

**ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672**

**7522 SENATE LABOR & COMMERCE**

## CHAPTER 105. AUTHORIZED GAMES OF CHANCE AND SKILL

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**15 AAC 105.010. QUALIFIED ORGANIZATION.** (a) A "qualified organization" as defined by AS 05.15.210(28) must have at least 25 members to be eligible for a permit under AS 05.15 and this chapter.

(b) In AS 05.15.210(28), "qualified organization that operates without profits to its members" means that no part of the net earnings of the organization inures to the benefit of any private shareholder or individual.

(c) A certificate or letter of tax exemption issued by the Internal Revenue Service is evidence that the organization qualifies under (b) of this section. This certificate or letter may be submitted along with an application for a permit under 15 AAC 105.170 or with an application for the renewal of a permit under 15 AAC 105.180, unless it has been previously submitted to the department. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 12/31/82, Register 84; am 10/1/88, Register 107)

**Authority:** AS 05.15.060  
AS 05.15.100  
AS 05.15.120

AS 05.15.130  
AS 05.15.140  
AS 05.15.210

**15 AAC 105.020. CIVIC OR SERVICE ORGANIZATION.** A "civic or service organization" as defined by AS 05.15.210(5) must be operated primarily for the purpose of bringing about civic betterment and social improvement to be eligible for a permit under AS 05.15 and this chapter. (Eff. 9/7/60, Register 2; am 10/1/88, Register 107)

**Authority:** AS 05.15.060  
AS 05.15.210

**15 AAC 105.030. RELIGIOUS ORGANIZATION.** Repealed 10/1/88.

**15 AAC 105.040. CHARITABLE ORGANIZATION.** Repealed 10/1/88.

**15 AAC 105.050. FRA'ERNAL ORGANIZATION.** Repealed 10/1/88.

**15 AAC 105.060. EDUCATIONAL ORGANIZATION.** Repealed 10/1/88.

15 AAC 105.070. VETERANS' ORGANIZATION. Repealed 10/1/88.

15 AAC 105.080. POLICE OR FIRE DEPARTMENT AND COMPANY. Repealed 10/1/88.

15 AAC 105.090. DOG MUSHERS' ASSOCIATION. Repealed 10/1/88.

15 AAC 105.100. FISHING DERBY ASSOCIATIONS. Repealed 10/1/88.

15 AAC 105.110. BINGO. "Bingo" is defined as a game of chance of, and restricted to, the selling of rights to participate, and the awarding of prizes, in the specific kind of game of chance sometimes known as bingo or lotto, played with cards bearing numbers or other designations, five or more in one line, the holder covering numbers when objects similarly numbered are drawn from a receptacle and the game being won by the person who first covers a previously designated arrangement of numbers on such a card.

(1) No single sessions or series of bingo games, both regular and special, shall exceed 35 games in number.

(2) Not more than \$1 shall be charged by any permittee for admission to any place where bingo games are being held. This fee shall entitle a person to one card, allowing him to participate without additional charge in at least five regular games to be played on that occasion. No charge in excess of 50 cents may be made for a single opportunity to participate in any game other than the five games covered by the admission fee.

(3) No bingo cards for regular games shall be selected by other than the player who is to use the cards. Each player must select his own card or cards for regular games from the deck, group or series of cards and shall be entitled to select any card in the deck, group or series of cards that has not already been selected by a player. Cards may not be reserved for players.

(4) When a caller has started vocally to announce a call, he shall complete the call of that number. After the caller has started vocally to announce a call, if any person shall have gone bingo based upon the previous number called, such person shall share the designated prize with any other person or persons who may have gone bingo on the completed call.

(5) No organization may hold, operate or conduct bingo sessions more often than nine occasions in any calendar month.

(6) A single prize awarded in bingo may not exceed \$1,000 and the total prizes awarded during any one bingo session may not exceed \$5,000. Prize amounts shall be stated before the beginning of

each game and prizes shall be awarded as stated. Game tickets may not be considered as, nor included in, a cash prize. For example, if a person wins a \$45 jackpot, that person must receive and sign for \$45 in cash. The prize may not be divided into \$30 cash and \$15 in game tickets.

(7) No merchandise prize awarded in any bingo game may be converted into cash by the permittee organization.

(8) Repealed 10/1/88.

(9) When any merchandise is awarded in a bingo game, its value, for the purpose of the law governing bingo, shall be its current value or retail price.

(10) Equipment, prizes and supplies for bingo shall not be purchased or sold at prices in excess of the current value or retail price.

(11) Rental and/or lease fees of bingo equipment and premises shall be reasonable.

(12) Alcoholic beverages: No game of bingo shall be held, operated or conducted under any permit, in any room, enclosure or outdoor area where alcoholic beverages are sold, served or consumed during the progress of the bingo game. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 10/1/88, Register 107)

Authority: AS 05.15.060

**15 AAC 105.120. RAFFLES AND LOTTERIES.** (a) In a special-draw raffle, the winner is determined by means other than drawing from a container. A charge for a single opportunity to participate in a special-draw raffle may not exceed 50 cents.

(b) All raffle or lottery tickets and stubs shall be serially numbered consecutively, and the permit number as shown on the permit issued by the commissioner of revenue shall be imprinted on each ticket and stub. All raffle and lottery tickets sold on behalf of a qualified organization by a licensed operator must be imprinted with both the license number issued to the operator or the permit number issued to the qualified organization.

(c) Any and all tickets issued in any raffle or lottery must be accounted for to the permittee organization at the conclusion of each raffle or lottery. (Eff. 9/6/60, Register 2; am 11/6/76, Register 60; am 12/31/82, Register 84; am 2/25/84, Register 89; am 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.130  
AS 05.15.210

**15 AAC 105.125. PULL-TAB GAMES.** (a) A "pull-tab" is a paper device or card that

(1) is purchased by the participant in a "pull-tab game" as defined in AS 05.15.210(27); or

(2) confers an additional right to the purchaser to participate in a lottery for additional prizes.

(b) The charge for a pull-tab may not exceed \$2.

(c) No permittee may sell a pull-tab that was in any manner marked, defaced, tampered with, or otherwise placed in a condition that would deceive the public or that affects the chances of winning or losing.

(d) Pull-tab prizes equal to or in excess of \$50 shall be paid in cash or check only, not with additional pull-tabs, raffle or lottery tickets, bingo cards, or with any similar gaming material. All pull-tab prizes equal to or in excess of \$50 and the names of the corresponding winners shall be recorded on a form approved by the department at the time they are paid. Notwithstanding 15 AAC 105.240, the awarding of pull-tab prizes of less than \$50 need not be contingent upon the recipient executing a receipt for the prize if pull-tabs are accounted for as provided in (i) of this section.

(e) A player must be at least 19 years of age to participate in pull-tab games.

(f) A pull-tab game conducted under a particular permit may not be switched to or mixed with a pull-tab game conducted under another permit.

(g) Mechanical or electronic devices may not be used to dispense or sell pull-tabs or select the symbols or numbers used to determine the winners of a pull-tab game.

(h) Except as provided in (d) of this section, a winning pull-tab may be traded for other pull-tabs, but must be accounted for in the same manner as a cash sale when preparing financial reports required by the department.

