$71.9

FUNDING SOURCE

GENERAL FUND \$71.9

Position duties:

Conduct investigations of permit or license violations and complaints.

Conduct inspections of premises, observe gaming activity to ensure compliance with statutes and regulations.

Issue Notices of Violations when appropriate and necessary.

Educate the participants with regard to statutes and regulations.

Assist the participants by providing the correct forms, and answering inquiries.

Occasionally assist the auditor(s) in gathering information/documentation.

Impact to Division/Program if position is NOT filled:

Because of the numerous number of permittees and licensees, the expanse of the state, and the limited funding for travel purposes, many complaints and/or allegations could not be investigated.

REQUEST FOR NEW HIRE

POSITION TITLE	Auditor III
RANGE/STEP	18a
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$40.5
BENEFITS	\$15.9

TOTAL PERSONAL SERVICES	\$56.4
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TRAVEL	\$ 5.0
SUPPLIES	\$ 1.0
EQUIPMENT	\$10.0

TOTAL COST	\$71.9
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FUNDING SOURCE

GENERAL FUND	\$71.9
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Position duties:

Plans, organizes and completes audits of permittees, operators, distributors and vendors.

Provide technical assistance to permittees, operators, distributors and vendors.

Provide information to inquiring persons regarding statutes and regulations.

Assist the investigator(s) when necessary.

Impact to Division/Program if position is NOT filled:

Because of the numerous number of permittees and licensees, the expense of the state, and the limited funding for travel purposes, many audits could not be done, thus reducing the 1% net proceeds fee due the state.

REQUEST FOR NEW HIRE

POSITION TITLE	Records and Licensing Supervisor
RANGE/STEP	16a
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$35.5	
BENEFITS	\$14.5	
TOTAL PERSONAL SERVICES		\$50.0
SUPPLIES	\$ 1.0	
EQUIPMENT	\$10.0	
TOTAL COST		\$61.1

FUNDING SOURCE

GENERAL FUND	\$61.1
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Position duties:

Review the operator and distributor license applications, issue licenses for same as well as review the operator quarterly and annual reports, the pull-tab manufacturer and distributor monthly reports.

Supervise and monitor the licensing of permittees and vendors.

Directs and guides procedures for actual issuance of permits and licenses and computer entry of same. Responsible for the overall recording and establishment of the licensing record and maintenance of these records.

Provide information and technical assistance to the public and organizations regarding application of statutes, regulations and policies.

Responsible for form control and review of public handouts and applications to ensure proper format and content.

Impact to Division/Program if position is NOT filled:

Responsibility for the day to day operations would be shouldered by the Gaming Program Manager.

REQUEST FOR NEW HIRE

POSITION TITLE	Occupational Licensing Examiner I
RANGE/STEP	12
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$27.8	
BENEFITS	\$12.4	
TOTAL PERSONAL SERVICES		\$40.2

SUPPLIES	\$ 1.0	
EQUIPMENT	\$10.0	
TOTAL COST		\$51.2

FUNDING SOURCE

GENERAL FUND	\$51.2
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Position duties:

The review of permit applications, vendor endorsement applications, quarterly and annual financial statements.

Update and maintain computerized licensing and financial records as well as the licensing files.

Provide information and technical assistance to the public and organizations regarding application of statutes and regulations.

Impact to Division/Program if position is NOT filled:

Responsibility for the above listed duties would be shouldered by the current staff.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSSSB 6

Revision Date: 4/15/91 Department Affected: Commerce & Economic Dev.
 Title: An Act relating to charitable gaming, and providing for an effective date BRU: Occupational Licensing
 Sponsor: Senator Zharoff Component: Administration
 Requestor: Senate Labor & Commerce Comm. COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	203.0	203.0	203.0	203.0	203.0	203.0
TRAVEL	10.0	10.0	10.0	10.0	10.0	10.0
CONTRACTUAL	44.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES	4.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT	40.0	5.0	5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	301.0	245.0	245.0	245.0	245.0	245.0

CAPITAL						
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REVENUE	10,225.0	10,250.0	10,250.0	10,250.0	10,250.0	10,250.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	301.0	245.0	245.0	245.0	245.0	245.0
FEDERAL FUNDS						
OTHER						
TOTAL	301.0	245.0	245.0	245.0	245.0	245.0

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: John N. Hansen, Jr. *John N. Hansen, Jr.* Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 4/15/91
 Approved by Commissioner: Glenn A. Olds *Glenn A. Olds* Ass. Comm.
 Agency: Department of Commerce & Economic Development Date: 4/15/91

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

FISCAL NOTE ATTACHMENT - C5555B 6

EXPENDITURES AND REVENUES

This program was transferred from the Department of Revenue to the Department of Commerce and Economic Development effective July 1, 1989 through Executive Order #74. The total number of employees that transferred with the program was five: one auditor and one investigator located in Anchorage, one auditor, one tax examiner and one clerk typist located in Juneau. Since that time, the following new positions have been filled: a Gaming Program Manager located in Juneau, one investigator located in Fairbanks, a Chief of Gaming Compliance located in Anchorage and a Licensing Examiner located in Juneau.

This bill would authorize the licensing and regulating of pull-tab vendors, the issuance of multiple-beneficiary permits, provide a minimum percentage of ideal net of pull-tabs that is required to be paid to a permittee that contracts with an operator, specifies those individuals excluded from participation with a felony conviction, a crime involving theft or dishonesty, or a violation of a municipal, state or federal gambling law, changes the minimum percentage of adjusted gross receipts that must be paid to a permittee who contracts with an operator, removes the prohibition of an operator receiving compensation based on a percentage, increases the allowable total prize awards that a permittee may award from \$1,000,000 to \$1,500,000, places a fixed price on the amount charged for a bingo card, increases the pull-tab tax collected from 3% of ideal net to 1% of gross receipts, allows for delivery of pull-tabs directly to a vendor location when certain restrictions are met, restricts vendor sales of pull-tabs to a fixed location, provides a licensing fee of \$50 for vendor endorsements, provides a minimum percentage of the ideal net that must be paid to a permittee or operator that contracts with a vendor, allows the department to issued orders prohibiting violations.