(i) Instead of accounting for individual pull-tab sales and payment of winnings, permittees or operators may account for pull-tab activities by each series, using the "ideal gross" as gross receipts, and prizes specified by the pull-tab manufacturer as the amount of prizes awarded on reports required by the department. "Ideal gross" is the total amount of receipts that would be received if every individual pull-tab ticket in the series was sold at face value. (Eff. 10/1/88, Register 107; am 10/1/88, Register 108; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.180  
AS 05.15.187

15 AAC 105.130. ICE CLASSICS. Repealed 10/1/88.

15 AAC 105.170. ISSUANCE OF PERMITS. (a) An applicant for a permit shall submit an original application on a form prescribed

by the department. Unless the applicant is a municipality, two copies of the application must be submitted to the nearest city or borough for its consideration. An applicant shall also retain a copy of the application. The application filed with the department must be accompanied by the appropriate permit fee as required by AS 05.15.020, and unless the applicant is a municipality, by certified, true copies of articles of incorporation or, if not incorporated, bylaws and copies of national and state charters, a current list of at least 25 Alaskan members of the organization and, if applicable, and an Internal Revenue Service certificate or letter of tax exemption. The application must contain the following in the appropriate places on the form:

- (1) name of the organization;
- (2) mailing address;
- (3) name, title, and daytime telephone number of organization officers;
- (4) type of organization;
- (5) types of games to be conducted;
- (6) name, title, and daytime phone number of the organization member designated to conduct the specified activity;
- (7) the specific purposes for which the entire net proceeds are to be devoted and in what manner;
- (8) estimated yearly gross receipts;
- (9) the information required by AS 05.15.140(b) concerning persons responsible for conducting activities; and
- (10) other information required by the department on the form.

(b) Repealed 10/1/88.

(c) For 15 days after receipt by the Department of Revenue, an application is subject to protest by the city or borough nearest to the location of the proposed activity, as specified in AS 05.15.030. Upon approval of the application by the department, a permit will be issued for that calendar year. Activities may not be conducted until an annual permit has been issued. The activity or activities authorized under the permit may be conducted during the calendar year, unless the permit is suspended or revoked by the department. Refunds of permit fees will not be granted. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 2/25/84, Register 89; am 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.020	AS 05.15.060
AS 05.15.030	AS 05.15.100
AS 05.15.040	AS 05.15.130

**15 AAC 105.180. RENEWAL OF PERMITS.** (a) A permit may be renewed by filing an application on the prescribed form with the department.

(b) Certified copies of the articles of incorporation or the bylaws, copies of any national and state charters, and a list of Alaskan members need not accompany the application for renewal unless amendments to these documents have been made during the preceding year.

(c) Repealed 10/1/88.

(Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 10/1/88, Register 107)

Authority: AS 05.15.020  
AS 05.15.060

**15 AAC 105.190. SUSPENSION, REVOCATION, OR DENIAL OF PERMITS AND LICENSES; HEARINGS.** (a) The following are grounds for the immediate suspension, revocation, or denial of a permit or license:

(1) a false statement made in an application for a permit or license or in a report required under AS 05.15 or this chapter;

(2) failure to keep sufficient books or records to substantiate year-end reports to the department;

(3) failure to timely file a report required by AS 05.15 or this chapter;

(4) the conviction of a permittee or an officer or employee of a permittee of a felony or a crime involving moral turpitude, or a violation of a municipal, state, or federal gambling law;

(5) knowing violation by a permittee or officer or employee of a permittee of a provision of AS 05.15 or this chapter;

(6) failure to devote net proceeds in accordance with AS 05.15 or this chapter;

(7) paying or incurring unreasonable or exorbitant expenses or fees by the permittee or licensee;

(8) allowing the use of a permit by another organization;

(9) failure to remit any amount of pull-tab tax to a licensed pull-tab distributor when pull-tabs are acquired or purchased.

(b) The department will notify the permittee or permit applicant by certified mail of any action to suspend, revoke, or deny a permit. The notice will include a statement of the grounds for the suspension, revocation, or denial, and the legal authority for the action.

(c) A hearing will be held, upon written request by the permittee or permit applicant, to determine the validity of the department's action. The request for a hearing must be served upon the department within 15 days after the permittee or permit applicant receives notice from the department of the action to suspend, revoke, or deny a permit. The right to a hearing is waived if the request is not received by the department within the 15-day period.

(d) The commissioner will appoint a hearing officer to preside over the hearing. Notice of the hearing will be sent to the permittee or

permit applicant by certified mail. The hearing will be conducted according to the requirements of 15 AAC 105.195. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 9/17/86, Register 99; am 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060                      AS 05.15.122  
                   AS 05.15.083                      AS 05.15.140  
                   AS 05.15.087                      AS 05.15.170

**15 AAC 105.200. INVESTIGATION.** Repealed 10/1/88.

**15 AAC 105.210. MEMBER IN CHARGE OF ACTIVITIES.** An organization applying for a permit shall designate on the original application a bona fide and active member to be responsible for the conduct of the activities on each occasion of holding a game of chance and skill. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
                   AS 05.15.112  
                   AS 05.15.130

**15 AAC 105.220. NET PROCEEDS.** (a) "Net proceeds" means the gross receipts from an authorized activity, less the fee described in AS 05.15.020(h), cost of prizes and authorized expenses as defined in (b) of this section.

(b) Authorized expenses are charges, fees and deductions which are reasonable and necessary to the operation of the activity as stated on the permit. Authorized expenses include payment for

- (1) equipment actually purchased for games;
- (2) printing of tickets or cards;
- (3) advertising for games;
- (4) nonalcoholic refreshments for games;
- (5) hall rentals, but only if the building is not owned by the permittee and only for the time actually used for operation of the games;
- (6) utility, repair and maintenance, and depreciation costs of a building owned by the permittee; these costs are allowable on a prorated basis for the actual hours used for the games in accordance with (c) of this section;
- (7) repairs for damages to equipment used for the games;
- (8) repealed 10/1/88;
- (9) postage, freight or accounting actually necessary for the games;
- (10) miscellaneous expenses directly pertaining to games only.

(c) The proration of building expenses shall be computed using a maximum use factor of 14 hours per day. For example, a bingo game is

conducted two days a week at five hours per day for a total of 10 hours a week. Since there are 98 use hours in a week (14 use hours per day times seven days per week equals 98 use hours per week), 10.20 percent (10 hours per week divided by 98 hours per week equals 10.20 percent) of the proratable expenses for the week may be included in the authorized expenses. For depreciation purposes, the life of the building must be the guideline life provided in the Internal Revenue Code and the only approved method of depreciation is straight line.

(d) Unauthorized expenses are those not directly related to the operation of the games and they cannot be deducted. Unauthorized expenses include, but are not limited to, payment for

(1) expenses on buildings except as provided in (b) of this section on a pro-rata basis;

(2) mortgage or interest payments;

(3) purchase of furniture, fixtures or equipment, except those necessary for the operation of the games and used exclusively for the games;

(4) payments to members as gifts, excluding authorized prizes;

(5) travel or per-diem expenses outside the state under any circumstances;

(6) organization membership fees to national or international, affiliated or unaffiliated, organizations;

(7) personal or organizational vehicle expenses;

(8) consultant fees paid to a member or paid for a member's benefit;

(9) legal fees paid to a member for services or paid for a member's benefit;

(10) organizational advertising or notices;

(11) organizational entertainment (picnics, dinners, parties, etc.);

(12) organizational accounting or other operating expenses except those directly related to the operation of the games;

(13) taxes on real or personal property and taxes based on net income;

(14) purchase of alcoholic beverages. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 10/1/88, Register 107)

Authority: AS 05.15.060  
AS 05.15.150  
AS 05.15.210

**15 AAC 105.230. ANNUAL FINANCIAL STATEMENT; ADDITIONAL FEE.** A statement accounting for all money generated from authorized games of chance and skill for the year must be filed by March 15 following the end of the calendar year. The permittee shall also file with the financial statement a copy of the required Internal Revenue Service form for every person who received prizes.

awards or winnings during the calendar year. The additional fee required by AS 05.15.020(b) shall be submitted to the department with the financial statement. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60; am 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.020                      AS 05.15.080  
AS 05.15.060                      AS 05.15.130

**15 AAC 105.235. PERMITTEE REPORTS TO THE DEPARTMENT.** The quarterly and annual reports required from permittees to the department by AS 05.15.080 shall be on forms provided by the department. (Eff. 2/25/84, Register 89; am 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.080

**15 AAC 105.310. OPERATOR REPORTS TO THE DEPARTMENT.** The quarterly and annual reports required from operators to the department by AS 05.15.083 shall be on forms provided by the department. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.083

**15 AAC 105.320. OPERATOR LICENSE AND BOND.** (a) An applicant for an operator license shall submit an original application on a form prescribed by the department. Except when the applicant is a municipality, two copies of the application must be submitted to the nearest city or borough for its consideration. An applicant shall also retain a copy of the application. The application filed with the department must be accompanied by the license fee required by AS 05.15.122. Refunds of license fees will not be granted.