Charitable gaming activity in the state has rapidly grown beyond the capacity of the current staff, especially in the area of audits and investigations. Presently, the gaming program has only two investigators and is woefully inadequate given the number of permittees and the geographical size of the state. While the two auditors may conduct desk audits at their work station and obtain documentation by way of correspondence, the number of audits that can be accomplished during the year is limited by the number of permittees, operators, and distributors. We are, therefore, submitting a fiscal note requesting funding for an additional investigator and auditor. Also contained in the fiscal note is a request for funding of a licensing examiner and a records and licensing supervisor to oversee the licensing staff. Given the number of permittees, and the number that would use vendor locations, an additional licensing examiner is necessary if the vendor endorsements are to be issued in a timely manner.

The \$301.0 required includes \$10.0 in travel, to fund the cost of widespread travel to various communities throughout the state, as well as \$40.0 to purchase the necessary workstations, computers and software. The required \$5.0 for equipment for FY 93 through FY 97 represents computer upgrades and programming. This is based on the assumption that charitable gaming will steadily continue to increase as more and more charitable organizations search for other sources of revenue.

In changing the amount and tax base from 3% of ideal net to 1% of gross sales, the pull-tab tax collected will increase dramatically from approximately \$1,600,000 to \$9,900,000 (based on 1989 financial records). With the additional auditor and investigator positions, we estimate that \$75.0 in additional revenue based on the 1% net proceeds fee will be generated in addition to \$250,000 generated by the \$50 vendor endorsement fee. We estimate that 5000 such vendor endorsements will be applied for. Additionally, with the amount of travel that will be required to effectively administer this program, the auditors and investigators can also use the opportunity to educate the licensees and to help them strive towards voluntary compliance.

**FISCAL NOTE ATTACHMENT
CSSSSB 6**

OPERATING EXPENDITURES

<u>Position</u>	<u>Range</u>	<u>Cost</u>	<u>Subtotal</u>
<u>Personal Services:</u>			
Investigator III	18	\$56.4	
Auditor III	18	\$56.4	
Records and Licensing Supervisor	16	\$50.0	
Occupational Licensing Examiner I	12	\$40.2	
			\$203.0
<u>Travel:</u>			
Investigator III		\$ 5.0	
Auditor III		\$ 5.0	
			\$ 10.0
<u>Contractual:</u>			
Lease Space		\$20.0	
Printing and Postage		\$24.0	
			\$ 44.0
<u>Supplies</u>			
Investigator III		\$ 1.0	
Auditor III		\$ 1.0	
Records and Licensing Supervisor		\$ 1.0	
Occupational Licensing Examiner I		\$ 1.0	
			\$ 4.0
<u>Equipment:</u>			
Investigator III		\$10.0	
Auditor III		\$10.0	
Records and Licensing Supervisor		\$10.0	
Occupational Licensing Examiner I		\$10.0	
			\$ 40.0
TOTAL COST			<u>\$301.0</u>

Lease Space is for locating the Gaming staff into their own office space. Currently located in Occupational Licensing on the 9th floor of the State Office in 450 square feet, this space is inadequate for current needs and, with the increased personnel, new space is a requirement.

The majority of the printing and postage cost is for the vendor endorsement license.

Equipment represents the cost for a workstation and computer.

REQUEST FOR NEW HIRE

POSITION TITLE	Investigator III
RANGE/STEP	18a
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$40.5
BENEFITS	\$15.9

TOTAL PERSONAL SERVICES	\$56.4
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TRAVEL	\$ 5.0
SUPPLIES	\$ 1.0
EQUIPMENT	\$10.0

TOTAL COST	\$71.9
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FUNDING SOURCE

GENERAL FUND	\$71.9
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Position duties:

Conduct investigations of permit or license violations and complaints.

Conduct inspections of premises, observe gaming activity to ensure compliance with statutes and regulations.

Issue Notices of Violations when appropriate and necessary.

Educate the participants with regard to statutes and regulations.

Assist the participants by providing the correct forms, and answering inquiries.

Occasionally assist the auditor(s) in gathering information/documentation.

Impact to Division/Program if position is NOT filled:

Because of the numerous number of permittees and licensees, the expense of the state, and the limited funding for travel purposes, many complaints and/or allegations could not be investigated.

REQUEST FOR NEW HIRE

POSITION TITLE	Auditor III
RANGE/STEP	18a
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$40.5
BENEFITS	\$15.9

TOTAL PERSONAL SERVICES	\$56.4
-------------------------	--------

TRAVEL	\$ 5.0
SUPPLIES	\$ 1.0
EQUIPMENT	\$10.0

TOTAL COST	\$71.9
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FUNDING SOURCE

GENERAL FUND	\$71.9
--------------	--------

Position duties:

Plans, organizes and completes audits of permittees, operators, distributors and vendors.

Provide technical assistance to permittees, operators, distributors and vendors.

Provide information to inquiring persons regarding statutes and regulations.

Assist the investigator(s) when necessary.

Impact to Division/Program if position is NOT filled:

Because of the numerous number of permittees and licensees, the expansion of the state, and the limited funding for travel purposes, many audits could not be done, thus reducing the 1% net proceeds fee due the state.