(b) All operators must post a bond or security satisfactory to the department as required by AS 05.15.122(b). The bond or security filed must be effective for a term of two years from the issuance of the operator license and must be conditioned upon payment of amounts due to the department, including penalties and interest, and payment of net proceeds, including any interest due to the authorizing permittee. In this subsection, "security satisfactory to the department" includes certificates of deposit made in trust for the State of Alaska accompanied by a completed assignment of negotiable instrument form provided by the department. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060                      AS 05.15.165  
AS 05.15.122                      AS 05.15.167

**15 AAC 105.325. MINIMUM RETURN TO PERMITTEE.** An operator's failure to pay the permittee the minimum return required by AS 05.15.128 is grounds for immediate suspension or revocation of an operator's license. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060 AS 05.15.165  
AS 05.15.128 AS 05.15.170

**15 AAC 105.330. PULL-TAB DISTRIBUTOR'S LICENSE; DISTRIBUTION RESTRICTION.** (a) The annual pull-tab distributor's license fee prescribed by AS 05.15.183 must be paid with the application for the license.

(b) An annual license will not be issued by the department unless all applicable information requested on a form provided by the department is complete. Refunds of license fees will not be granted.

(c) A licensed pull-tab distributor may distribute pull-tabs only to permittees, licensed operators, or intermediate licensed pull-tab distributors located in Alaska. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.183  
AS 05.15.187

**15 AAC 105.335. PULL-TAB TAX.** (a) All permittees or operators acting on behalf of a permittee or permittees must pay a pull-tab tax of 3 percent of the ideal net to the pull-tab distributor at the time the pull-tab series are distributed to the permittee or operator. All pull-tab distributors who distribute or sell pull-tabs within the State of Alaska shall collect the pull-tab tax of 3 percent of an amount equal to the ideal net of the pull-tab series. The tax shall be paid at the time of filing the monthly report required under (c) of this section.

(b) In (a) of this section, "ideal net" means the total amount of receipts that would be received if every individual pull-tab ticket in the series was sold at its face value less the total predetermined prize amounts available to be paid out in the series exclusive of any additional prize for the last pull-tab sold.

(c) The monthly report required under AS 05.15.183(d) by each pull-tab distributor must be on a form provided by the department. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.183

**15 AAC 105.340. BOND REQUIREMENT FOR SPECIAL PULL-TAB GAMES.** The \$250,000 surety bond required by AS

05.15.187(g) must be submitted for each game conducted on behalf of each permittee. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.187

**15 AAC 105.350. ADDITIONAL PRIZE LIMITATION.** If a permittee holds, operates, or conducts activities authorized under AS 05.15, and also contracts with an operator to hold, operate or conduct activities under AS 05.15, the permittee may not award prizes, including cash or negotiable instruments, the aggregate total of which is in excess of the sum or value of \$500,000 in any one calendar year. (Eff. 10/1/88, Register 107; am 1/21/89, Register 109)

Authority: AS 05.15.060  
AS 05.15.180

## CHAPTER 105. AUTHORIZED GAMES OF CHANCE AND SKILL

### 15 AAC 105.015. MUNICIPALITY. "Municipality" means

(1) a general law municipality that is an unchartered borough or city, as defined by AS 29.08.020 and 29.08.030;

(2) a home rule municipality that is an organized borough or a city of the first class which has adopted a home rule charter, as defined by AS 29.08.010; or

(3) a unified local government that is organized under AS 29.58.240 — 29.68.440. (Eff. 12/31/82, Register 84)

Authority: AS 05.15.060      AS 05.15.130  
AS 05.15.100      AS 05.15.140  
AS 05.15.120      AS 05.15.210

**15 AAC 105.095. OUTBOARD MOTOR ASSOCIATION.** "Outboard motor association" means a nonprofit association organized primarily to promote power-boat racing and the use of power boats. (Eff. 12/31/82, Register 84)

Authority: AS 05.15.060  
AS 05.15.130  
AS 05.15.210

**15 AAC 105.105. NONPROFIT TRADE ASSOCIATION.** "Nonprofit trade association" means a nonprofit association of merchants, craftsmen, or business firms in a particular trade or industry organized for the promotion of the common interests of that trade or industry. (Eff. 12/31/82, Register 84)

Authority: AS 05.15.060  
AS 05.15.130  
AS 05.15.210

**15 AAC 105.135. MONTE CARLO ACTIVITIES.** (a) A municipality or qualified organization may apply for a permit involving the use of playing cards, dice, or numbers wheels. During one calendar year no more than three single-day activities, or no more than one two-day activity and one single-day activity, or no more than a three-day activity are permitted. A "day," for the purpose of this section, is defined as any consecutive 24-hour period.

(b) Cash prizes may not be awarded for games involving the use of playing cards, dice, or numbers wheels. Cash prizes include but are not limited to the legal tender of the United States of America, any foreign currency or coinage, gold, silver, or other negotiable instruments such as a cashier's check, certified check, money order, stock, bond, or negotiable security.

(c) Only money substitutes are allowed for use during actual play. For the purpose of this section, "money substitutes" are chips, markers, tokens, or legal facsimiles of actual currency or coinage. (Eff. 2/25/84, Register 89)

Authority: AS 05.15.060      AS 05.15.130  
AS 05.15.100      AS 05.15.180

**15 AAC 105.140. DOG MUSHERS' CONTESTS.** "Dog mushers' contests" are defined as games of chance wherein prizes are awarded for the correct guess of the racing time of a dog team or of team position in the race, including prizes to the race contestants.

(1) Dog mushers' contests shall be limited to the participation of dog-team sleds drawn over a specified course laid out by officials of a qualified dog mushers' organization, as defined under this Act.

(2) Prizes will be awarded as provided by rules and regulations established by the permittee organization for the conduct of the event.

(3) Junior dog mushing contests and contests of strength may include sleds drawn by one or more dogs. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060

**15 AAC 105.170. FISH DERBIES.** "Fish derbies" are defined as contests in which prizes are awarded for catching fish.

(1) Contestants in the fish derby must purchase a ticket and abide by the rules and regulations established by the permittee organization for the conducting of the event.

(2) Contestants may win prizes in any one of the following ways:

(A) Based on the size of the fish caught during the derby days;

(B) All fish entered are eligible for door prizes;

(C) Each purchaser of a derby entrance ticket is eligible to participate in a drawing for a door prize. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060

**15 AAC 105.100. CONTESTS OF SKILL.** "Contests of skill" are defined as contests or games in which prizes are awarded for the demonstration of human skills in marksmanship, races, and other athletic events. Marksmanship includes contests of skill based on rifle, pistol and archery matches in which awards are given. Races include any test or races of physical endurance or skill performed by the individual contestants. Other athletic events are physical events which include generally recognized field and track events based on personal physical ability or skill.

Any application for a permit to conduct contests of skill must be accompanied by proof that such event was conducted in substantially the same manner for gaming purposes prior to January 1, 1959. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060

**15 AAC 105.260. DISPOSITION OF FUNDS.** (a) Upon suspension of any permit, no funds will be withdrawn from the special bank account except for previously qualified expenses accrued prior to the suspension, or for disposition to their dedicated purposes as prescribed on their application for permit.