REQUEST FOR NEW HIRE

POSITION TITLE	Records and Licensing Supervisor
RANGE/STEP	16a
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$35.5
BENEFITS	\$14.5

TOTAL PERSONAL SERVICES	\$50.0
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SUPPLIES	\$ 1.0
EQUIPMENT	\$10.0

TOTAL COST	\$61.1
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FUNDING SOURCE

GENERAL FUND	\$61.1
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Position duties:

Review the operator and distributor license applications, issue licenses for same as well as review the operator quarterly and annual reports, the pull-tab manufacturer and distributor monthly reports.

Supervise and monitor the licensing of permittees and vendors.

Directs and guides procedures for actual issuance of permits and licenses and computer entry of same. Responsible for the overall recording and establishment of the licensing record and maintenance of these records.

Provide information and technical assistance to the public and organizations regarding application of statutes, regulations and policies.

Responsible for form control and review of public handouts and applications to ensure proper format and content.

Impact to Division/Program if position is NOT filled:

Responsibility for the day to day operations would be shouldered by the Gaming Program Manager.

REQUEST FOR NEW HIRE

POSITION TITLE	Occupational Licensing Examiner I
RANGE/STEP	12
SERVICE	Classified
TYPE POSITION	PFT
STAFF MONTHS	12 MONTHS

TYPE OF EXPENDITURE:

PERSONAL SERVICES

SALARY	\$27.8
BENEFITS	\$12.4

TOTAL PERSONAL SERVICES	\$40.2
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SUPPLIES	\$ 1.0
EQUIPMENT	\$10.0

TOTAL COST	\$51.2
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FUNDING SOURCE

GENERAL FUND	\$51.2
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Position duties:

The review of permit applications, vendor endorsement applications, quarterly and annual financial statements.

Update and maintain computerized licensing and financial records as well as the licensing files.

Provide information and technical assistance to the public and organizations regarding application of statutes and regulations.

Impact to Division/Program if position is NOT filled:

Responsibility for the above listed duties would be shouldered by the current staff.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB-6

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act relating to multiple-beneficiary charitable gaming permits BRU: Occupational Licensing - Gaming
 Component: XXXXXXXXX and door prizes

Sponsor: Senator Zharoff
 Requestor: Labor & Commerce and Judiciary COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: 0

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

Prepared By: John Hansen, Gaming Program Manager Phone: 465-2581
 Division: Occupational Licensing Date: 2/11/91
 Approved by Commissioner: Glenn A. Olds - *[Signature]* Spec. Asst. TT
 Agency: Department of Commerce & Economic Development Date: 2/13/91

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



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 480-5259

DURING SESSION:

P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Rick Halford, Chairman
Senate Judiciary Committee

FROM: Senator Fred *F. Zharoff*

DATE: April 20, 1991

SUBJ: Scheduling of SB 4 & SB 6

CSSB 4 (L&C), "An Act establishing the Alaska Gaming Commission; and providing for an effective date" and CSSB 6 (L&C), "An Act relating to charitable gaming; providing for multiple-beneficiary charitable gaming permits; and providing for an effective date" were recently moved out of the Labor & Commerce committee with a further referral to the Judiciary Committee. The purpose of this memo is to request scheduling of these bills at your earliest possible convenience.

Thank you for your consideration of this request. Please do not hesitate to contact me should you wish to discuss these bills.

SECTIONAL ANALYSIS
CSSS SB 6 RELATING TO CHARITABLE GAMING DATED 4-11-91

Section 1: Adds provisions for third party vendors. Adds language that would allow holders of multi-beneficiary permits to conduct the number of sessions and games per month equal to the number that would be allowed for an individual permittee multiplied by the number of permittees that are holders of the multiple-beneficiary permit.

Section 2: Allows commissioner to examine the books and records of a third party vendor.

Section 3: Allows the commissioner to issue a multiple-beneficiary permit to two to six qualified organizations that apply jointly for the permit. The permit would allow the permittees the ability to conduct games allowed under this section which include bingo and pull tabs.

Section 4: Requires that permittees holding a multiple-beneficiary permit must designate one member in charge.

Section 5: Clarifies that the member in charge of a multiple-beneficiary permit must be a member of or on the board of directors of one of the qualified organizations or an employee of a municipality that may be a holder of a multiple-beneficiary permit.

Section 6: Requires that holders of a multiple-beneficiary permit designate an alternate member in charge.

Section 7: Requires that a permittee must receive at least 30 percent of ideal net for each pull-tab series.

Section 8: Prohibits felons or those convicted of theft or dishonesty or gambling law violations from being an operator or employed as a manager or supervisor for an operator.

Section 9: Prohibits felons or those convicted of theft or dishonesty or gambling law violations from being a licensee or employed as a manager or supervisor for an operator.

Section 10: Requires a reported adjusted gross income of 15% of gross for each type of activity. Requires payment to the permittee at least 15% of adjusted gross income for activities other than pull-tabs and 30% of adjusted gross income for pull-tabs.

Section 11: Requires an applicant for a permit to disclose any felony or theft or dishonesty records for each person responsible for the operation of the activity.

Section 12: Prohibits a felon or person convicted of a crime of theft or dishonesty from being issued a permit.

Section 13: Adds a new section in AS 05.15 that establishes Multiple Beneficiary Permits. Delineates that 2 to 6 qualified organizations or municipalities may join together and apply for a multi-beneficiary permit. This section also requires applicants for multi-beneficiary permits to comply with the same requirements as individual applicants for gaming permits. This section also clarifies that holders of multi-beneficiary permits may not hold any other gaming permits under AS 05.15. This section also delineates the procedure for an entity that is a joint holder of a multi-beneficiary permit to withdraw from the permit and clarifies that the entity that has withdrawn may apply for an individual permit, but its share of prizes awarded while holding the multi-beneficiary permit apply toward awards under its individual permit. This section also requires the holders of multi-beneficiary permits to file reports that comply with the same requirements as the reports of operators.

Section 14: Allows third party vendors to be compensated based on the receipts from the activity being conducted.

Section 15: Makes revocation and suspension provisions also apply to third party vendors.

Section 16: Adds language that restricts door prizes for a multi-beneficiary permit to \$20,000 per month or \$240,000 per year. This is the same restriction as applies to other permittees.

Section 17: Removes language relating to permittees working in conjunction with each other since this would be done under multi-beneficiary permits under this bill.

Section 18: This section increases the prize award level per year for permittees from \$1 million to \$1.5 million. This section also allows the holders of a multi-beneficiary permit to pay out prize awards equal to \$1.5 million multiplied by the number of holders of the multi-beneficiary permit.

Section 19: This section precludes an operator or employee of the operator or a permittee's member in charge from contesting for prizes in that bingo game. It also sets the charge for a single opportunity in a bingo game at \$1.00.

Section 20: Amends AS 05.15.183 to allow for third party vendors.

Section 21: Amends the provisions for Pull-tab Tax to 1% of total sales for all pull-tabs in a series from 3% of gross sales less prizes in a series.

Section 22: Adds a new section that makes provision for third party vendors to receive pull-tab game distribution and requires prepayment under AS 05.15.188(j) and the pull-tab tax required in AS 05.15.184 has been paid.

Section 23: Amends the definition of "permittee" to include municipalities and qualified organizations holding multi-beneficiary permits.

Section 24: Prohibits owner, manager or employee of a permittee or licensee or third party vendor from purchasing pull-tabs in a series included in a game that the permittee, licensee or vendor is conducting. It also requires the permittee, operator or operator to have a signed receipt for any award of \$50 or more. This section also prohibits pull-tab sales from other than a licensed, fixed location.

Section 25: This section adds a second article to AS 05.15 covering the process of registering, licensing, contracting, distributing pull-tab games, fund distribution, prepayment, and prohibiting felons or others convicted of theft, dishonesty or gambling laws as they affect third party vendors.

Section 26: This section provides for a process in the event of violation of this chapter or regulations adopted as a result of this chapter. It also makes provision for the commissioner to issue an emergency order to enforce provisions of this statute of resulting regulations.

Section 27: Amends AS 05.15.200(b) to include licensee and vendor registration under provisions of unsworn falsification.

Section 28: Adds definitions for "ideal net", "permittee", and "vendor".

Section 29: Effective date clause.

SECTIONAL ANALYSIS - Sen. Zharoff

CS SB 6 (L&C) RELATING TO CHARITABLE GAMING; PROVIDING FOR MULTIPLE BENEFICIARY CHARITABLE GAMING PERMITS; AND PROHIBITING PERSONS CONVICTED OF FELONIES, CRIMES OF THEFT OR DISHONESTY AND GAMBLING AS PERMITTEES, LICENSEES, OR VENDORS

SECTION 1: Sets a licensing fee of \$100 per member of a multi beneficiary permit.

SECTION 2: Adds language to give the commissioner the power to not consider a resolution adopted by a community regarding an application for a gaming permit within that community if the resolution is not adopted within 15 days of the date the municipality receives notice of the application.

SECTION 3: Adds provisions for third party vendors. Adds language that would allow holders of multi beneficiary permits to conduct the number of sessions and games per month equal to the number that would be allowed for an individual permittee multiplied by the number of permittees that are holders of the multiple beneficiary permit.

SECTION 4: Allows the commissioner to examine the books and records of a third party vendor.

SECTION 5: Allows the commissioner to issue a multiple beneficiary permit to two to six qualified organizations that apply jointly for the permit. The permit would allow the permittees the ability to conduct games allowed under this section which include bingo and pull tabs.

SECTION 6: Requires that permittees holding a multiple beneficiary permit must designate one member in charge.

SECTION 7: Clarified that the member in charge of a multiple beneficiary permit must be a member of, or on the board of directors

of, one of the qualified organizations or an employee of a municipality that may be a holder of a multiple beneficiary permit.

SECTION 8: Requires that a holders of a multiple beneficiary permit designate an alternate member in charge.

SECTION 9: Requires that a permittee must receive at least 40 percent of ideal net for each pull tab series.

SECTION 10: Requires that applicants for operator's licenses disclose the identity of all persons employed by the potential operator.

SECTION 11: Requires that the department may not issue an operator's license if any of the applicant's employees have been convicted of a felony, a crime involving theft or dishonesty, or a violation of municipal, state or federal gambling laws.

SECTION 12: Requires that a licensee may not employ anyone who has been convicted of the crimes referenced in section 11.

SECTION 13: Adds language to allow a municipality to prohibit, by ordinance, a vendor from conducting gaming activities within the municipality.

SECTION 14: Requires a reported adjusted gross income of 15% of gross for each type of activity. Requires payment to the permittee of at least 15% of adjusted gross income for activities other than pull tabs and 40% of ideal net for pull tabs.

SECTION 15: Requires an applicant for a permit to disclose any felony or theft or dishonesty records for each person, including members, employees, and contractors, responsible for the operation of the activity.

SECTION 16: Prohibits a felon or person convicted of a crime of theft or dishonesty from being issued a permit.

SECTION 17: Prohibits a permittee from transferring any responsibility for a gaming activity to a member, employee or independent contractor who has been convicted of a felony or crime of theft or dishonesty.