(b) Upon revocation or invalidation of a permit, the legitimate expense previously accrued by the permittee may be paid and all remaining funds must be paid over to the dedicated purposes as stated in the permittee's application. Failure to comply with these requirements shall be cause for the Commissioner of Revenue to initiate necessary legal action for compliance. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060

**15 AAC 105.270. DISPLAY OF PERMIT.** Each permit issued for the conduct of any activity shall be displayed conspicuously at the place where the activity is conducted. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060

**15 AAC 105.280. USE OF DEDICATED NET PROCEEDS.** (a) The dedicated net proceeds given to a qualified organization may not be used to pay any person for services rendered in connection with the activities from which the funds were derived. Detailed records of all disbursements must be kept with the other accounting records for a period of three years.

(b) In AS 05.15.150(a), disbursements "for the promotion of the welfare and well-being of the membership" means that a member may receive assistance in the form of various charitable donations which have been approved by the organization's board of directors. Charitable projects which an organization may sponsor include educational grants, training assistance or job counseling, food baskets, medical or health-care assistance, charitable functions and dinners for the community, etc. The qualifications to receive the charitable donations must include a requirement that all members of the organization within the community may qualify and receive the assistance. These payments may not be devoted to organizational parties, dinners or benefits, picnics, or social functions limited to members and their families.

(c) Permittees may not erect, buy or lease buildings or land for their organization with the net proceeds unless these buildings are

(1) used exclusively for educational, civic, public, or religious purposes (such as hospitals, churches, schools, government buildings, or community centers); or

(2) turned over to an appropriate nonprofit organization which qualifies as a tax-exempt organization under the Internal Revenue

Code, Section 501(C)(3), or to local, state or federal government. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60)

Authority: AS 05.15.060  
AS 05.15.150

**15 AAC 105.290. EXPENSES.** Only ordinary, necessary and reasonable expenses may be incurred for the conducting of any activities under this Act. (Eff. 9/7/60, Register 2)

Authority: AS 05.15.060

**15 AAC 105.300. VIOLATION — INELIGIBILITY.** A revocation of a permit based on a violation of AS 05.15 or this chapter makes the person, association, corporation, or other organization ineligible to apply for a permit for a period of one year from the date of that revocation. (Eff. 9/7/60, Reg 2; am 11/6/76, Register 60).

Authority: AS 05.15.040  
AS 05.15.060

**15 AAC 105.195. CONDUCT OF HEARINGS.** (a) A hearing may be conducted in person or by teleconference. If an in-person hearing is requested by the permittee or permit applicant, the hearing will be held in an office of the department at a location determined by the department, with consideration for the convenience of the permittee or permit applicant. The hearing will be recorded, and, if requested by the permittee or permit applicant, the department will have a transcript prepared at the expense of the permittee or permit applicant.

(b) A request for an extension of time or other matter must be made in writing at least 15 days before the date of the hearing.

(c) At the hearing, the department's representative will enter into the record the relevant portion of the permittee or permit applicant's file, including an explanation of the facts and law upon which the department relied. The permittee or permit applicant shall present any facts or information contrary to or not included in the file entered by the department's representative. Each party may call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on matters relevant to the issues. Oral evidence will be taken only upon oath or affirmation.

(d) The hearing will not be conducted according to technical rules relating to evidence and witnesses. Relevant evidence, including hearsay evidence, will be admitted if it is evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs. Irrelevant and unduly repetitious evidence will be excluded.

(e) Upon the hearing officer's motion or at the request of either party, the hearing officer will, in the officer's discretion, leave the record open until a specified date to receive additional testimony, evidentiary material, or briefs by the parties.

(f) After the record is closed, the hearing officer will issue a written decision containing the hearing officer's findings of fact and conclusions of law. Upon adoption by the commissioner, the written decision of the hearing officer is the final administrative decision of the department for purposes of appeal to the superior court. Judicial review of the final administrative decision may be obtained from the superior court by filing a notice of appeal in accordance with the applicable rules of court governing appeals in civil matters. (Eff. 9/18/86, Register 99)

Authority: AS 05.15.060

**15 AAC 105.240. METHOD OF ACCOUNTING.** A permittee shall maintain and keep books and records necessary to substantiate the particulars of each annual financial statement. All money collected or received from games of chance and skill activity shall be deposited in a separate bank account. Where cash prizes are awarded, the recipient of the award shall sign a receipt indicating that the cash award was received, and the awarding of the cash award shall be contingent upon the recipient executing the receipt. All expenses of activities shall be paid by check only, and the check may not be drawn to "cash" or a fictitious payee. Each check drawn on the bank account required under this section must bear two authorized signatures of the organization. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60)

Authority: AS 05.15.060  
AS 05.15.130

**15 AAC 105.250. MAINTENANCE OF RECORDS.** All records and supporting documents pertaining to activities permitted under AS 05.15 must be maintained for at least three years following the close of the calendar year. (Eff. 9/7/60, Register 2; am 11/6/76, Register 60)

Authority: AS 05.15.060

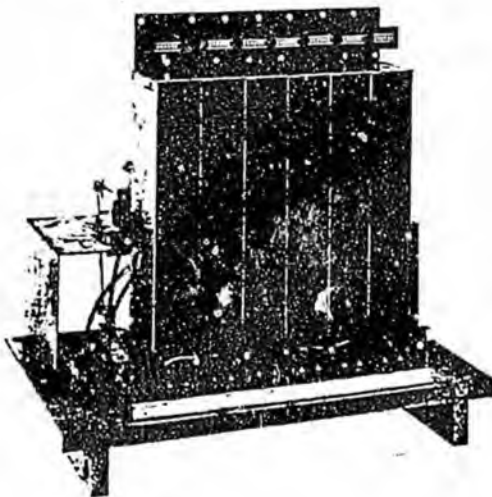
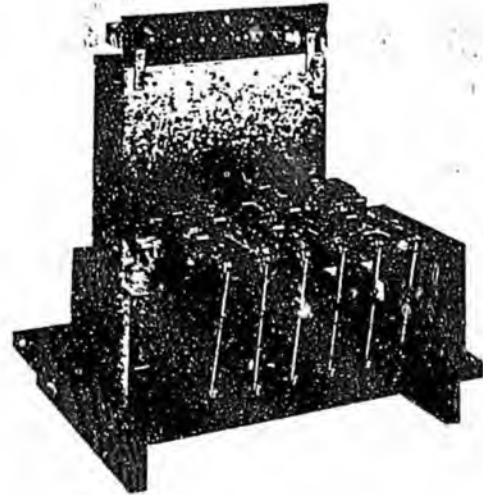
# ZANADEW

## TICKET DISPENSER



- Dispenses the Most Popular Sizes of Tickets - 3 3/4" OR 4 1/4" with Simple Adjustments
- Simple Adjustment will compensate for various Ticket Thickness
- Battery Backed Up Memory
- Accepts \$1, \$5, \$10 and \$20 Bills and Coins

- Automatic Column "Lockout"- if a column empties or jams, all other columns will continue to operate causing no monetary loss to the operator, location, or the ticket buyer



- Full Bookkeeping with Mechanical Meters: One Meter for "Coins in" and One Meter for EACH Column (Records every ticket dispensed)
- Tamper Sensing Protection with Audio Alarm
- Heavy Duty Mechanical Dispenser