SECTION 18: Adds a new section in AS 05.15 that establishes Multiple Beneficiary Permits. Delineates that 2 to 6 qualified organizations or municipalities may join together and apply for a multi beneficiary permit. This section also requires applicants for multi beneficiary permits to comply with the same requirements as individual applicants for gaming permits. This section also clarifies that holders of multi beneficiary permits may not hold any other gaming permits under AS 05.15. This section also delineates the procedure for an entity that is a joint holder of a multi beneficiary permit to withdraw from the permit and clarifies that the entity that has withdrawn may apply for an individual permit, but its share of prizes awarded while holding the multi beneficiary permit apply toward awards under its individual permit. This section also requires the holders of multi beneficiary permits to file reports that comply with the same requirements as the reports of operators.

SECTION 19: Allows third party vendors to be compensated based on the receipts from the activity being conducted.

SECTION 20: Makes revocation and suspension of provisions also apply to third party vendors.

SECTION 21: Adds language that restricts door prizes for a multi beneficiary permit to \$20,000 per month or \$240,000 per year. This is the same restriction as applies to other permittees.

SECTION 22: Removes language relating to permittees working in conjunction with each other since this would be done under multi-beneficiary permits under this bill.

SECTION 23: This section increases the prize award level per year for permittees from \$1 million to \$1.5 million. This section also allows the holders of a multi-beneficiary permit to pay out prize awards equal to \$1.5 million multiplied by the number of holders of the multi beneficiary permit.

SECTION 24: This section precludes an operator or employee of the operator or a permittee's member in charge from contesting for prizes in that bingo game. It also sets the charge for a single opportunity in a bingo game at \$1.

SECTION 25: Adds two new subsections to prohibit a distributor from taking orders from or providing pull tabs directly to a vendor and prohibits a felon or person convicted of a crime of theft or dishonesty from being issued a pull tab distributor's license.

SECTION 26: Amends the provisions for the pull tab tax to 1% of total sales for all pull tabs in a series from 3% of gross sales less prizes in a series.

SECTION 27: Adds a new section that makes provision for third party vendors to receive pull tab game distribution and requires prepayment under AS 05.15.188(j) and the pull tab tax required in AS 05.15.184 has been paid.

SECTION 28: Amends the definition of "permittee" to include municipalities and qualified organizations holding multi beneficiary permits.

SECTION 29: Prohibits owner, manager or employee of a permittee or licensee or third party vendor from purchasing pull tabs in a series included in a game that the permittee, licensee or

vendor is conducting. It also requires the permittee, operator, or vendor to have a signed receipt for any award of \$50 or more. This section also prohibits pull tab sales from other than a licensed, fixed location and requires that sales may be made only when the purchasing person is physically present. In addition, this section provides that pull tabs may be sold through pull tab ticket dispensing machines.

SECTION 30: This section adds a second article to AS 05.15 covering the process of registering, licensing, contracting distributing pull tab games, fund distribution, prepayment, and prohibiting felons or others convicted of theft, dishonesty or gambling laws as they affect third party vendors.

SECTION 31: This section provides for a process in the event of violation of this chapter or regulations adopted as a result of this chapter. It also makes provision for the commissioner to issue an emergency order to enforce provisions of this statute of resulting regulations.

SECTION 32: Amends AS 15.15.200(b) to include licensee and vendor registration under provisions of unsworn falsification.

SECTION 33: Adds definitions of "ideal net", "permittee", and "vendor".

SECTION 34: Immediate Effective Date.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/6/91

FURTHER: Judiciary

Date of 5-Day Notice: 3-14-91
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

L&C Committee considered SSSB 6

Multiple-beneficiary charitable gaming permits, maximum prize awards, and door prizes for charitable gaming; efd.

and recommended:

- replace with _____ CS SS SB 6 (L+C) same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) COMMA - SB 6/2-13-91
COMMA - CS / 4-15-91

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

DeSilva NO REC.
Kirk Halford NO REC

[Signature]
Chair: Signature and Recommendation

SB4

P5- Line 12

New Section to Read

The department may not issue an operator's license to an applicant if the applicant's spouse has been convicted of a felony, a crime involving theft or dishonesty, or a violation of a municipal, state, or federal gambling law.

P6 Line 17 - New Section covering spouse of person convicted

P9 Line 18 - New Section Spouse of person convicted

New Section

Standard Severability Clause -

'If any section is determined to be unconstitutional it shall be severed and the remaining sections shall stand' or such appropriate language.

~~person~~

~~operated by a person on the~~

~~spouse of a person who~~

~~P9 Line~~

See Nevada Gaming rules re felon in family -

SR6

Anch -

Kodial

Mat-Su

John Hansen - Dept of ~~Law~~ Commerce -

Prohibit felons - Spouse & family -

Requiring adoption of regulations ^{covering} ~~including~~ methods of
ascertaining net proceeds, determining expenses, ~~and~~
limiting the amount of expenses and providing for
revocation of permits :

Problem with \$1,000 limit -

P3 Line 3

Mark Hamley

: AMENDMENT

OFFERED IN THE HOUSE

BY REP. TAYLOR

TO: HB 168

PAGE 3, LINE 30 & 31, PAGE 4, LINES 1 & 2

DELETE ALL MATERIAL AND INSERT:

"(6) EXCLUSION FROM PARTICIPATION AS A PERMITTEE, LICENSEE, VENDOR, OR EMPLOYEE OF A PERMITTEE [OR] LICENSEE, OR VENDOR, OF A PERSON CONVICTED OF [, IN PRISON FOR , OR ON PAROLE FOR] A FELONY. [WITHIN THE PRECEDING FIVE YEARS, OR CONVICTED OF] A CRIME INVOLVING THEFT OR DISHONESTY, OR [OF] A VIOLATION OF A MUNICIPAL, STATE OF FEDERAL GAMBLING LAW;"

PAGE 7, LINE 28

INSERT "(a) (1), (2), OR (4) OF"

PAGE 7 , LINE 30

INSERT "IF THE DEPARTMENT REVOKES A PERMIT, LICENSE OR VENDOR ENDORSEMENT UNDER (a) (3) OF THIS SECTION, IT SHALL PERMANENTLY PROHIBIT THE PERMITTEE OR LICENSEE FROM REAPPLYING FOR A PERMIT OR LICENSE OR, IF A VENDOR ENDORSEMENT WAS REVOKED BECAUSE OF CONDUCT BY THE VENDOR SET OUT IN (a) (3) OF THIS SECTION, FROM REAPPLYING FOR A VENDOR ENDORSEMENT FOR THAT VENDOR."

PROPOSED AMENDMENT

CSSSSB 6

*Section 14. AS 05.15.128(a) is amended to read:

(a) The department shall revoke the license of an operator who does not

(1) report an adjusted gross income of at least 15 percent of gross income for two consecutive quarters for each type of activity conducted by [BASED ON THE TOTAL OPERATION OF] the operator; or

(2) pay to each authorizing permittee for two consecutive quarters

(A) at least 15 percent of the adjusted gross income [,AS DETERMINED UNDER (1) OF THIS SUBSECTION,] received from activities conducted on behalf of the authorizing permittee other than pull-tab games; [and]

(B) at least [40] 30 percent of the ideal net received from pull-tab games conducted on behalf of the authorizing permittee by the operator, without aid or benefit of a registered vendor; and

(C) at least 50 percent of the ideal net received from pull-tab games conducted on behalf of the authorizing permittee by the operator with the aid and benefit of a registered vendor.

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 6 (JUDICIARY)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR ZHAROFF

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to charitable gaming; extending from five to 15 years the period during
2 which a person is prohibited from participating in certain charitable gaming activities
3 following a conviction of a felony or release from prison or parole as a result of a felony
4 conviction; and providing for an effective date."

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

6 * Section 1. AS 05.15.020(a) is amended to read:

7 (a) A municipality or qualified organization may conduct an activity permitted under this
8 chapter, if the municipality or qualified organization pays the appropriate permit fee and receives
9 an annual permit issued by the department. The annual permit fee is

10 (1) \$20 for an applicant that did not hold a permit during the preceding year;

11 (2) \$20 for an applicant that had gross receipts of less than \$20,000 from
12 activities conducted under this chapter during the preceding year;

13 (3) \$100 [S50] for an applicant that had gross receipts of \$20,000 or more but not
14 exceeding \$100,000 from activities conducted under this chapter during the preceding year; or

1 (4) \$250 [\$100] for an applicant that had gross receipts exceeding \$100,000 from
2 activities conducted under this chapter during the preceding year.

3 * Sec. 2. AS 05.15.020(a) is repealed and reenacted to read:

4 (a) A municipality or qualified organization may conduct an activity permitted under this
5 chapter, if the municipality or qualified organization

6 (1) applies for a permit, pays the appropriate permit fee, and receives an annual
7 permit issued by the department; and

8 (2) designates a member in charge and at least one alternate member in charge
9 under AS 05.15.112 who have passed the examination required by AS 05.15.112.

10 * Sec. 3. AS 05.15.020 is amended by adding a new subsection to read:

11 (c) An applicant for a multiple-beneficiary permit under AS 05.15.100(d) shall pay a fee
12 of \$100, in addition to the fee that the applicant would have to pay under (a) of this section if
13 the applicant were applying for an individual permit.

14 * Sec. 4. AS 05.15.020(c) is repealed and reenacted to read:

15 (c) An applicant for a multiple-beneficiary permit under AS 05.15.100(d) shall pay a fee
16 of \$100, in addition to the fee that the applicant would have to pay under (d) of this section if
17 the applicant were applying for an individual permit.

18 * Sec. 5. AS 05.15.020 is amended by adding a new subsection to read:

19 (d) The annual permit fee under (a) of this section is

20 (1) \$20 for an applicant that did not hold a permit during the preceding year;

21 (2) \$20 for an applicant that had gross receipts of less than \$20,000 from
22 activities conducted under this chapter during the preceding year;

23 (3) \$100 for an applicant that had gross receipts of \$20,000 or more but not
24 exceeding \$100,000 from activities conducted under this chapter during the preceding year;

25 (4) \$250 for an applicant that had gross receipts exceeding \$100,000 from
26 activities conducted under this chapter during the preceding year or that is one of the applicants
27 for a multiple-beneficiary permit under AS 05.15.100(d).

28 * Sec. 6. AS 05.15.030(c) is amended to read:

29 (c) If a permittee or licensee changes the location of an activity in the jurisdiction for
30 which a permit has been issued, the permittee shall notify the department and the local
31 government at least 15 days before [WITHIN 10 DAYS AFTER] moving to the new location.

1 * Sec. 7. AS 05.15 is amended by adding a new section to read:

2 Sec. 05.15.035. PERSONS PROHIBITED FROM PARTICIPATING IN THE
3 OPERATION OF CHARITABLE GAMING ACTIVITIES. (a) A person described in (b) of this
4 section may not

- 5 (1) be issued an operator's license under AS 05.15.122;
6 (2) be issued a manufacturer's license under AS 05.15.181;
7 (3) be issued a distributor's license under AS 05.15.183;
8 (4) act as a member in charge or alternate member in charge under AS 05.15.112;

9 or

10 (5) perform personal services for a permittee or licensee under this chapter in a
11 managerial or supervisory capacity, whether the person is an employee of the permittee or
12 licensee or whether the person is engaged by the permittee or licensee as an independent
13 contractor.