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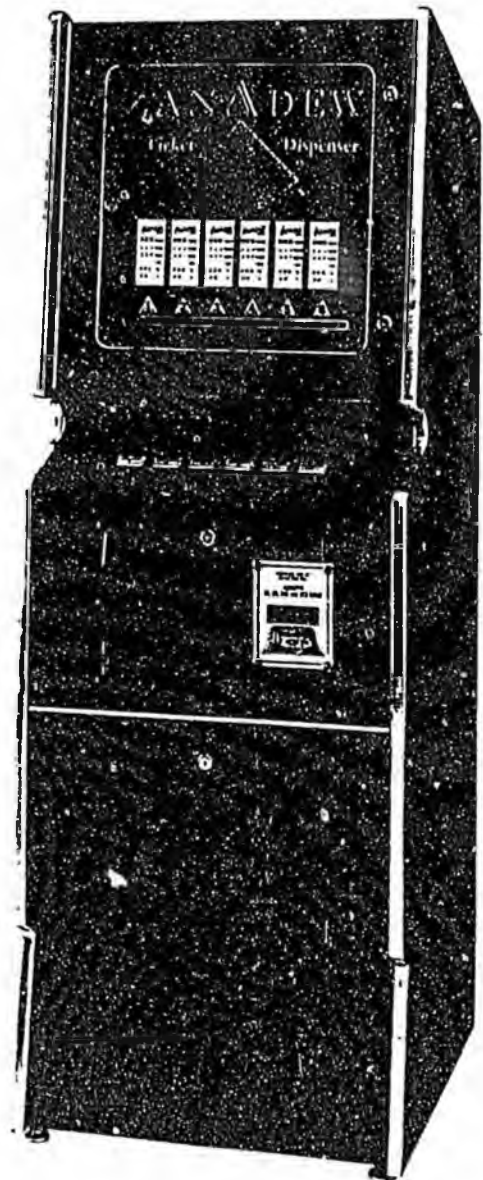
# ZANADEW TICKET DISPENSER

- 6 COLUMN DISPENSER
- EACH COLUMN CAN HAVE A DIFFERENT PRICE (\$.25-\$2.00)
- HOLDS OVER 3000 TICKETS
- LOW PRICE - HIGH RELIABILITY
- \$1-\$5-\$10-\$20 BILL ACCEPTOR
- COMPLETELY AUTOMATIC
- 4 DIGIT L.E.D. "MONEY IN" DISPLAY
- FULL BOOKKEEPING/ACCOUNTING



ZANADEW DISPENSES "PULL TABS" OR "BREAKWAYS" OR "PICKLE TICKETS" IN THE MOST POPULAR SIZES: 3 3/4" OR 4 1/4" WITH SIMPLE ADJUSTMENTS

*(no special tools required)*



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Huntingdon Valley, PA 19006  
(215) 322-3232 \* (FAX) 215-322-3238

1-800-666-7776



**\$350,000  
IN PRIZES**

### HOW TO PLAY

Rub off latex covered play area on game piece. Match 3 identical prize amounts on one game piece and win that prize. Rub Iditarod Bonus spot. Match amount revealed with two like amounts on the upper play area and win that prize. Match 3 t-shirts and win an Iditarod t-shirt.

*Official Rules on Back*

### HOW TO ENTER:

- ◆ Contribute \$1 and receive one instant-win game piece.
- ◆ NO CONTRIBUTION OR PURCHASE REQUIRED to play instant-win game. For free game piece, send a hand-written self-addressed, stamped envelope and a 3" x 5" card with the words "Iditarod Race for the Gold" to, LAI Marketing, P. O. Box 102600, Anchorage, Alaska 99510-2600. Must be 19 years or older to play instant win game. Limit, one game piece per request per day. Request must be received by November 15, 1991. Free game pieces are subject to availability.
- ◆ Promotion ends the earlier of November 15, 1991 or when the supply of "Iditarod Race for the Gold" cards is exhausted.

### ODDS OF WINNING:

Total prize value in game, \$355,200. Prize amounts, number of prizes and odds of winning are:

<u>Prize Amount</u>	<u>Number of Prizes</u>	<u>Odds</u>
1	82,880	1: 7.1
2	23,680	1: 25.0
10	3,552	1:166.6
25	2,368	1:250.0
100	1,184	1:500.0
<u>T-Shirt</u>	<u>1,184</u>	<u>1:500.0</u>
TOTAL	114,848	1:5.15

### PRIZE REDEMPTION:

- ◆ All prizes must be claimed before December 15, 1991. Instant win prizes of \$1, \$2, \$10 and \$25 must be claimed where the "Iditarod Race for the Gold" card was purchased. T-shirt, \$100 prizes and all prizes won from mailed in requests must be claimed by completing the back of winning game piece and mailing it to LAI Marketing, P. O. Box 102600, Anchorage, AK 99510-2600. Prize claims should be sent via certified mail and must be received by December 31, 1991. Allow six weeks for verification and redemption of prizes. No responsibility is assumed for lost, late, illegible or misdirected mail. Unclaimed "Iditarod Race for the Gold" prizes as of December 15, 1991 will not be awarded. Winning game pieces become the property of LAI Marketing and will not be returned. T-shirt prize winners should specify size preference. Specific sizes subject to availability.
- ◆ Employees of LAI Marketing and their immediate families are not eligible to win. Unless authorized by LAI Marketing, no substitution of prize permitted. All federal, state and local taxes on prizes are the sole responsibility of prize winners. Prizes claimed by minors may require consent of parent or legal guardian before prize is redeemed.
- ◆ Game pieces which have the "VOID IF REMOVED" covering removed, are forged, mutilated, altered, illegible, improperly obtained, printed incorrectly or otherwise defaced are automatically void. Liability for any irregular game card is limited to replacement with another, subject to availability.
- ◆ Prize winners agree to use their name, address and photograph for publicity purposes without compensation. All participants agree to release LAI Marketing and its authorized distributors from any and all liability for injuries and damages which may result from their participation in this promotion.
- ◆ Sales of "Iditarod Race for the Gold" cards may be conducted only by employees of LAI Marketing and its authorized retailers.

### PROCEEDS BENEFIT IDITAROD TRAIL COMMITTEE

LAI Marketing is a division of Lottery Alaska, Inc.

## GENERAL INSTANT WIN GAME OPERATING RULES

- (1) Lottery Alaska, Inc. (hereinafter referred to as LAI) hereby authorizes instant-win games which meet the criteria set forth in these rules.
- (2) The President is hereby authorized to select, operate, and contract relating to and for the operation of instant-win games which meet the criteria set forth in these rules.

### DEFINITIONS

- (1) "President" means the President of LAI or any other person to whom the President's authority is lawfully delegated.
- (2) "Game piece" means an instant-win game game piece.
- (3) "Play Symbols" are the figures printed in gray-black ink which appear under each of the rub-off spots on the front of a game piece.
- (4) "Game piece Validation Number" is the unique number on the bottom left portion of the front of the game piece.
- (5) "Play Symbol Caption" is the small printed material appearing below each play symbol which repeats or explains the play symbol. One and only one of these play symbol captions appears under each play symbol and is printed in gray-black ink.
- (6) "Retailer Validation Code" consists of three small letters found under the removable rub-off covering over the play symbols on the front of the game piece, which the retailer uses to verify and validate winners of low-tier prizes. The letters appear in varying locations beneath the removable rub-off covering and among the play symbols.
- (7) "Book" is a pack of instant-win game pieces which are attached to each other by perforations, and which game pieces are packed in plastic shrink-wrapping. A "Book" shall bear a common "Book Number" and having "Game Piece Number" starting at 000 and continuing through 199.
- (8) "Book-Game Piece Number" is the 10-digit number printed on the game piece. A two-digit game identification number shall be part of the book-game piece number.

### DISTRIBUTION OF GAMES

- (1) Games will be sold by retailers selected by LAI directly. LAI is authorized to arrange for distribution of games to retailers or for sales of game pieces to the public directly by LAI

### SALE OF GAME PIECES

- (1) No person other than a retailer under a contract for the sale of games with LAI may sell games except that nothing in this section shall be construed to prevent a person who may lawfully purchase game pieces from making a gift of game pieces to another.
- (2) Game Pieces may not be sold at a location other than the address listed on the Retailer's contract with LAI
- (3) Nothing in this section shall be construed to prohibit LAI from designating certain of its agents and employees to sell game pieces directly to the public.

### INSTANT GAMES GAME PIECE PRICE

- (1) The price of instant-win game pieces shall be \$1, except to the extent of any discounts authorized by LAI. No person may sell a game piece at a price other than that established in accordance with these rules.