14 (b) A person may not be issued a license or engage in conduct described in (a) of this
15 section if the person

- 16 (1) has been convicted of, in prison for, or on parole for a felony within the
17 preceding 15 years;
18 (2) has been convicted at any time of a crime involving theft or dishonesty;
19 (3) has been convicted at any time of a violation of a municipal, state, or federal
20 gambling law; or
21 (4) is the spouse of a person described in (1) or (3) of this subsection.

22 * Sec. 8. AS 05.15.060 is amended to read:

23 Sec. 05.15.060. REGULATIONS. The department shall adopt regulations under the
24 Administrative Procedure Act (AS 44.62) necessary to carry out this chapter covering, but not
25 limited to,

26 (1) the issuance, renewal, and revocation of permits, [AND] licenses, and vendor
27 endorsements;

28 (2) a method of ascertaining net proceeds, the determination of items of expense
29 that may be incurred or paid, and the limitation of the amount of the items of expense to prevent
30 the proceeds from the activity permitted from being diverted to noncharitable, noneducational,
31 nonreligious, or profit-making organizations, individuals, or groups;

1 (3) the immediate revocation of permits, [AND] licenses, and vendor
2 endorsements authorized under this chapter if this chapter or regulations adopted under it are
3 violated;

4 (4) the requiring of detailed, sworn, financial reports of operations from
5 permittees, [AND] licenses, and vendors including detailed statements of receipts and
6 payments;

7 (5) the investigation of permittees, licensees, vendors, and their employees,
8 including the fingerprinting of those permittees, licensees, vendors, and employees whom the
9 commissioner considers it advisable to fingerprint;

10 (6) exclusion from participation as a permittee, licensee, vendor, or employee of
11 a permittee, [OR] licensee, or vendor, of a person convicted of, in prison for, or on parole for
12 a felony within the preceding five years, or convicted of a crime involving theft or dishonesty
13 or of a violation of a municipal, state, or federal gambling law;

14 (7) the method and manner of conducting authorized activities and awarding of
15 prizes or awards, and the equipment that may be used;

16 (8) the number of activities that may be held, operated, or conducted under a
17 permit during a specified period; however, the department may not allow more than 14 bingo
18 sessions a month and 35 bingo games a session to be conducted under a permit; the holders of
19 a multiple-beneficiary permit under AS 05.15.100(d) may hold, operate, or conduct the
20 number of sessions and games a month equal to the number allowed an individual permittee
21 per month multiplied by the number of holders of the multiple-beneficiary permit;

22 (9) a method of accounting for receipts and disbursements by operators and
23 vendors, including the keeping of records and requirements for the deposit of all receipts in a
24 bank;

25 (10) the disposition of funds in possession of a permittee, [OR] a person,
26 municipality, or qualified organization that possesses an operator's license, or a vendor at the
27 time a permit, [OR] a license, or a permit that includes a vendor endorsement is voluntarily
28 surrendered, not renewed, suspended, revoked, or otherwise invalidated;

29 (11) restrictions on the participation by employees of the Department of Fish and
30 Game in salmon classics;

31 (12) other matters the commissioner considers necessary to carry out this chapter

1 or protect the best interest of the public.

2 * Sec. 9. AS 05.15.060 is amended by adding a new subsection to read:

3 (b) Regulations adopted by the department under this section relating to charitable
4 gaming activity involving pull-tabs must be consistent with the standards on pull-tabs of the
5 North American Gaming Regulators Association.

6 * Sec. 10. AS 05.15.070 is amended to read:

7 Sec. 05.15.070. EXAMINATION OF BOOKS AND RECORDS. The commissioner may
8 examine or have examined the books and records of a permittee, an operator, a vendor, or a
9 person licensed to manufacture or to distribute pull-tab games in the state. The commissioner may
10 issue subpoenas for the attendance of witnesses and the production of books, records, and other
11 documents.

12 * Sec. 11. AS 05.15.095(a) is amended to read:

13 (a) The applications and reports to the department required by this chapter shall be signed
14 under penalty of unsworn falsification by the following person, as applicable:

- 15 (1) the member in charge for the qualified organization;
16 (2) a person authorized to sign on behalf of the municipality;
17 (3) the operator or the operator's agent;
18 (4) the licensed pull-tab distributor or the distributor's agent; [OR]
19 (5) the licensed pull-tab manufacturer or the manufacturer's agent; or
20 (6) the owner of a vendor or the owner's agent.

21 * Sec. 12. AS 05.15.095(b) is amended to read:

22 (b) A permittee, [OR] operator, or vendor may not conduct an activity under this chapter
23 during a period in which a report or fee is delinquent.

24 * Sec. 13. AS 05.15.100 is amended by adding new subsections to read:

25 (d) The commissioner may issue a multiple-beneficiary permit to two to six
26 municipalities or qualified organizations or to a combination of two to six municipalities and
27 qualified organizations that apply jointly for the permit. The permit gives the permit holders the
28 privilege of jointly conducting the activities specified in (a) and (b) of this section, subject to the
29 restrictions set out in (b) of this section.

30 (e) The department shall revoke the permit of a permittee, including a multiple-
31 beneficiary permittee, that does not report for each quarter an adjusted gross income of at least

1 15 percent of the gross income derived from activities under this chapter.

2 * Sec. 14. AS 05.15.112(a) is amended to read:

3 (a) Each municipality or qualified organization that applies for [RECEIVES] a permit
4 under this chapter shall designate a member in charge. Municipalities and qualified
5 organizations that jointly apply for a multiple-beneficiary permit under AS 05.15.145 shall
6 establish a board consisting of one member from each municipality and qualified
7 organization, and the board shall designate one of its members as the member in charge for
8 the multiple-beneficiary permittee.