### NUMBER AND VALUE OF INSTANT-WIN GAME PIECE PRIZES

- (1) The prize structure and game piece quantities listed under each of the subparagraphs of this rule are approved for use in LAI's instant-win games. The quantity of game pieces ordered for a particular prize structure shall determine the number and value of instant prizes in each game.

B.2.

## OFFICIAL START OF GAME

(1) Games with a prize structure adopted by LAI under the above rule may be started at a time selected by the President. LAI shall publicly announce the starting date of a new game by use of a press release or any other appropriate means. LAI shall also issue game informations which includes a description of the game, odds of winning a prize, the number and value of prizes, and the play symbols and captions used for prize validation.

## DETERMINATION OF WINNERS

(1) Winners of an instant win game are determined by the matching of specified alignment of the play symbols on the game pieces. The play symbols are revealed by scratching or rubbing off the latex covered spots on the game pieces. The bearer must notify LAI of the win and submit the winning game piece(s) to LAI as specified in these rules. The winning game piece must be validated by LAI through use of the validation number or by any other means as specified by LAI

(2) In any event, only the highest instant prize amount will be paid on a given game piece.

(3) No portion of the play symbol captions, retailer validation codes, display printing nor any extraneous matter whatever shall be usable or playable as a part of the instant game.

(4) The game piece validation number or any portion thereof is not a play spot and is not usable or playable as such.

(5) In all events, the determination of prize winners shall be subject to the general game piece validation requirements set forth in the rules set out below and the requirements set out on the back of each instant-win game piece.

(6) The length of operation of an instant-win game shall be determined by LAI. The start date and closing date of the instant game shall be publicly announced.

## PAYMENT OF PRIZES

The procedures for claiming instant-win game piece prizes are:

(1) Low-tier instant prizes (less than \$50) shall be claimed by one of the following methods:

(a) By presenting the winning game piece to the same retailer from whom it was purchased. The retailer shall verify the claim and, if acceptable, make payment of the amount due to the claimant. In the event the retailer cannot verify the claim, the claimant shall fill out a claim form, which the retailer shall provide, and present the completed form together with the disputed game piece to LAI. If the claim is validated by LAI, a check shall be issued to the claimant in payment of the amount due. In the event that the claim is not validated by LAI, the claim shall be denied and the claimant shall be promptly notified.

(b) By bringing the game piece to the LAI office or by completing a claim form and forwarding it with the game piece to LAI via the retailer. Claim forms may be obtained from any game retailer or from LAI

(2) Mid-tier instant prizes (less than \$600) shall be claimed by one of the following methods:

(a) By presenting the winning game piece to any instant game retailer. The retailer shall validate the claim with LAI and, if authorized by LAI, make payment of the amount due the claimant. In the event the retailer cannot verify the claim, the claimant shall fill out a claim form, which the retailer shall provide, and present the completed form together with the disputed game piece to LAI. If the claim is validated by LAI, a check shall be forwarded to the claimant in payment of the amount due. In the event that the claim is not validated by LAI, the claim shall be denied and the claimant shall be promptly notified. A retailer may pay prizes in cash or by business check, or money order, or any combination thereof. A retailer that pays a prize with a check which is dishonored may be subject to suspension or termination of the retailers contract.

(b) By bringing the game piece to LAI headquarters or by completing a claim form and submitting it with the winning game piece to LAI. Claim forms may be obtained from instant game retailer or from LAI.

(c) Upon validation by LAI, a check shall be presented to the claimant in payment of the amount due. In the event that the claim is not validated by LAI, the claim shall be denied and the claimant shall be promptly notified.

(3) To claim an instant prize of more than \$600, the claimant must either bring the winning game piece to LAI headquarters or complete a claim form and forward the completed form together with the winning game piece to LAI

(4) Prizes greater than \$600 can be paid only from LAI headquarters. Upon validation by LAI, a check shall be forwarded to the claimant in payment of the amount due, less any applicable federal income tax withholding.

(5) Any game piece not passing all the validation checks is void and ineligible for any prize and shall not be paid. However, LAI may, solely at its option, replace an invalid game piece with an unplayed game piece (or game piece of equivalent sales price from any other current game). In the event a defective game piece is purchased, the only responsibility or liability of LAI shall be the replacement of the defective game piece with another unplayed game piece (or game pieces of equivalent sale price from any other current game).

B.3.

(6) All prizes shall be paid within a reasonable time after they are awarded and after the claims are verified by LAI. For each prize requiring annual payments, all payments after the first payment shall be made on the anniversary date of the first payment in accordance with the type of prize awarded. LAI may, at any time, delay any payment in order to review a change of circumstances relative to the prize awarded, the payee, the claim, or any other matter that may have come to his or her attention. All delayed payments will be brought up to date immediately upon LAI's confirmation and continue to be paid on each original anniversary date thereafter.

### GAME PIECE VALIDATION REQUIREMENTS

Besides meeting all of the other requirements in these Rules, or as may be printed on the back of each instant game piece, the following validation requirements will apply with regard to instant games:

- (1) To be a valid instant game piece, all of the following requirements must be met:
- (a) Exactly one play symbol must appear under each of the latex-covered, rub-off spots on the front of the game piece.
  - (b) Each of the play symbols must have a play symbol caption underneath, and each must agree with its play symbol caption.
  - (c) Each of the play symbols must be present in its entirety and be fully legible.
  - (d) Each of the play symbol captions must be present in its entirety and be fully legible.
  - (e) Each of the play symbols and its play symbol caption must be printed in gray-black ink.
  - (f) The game piece shall be intact.
  - (g) The series-game piece number, game piece validation, and retailer validation code must be present in their entirety and be fully legible. The game piece validation number shall correspond, using LAI's codes, to the play symbols on the game piece.
  - (h) The game piece must not be mutilated, altered, unreadable, reconstituted, or tampered with in any manner.
  - (i) The game piece must not be counterfeit in whole or in part.
  - (j) The game piece must have been issued by LAI in an authorized manner.
  - (k) The game piece must not be stolen nor appear on any list of omitted game pieces on file at LAI.
  - (l) The play symbols, play symbol captions, game piece validation number, retailer validation code and book-game piece number must be right-side-up and not reversed in any manner.
  - (m) The game piece must be complete, and not miscut, and have exactly one play symbol and exactly one play symbol caption under each of the rub-off spots, exactly one book-game piece number, exactly one retailer validation code and exactly one validation number.
  - (n) the validation number of an apparent winning game piece shall appear on LAI's official record of validation numbers of winning game pieces; and a game piece with that validation number shall not have been paid previously.
  - (o) The game piece must not be blank or partially blank, misregistered, defective, or printed or produced in error.
  - (p) Each of the play symbols on the game piece must correspond precisely to the artwork on file at LAI; each of the play symbol captions must correspond precisely to the artwork on file at LAI; the book-game piece number must correspond precisely to the artwork on file at LAI; the retailer validation code must correspond precisely to the artwork on file at LAI; and the game piece validation number must correspond precisely to the artwork on file at LAI.
  - (q) The display printing must be regular in every respect and correspond precisely with the artwork on file at LAI.
  - (r) The game piece must pass all additional confidential validation tests of LAI.
- (2) Any game piece not passing all the validation checks in this part is void and ineligible for any prize and shall not be paid. However, LAI may, solely at its option, replace an invalid game piece with an unplayed game piece (or game pieces of equivalent sales price) from any other current LAI game. In the event a defective game piece is purchased, the only responsibility or liability of LAI shall be the replacement of the defective game piece with another unplayed game piece (or game piece of equivalent sales price from any other current game).