9 * Sec. 15. AS 05.15.112(a) is repealed and reenacted to read:

10 (a) Each municipality or qualified organization that applies for a permit under this
11 chapter shall designate a member in charge and at least one alternate member in charge.
12 Municipalities and qualified organizations that jointly apply for a multiple-beneficiary permit
13 under AS 05.15.145 shall establish a board consisting of one member from each municipality and
14 qualified organization, and the board shall designate one of its members as the member in charge
15 for the multiple-beneficiary permittee and at least one other of its members as an alternate
16 member in charge. The member in charge and alternate members in charge designated under this
17 section, and the members of the boards for multiple-beneficiary permittees, must have passed a
18 test formulated by the department on the contents of this chapter and the regulations adopted
19 under this chapter. The department shall administer the test at least four times a year and shall
20 arrange that persons in remote locations be able to take the test in those locations.

21 * Sec. 16. AS 05.15.112(b) is amended to read:

22 (b) The member in charge is responsible for preparation, maintenance, and transmittal
23 of all records and reports required of the permittee and, if the permittee has entered into a
24 contract with an operator under AS 05.15.115, for monitoring the operator's performance
25 under and compliance with that contract. The member in charge shall be a member of the
26 qualified organization or the board of directors of the qualified organization or an employee of
27 the municipality. In the case of a multiple-beneficiary permit, the member in charge shall
28 be a member of one of the qualified organizations or the board of directors of one of the
29 qualified organizations or an employee of one of the municipalities.

30 * Sec. 17. AS 05.15.112(b) is repealed and reenacted to read:

31 (b) The member in charge is responsible for preparation, maintenance, and transmittal

1 of all records and reports required of the permittee and, if the permittee has entered into a
2 contract with an operator under AS 05.15.115, for monitoring the operator's performance under
3 and compliance with that contract. The alternate members in charge are responsible for the
4 duties of the member in charge in the absence of the member in charge. The member in charge
5 and the alternate members in charge shall be members of the qualified organization or the board
6 of directors of the qualified organization or employees of the municipality. In the case of a
7 multiple-beneficiary permit, the member in charge and the alternate members in charge shall be
8 members of one or more of the qualified organizations or the board of directors of one or more
9 of the qualified organizations or employees of one or more of the municipalities.

10 * Sec. 18. AS 05.15.112(d) is amended to read:

11 (d) The municipality or qualified organization, or the holders of a multiple-beneficiary
12 permit, shall designate alternate members in charge who are responsible for the duties of the
13 member in charge in the absence of the member in charge.

14 * Sec. 19. AS 05.15.112 is amended by adding a new subsection to read:

15 (e) If a permittee's designated member in charge or sole alternate member in charge
16 resigns or is no longer able to serve as member in charge or alternate member in charge, the
17 permittee has six months to replace the member in charge or alternate member in charge with
18 a person who meets the requirements of this section, and to notify the department of the
19 replacement. If after six months the permittee has not replaced the member in charge or alternate
20 member in charge with a person who meets the requirements of this section, or has not notified
21 the department of the replacement, the permittee's permit is suspended until the requirements of
22 this subsection are met. In this subsection, "permittee" includes a multiple-beneficiary permittee.

23 * Sec. 20. AS 05.15.122(b) is amended to read:

24 (b) The department may issue an operator's license to a natural person, municipality, or
25 qualified organization that

26 (1) applies on the form provided by the department;

27 (2) pays the annual fee of \$500;

28 (3) discloses the identity of persons employed by the applicant in a managerial
29 or supervisory capacity;

30 (4) submits proof of liability insurance satisfactory to the department; [AND]

31 (5) posts a bond or security satisfactory to the department in the amount of

1 \$25,000 for each permit under which the operator operates up to a maximum of \$100,000; and
 2 (6) if a natural person, has passed a test formulated by the department on
 3 the contents of this chapter and the regulations adopted under this chapter and
 4 administered by the department at least four times a year; or, if a municipality or qualified
 5 organization, has designated a municipal employee or member of the organization who has
 6 passed this test.

7 * Sec. 21. AS 05.15.124 is amended to read:

8 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS. A municipality may
 9 by ordinance prohibit all operators or all vendors, or both, [AN OPERATOR] from conducting
 10 activities under this chapter within the municipality.

11 * Sec. 22. AS 05.15.128(a) is amended to read:

12 (a) The department shall revoke the license of an operator who does not
 13 [(1)] report an adjusted gross income of at least 15 percent of gross income each
 14 quarter [FOR TWO CONSECUTIVE QUARTERS] based on the total operation of the operator
 15 [; OR

16 (2) PAY TO EACH AUTHORIZING PERMITTEE FOR TWO CONSECUTIVE
 17 QUARTERS AT LEAST 15 PERCENT OF THE ADJUSTED GROSS INCOME, AS
 18 DETERMINED UNDER (1) OF THIS SUBSECTION, RECEIVED FROM ACTIVITIES
 19 CONDUCTED ON BEHALF OF THE AUTHORIZING PERMITTEE].

20 * Sec. 23. AS 05.15.128 is amended by adding new subsections to read:

21 (c) The department shall revoke the license of an operator who does not pay to each
 22 authorizing permittee each quarter at least

23 (1) 20 percent of the adjusted gross income received from bingo activities and 35
 24 percent of the adjusted gross income received from pull-tab activities conducted on behalf of the
 25 authorizing permittee, if the operator's primary method of conducting activities on behalf of the
 26 permittee is through a bingo hall;

27 (2) 40 percent of the adjusted gross income received from all activities conducted
 28 on behalf of the authorizing permittee, if the operator's primary method of conducting activities
 29 on behalf of the permittee is through the sale of pull-tabs at a retail outlet whose primary purpose
 30 is the sale of pull-tabs; or

31 (3) 50 percent of the adjusted gross income received from all activities conducted