B. 4.

### OWNERSHIP OF INSTANT GAME PIECES

(1) Until such time as a name is imprinted or placed upon the rear portion of an instant game piece in the area designated for "name," and instant game piece which has been sold shall be owned by the bearer of said game piece. When a name is placed on the rear of said game piece in the place designated therefore, the person whose name appears in that area shall be the owner of said game piece and shall be entitled to any prize attributable thereto. Notwithstanding any name or names submitted on a claim form, LAI shall make payment to the name appearing on the back of the game piece in the space designated therefore; provided if more than one name appears on the rear of the game piece, one of those persons whose name appears thereon shall be designated to receive payment. This shall be done by indicating the name to which payment is to be made by an indication on the claim form and by the signature on the claim form of all other persons whose names appear on the rear of the game piece. LAI for its purposes shall recognize only one (1) person as owner of a game piece. The person appearing for payment shall be the same as that which appears on the rear portion of the game piece in the space designated. If a game piece is presented to LAI that does not have a name appearing on the back of the game piece, payment will be made to the name appearing on the claim form or other documents submitted with the game piece.

(2) Groups, family units, clubs, or other organizations may claim a winning game piece by one of two methods:

(a) If the organization possesses a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service and such number is shown on the claim form; or

(b) By filing IRS Form 5754, "Statement by Person(s) Receiving Gambling Winners," with LAI. The form designates to whom winnings are to be paid and the persons to whom winnings are taxable.

### PRIZE RIGHTS UNASSIGNABLE

(1) No right of any person to a prize drawn shall be assignable, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, and except that any person pursuant to an appropriate judicial order may be paid the prize to which the winner is entitled. LAI shall be discharged of all liability upon payment of a prize pursuant to this rule.

### PAYMENT OF PRIZES TO PERSONS UNDER 19 YEARS OF AGE

(1) In the event a person entitled to a prize for any winning game piece is under the age of nineteen (19) years, LAI may direct payment of the prize by delivery to an adult member of the minor's family or a guardian of the minor a check or draft payable to the adult member of the minor's family or the minor's guardian. The person so named as custodian shall have the same duties and powers as a person designated as a custodian in accordance with Alaska Law and for the purposes of this section the term "adult member of a minor's family" and "guardian of a minor" shall have the same meaning as in the Gifts to Minors Law. LAI shall be discharged of all liability upon payment of a prize to a minor pursuant to this rule.

### PRIZES PAYABLE AFTER DEATH OR DISABILITY OF OWNER

(1) All prizes or a portion thereof which remain unpaid at the time of the prize winner's death shall be payable to the duly qualified Personal Representative of his/her estate, once LAI is satisfied that such payment is lawful and proper. LAI may rely wholly on the presentation of certified copies of a court's appointment of a Personal Representative or any other evidence of a person entitled to the payment of any prize winnings when due.

(2) The payment to the estate of the deceased owner of any prize winnings by LAI shall absolve LAI and its representatives of any further liability for payment of said prize winnings. LAI need not look to the payment of the prize winning beyond the payee thereof. LAI reserves the right to petition any court of competent jurisdiction to request a determination for the payments of any prize winnings which are or may become due the estate of a deceased owner or an owner under a disability because of, but not limited to, under age, mental deficiency, physical or mental incapacity. If the legatee(s) or heir(s) of a deceased owner entitled to prize winnings obtains an order from a court of competent jurisdiction directing payments due and to become due from LAI to be paid directly to said legatee(s) or heir(s) or otherwise directs LAI to make payments to another in the event of an owner's disability or otherwise, LAI shall pay the prize winnings accordingly.

### GOVERNING LAW

(1) In purchasing a game piece, the customer agrees to comply with, and abide by, the Alaska Law, and all rules and regulations and final decisions of LAI, and all procedures and instructions established by LAI for the conduct of the game.

B. S.

## DISCHARGE OF LAI UPON PAYMENT

(1) LAI, its President, agents, officers, employees and representatives, shall be discharged of all liability upon payment of a prize or any one installment thereof to the holder of any winning game piece or in accordance with the information set forth on the claim form supplied by LAI. If there is a conflict between the information on a winning game piece and the information on the claim form, LAI may rely on the claim form after the game piece for which it has been filed has been validated as a winning game piece and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. LAI's decisions and judgments in respect to the determination of a winning game piece or of any other dispute arising from payment or awarding of prizes shall be final and binding upon all participants in the game unless otherwise provided by law or these rules. In the event a question arises relative to the winning game piece, a claim form, the payment, or the awarding of any prize, LAI may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy.

## UNCLAIMED PRIZE MONEY

(1) Any prize not claimed within the specified period shall be forfeited.

## DISCLOSURE

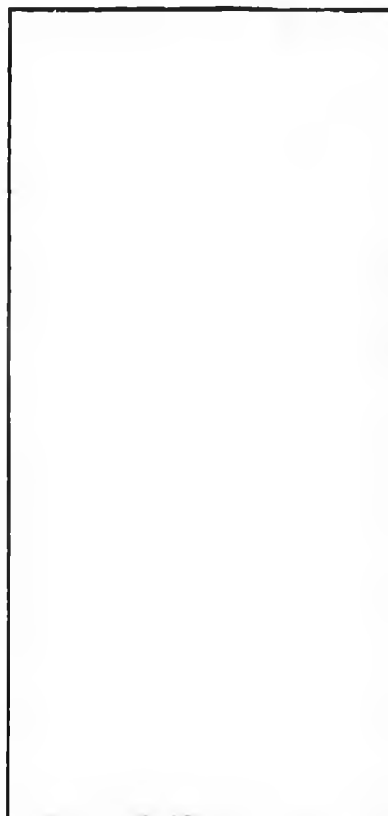
(1) LAI may use the names, addresses, and photographs of winners in any LAI promotional campaign. The address used shall not contain the street or house number of the winner.

## OFFICIAL END OF GAME

(1) The official end of an instant game shall be the day designated by LAI. Prizes may be claimed up to 30 days after the official end of the game. In the event the final day of the claim period falls on a weekend or an official state holiday, the claim period will be extended to end on the next business day. A player may submit a winning game piece claim for prize payment up to 30 days after the official end of game. Depending on the prize amount, the game piece should be submitted to the location specified in "Payment of Prizes". To participate in one of LAI's special drawings, if any, a player must redeem a game piece which qualifies for entry into that special drawing within the time limits specified by LAI.

1/10/91

c.1.



**\$350,000  
IN PRIZES**

**HOW TO PLAY**

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***Official Rules on Back***

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*A cert. white off and  
 1000 for instant  
 win game piece  
 \* No contribution or  
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<u>T-Shirt</u>	<u>1,184</u>	<u>1:500.0</u>
<b>TOTAL</b>	<b>114,848</b>	<b>1:5.15</b>

**PRIZE REDEMPTION:**

- ◆ All prizes must be claimed before December 31, 1992. Instant win prizes of \$1, \$2, \$10 and \$25 must be claimed where the "Iditarod Race for the Gold" card was purchased. T-shirt, \$100 prizes and all prizes won from mailed in requests must be claimed by completing the back of winning game piece and mailing it to LAI Marketing, P. O. Box 102600, Anchorage, AK 99510-2600. Prize claims should be sent via certified mail and must be received by September 30, 1992. Allow six weeks for verification and redemption of prizes. No responsibility is assumed for lost, late, illegible or misdirected mail. Unclaimed "Iditarod Race for the Gold" prizes as of December 31, 1992 will not be awarded. Winning game pieces become the property of LAI Marketing and will not be returned. T-shirt prize winners should specify size preference. Specific sizes subject to availability.
- ◆ Employees of LAI Marketing and their immediate families are not eligible to win. Unless authorized by LAI Marketing, no substitution of prize permitted. All federal, state and local taxes on prizes are the sole responsibility of prize winners. Prizes claimed by minors may require consent of parent or legal guardian before prize is redeemed.
- ◆ Game pieces which have the "VOID IF REMOVED" covering removed, are forged, mutilated, altered, illegible, improperly obtained, printed incorrectly or otherwise defaced are automatically void. Liability for any irregular game card is limited to replacement with another, subject to availability.
- ◆ Prize winners agree to use their name, address and photograph for publicity purposes without compensation. All participants agree to release LAI Marketing and its authorized distributors from any and all liability for injuries and damages which may result from their participation in this promotion.
- ◆ Sales of "Iditarod Race for the Gold" cards may be conducted only by employees of LAI Marketing and its authorized retailers.

**PROCEEDS BENEFIT IDITAROD TRAIL COMMITTEE**

LAI Marketing is a division of Lottery Alaska, Inc.

C.3.

**RULES**

**ON AVERAGE ONE IN FIVE WINS**

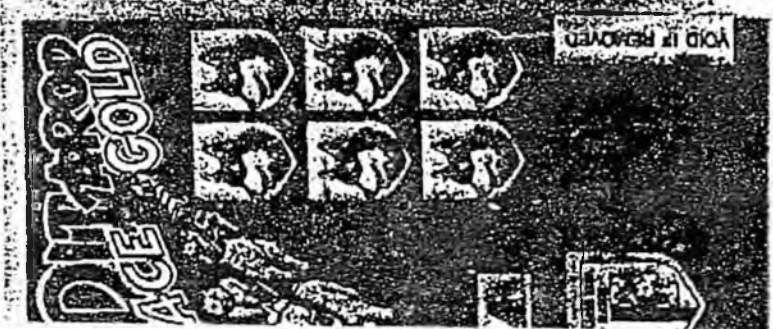
When you win a prize of \$1, \$2, \$10, \$25, \$50, \$100 or a T-Shirt ask your Lottery Alaska Retailer for instructions on redemption. All prizes must be claimed within 30 days of announced game. All players are subject to the rules and regulations of the State of Alaska and Lottery Alaska, Inc.

**IMPORTANT**

Tickets void if mutilated, altered, unissued, stolen, reconstituted, miscut, defective, or incomplete. If "VOID IF REMOVED" covering is removed, if ticket does not match standard form file with Lottery Alaska, Inc. or the State of Alaska, or fails any Lottery Alaska validation requirement. If imprint does not clearly appear in each designated position, if play symbols are not intact, if play symbols are inconsistent. Tickets not to be sold to anyone under 18 years of age.

90 F000000 370

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_  
Signature \_\_\_\_\_  
Phone \_\_\_\_\_  
ID \_\_\_\_\_ Date Cashier \_\_\_\_\_  
Retailer Signature \_\_\_\_\_  
Retailer Number \_\_\_\_\_



**RULES**

**ON AVERAGE ONE IN FIVE WINS**

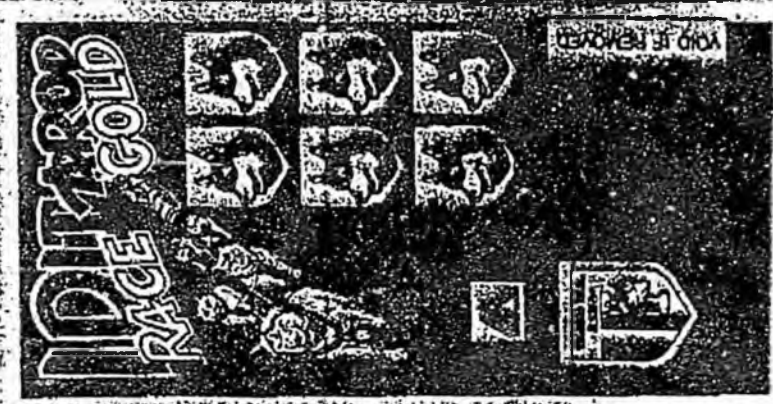
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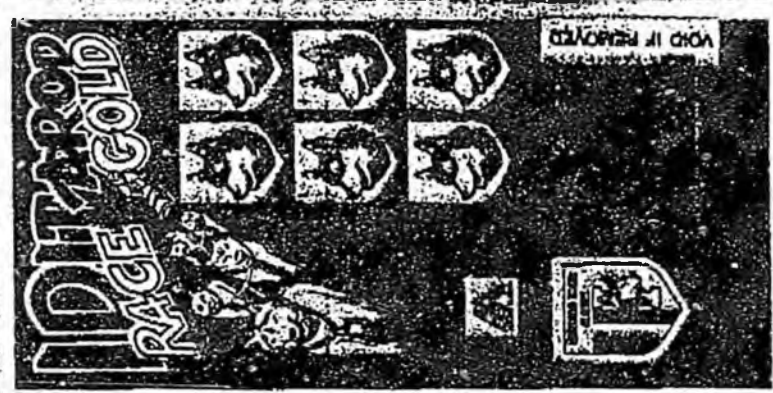
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Retailer Signature \_\_\_\_\_  
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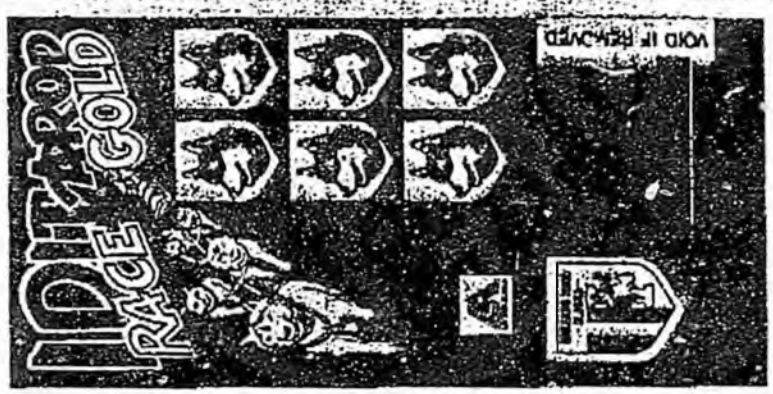
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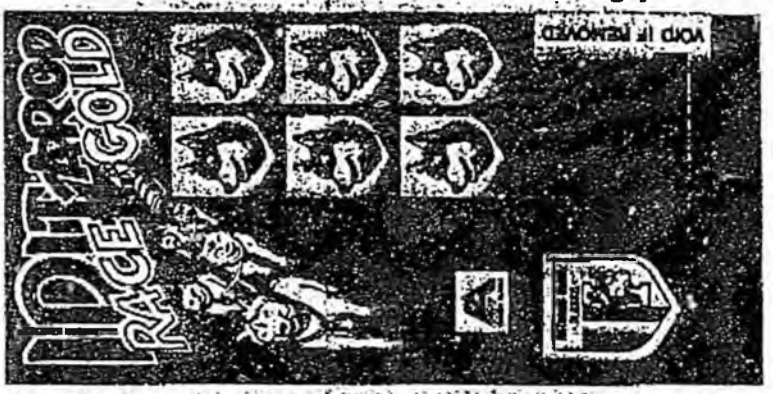
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ID \_\_\_\_\_ Date Cashier \_\_\_\_\_  
Retailer Signature \_\_\_\_\_  
Retailer Number \_\_\_\_\_



D. I.

**HOW TO ENTER:**

- ◆ Contribute \$1 and receive one instant-win game piece.
- ◆ **NO CONTRIBUTION OR PURCHASE REQUIRED** to play instant-win game. For free game piece, send a hand-written self-addressed, stamped envelope and a 3" x 5" card with the words "Million Dollar Baseball" to, LAI Marketing, P. O. Box 102600, Anchorage, Alaska 99510-2600. Must be 19 years or older to play instant-win game. Limit, one game piece per request per day. Request must be received by November 15, 1991. Free game pieces are subject to availability.
- ◆ Promotion ends the earlier of November 15, 1991 or when the supply of "MILLION DOLLAR BASEBALL" cards is exhausted.

**ODDS OF WINNING:**

Total prize value in game, \$\_\_\_\_\_. Prize amounts, number of prizes and odds of winning are:

<u>Prize Amount</u>	<u>Number of Prizes</u>	<u>Odds</u>
---------------------	-------------------------	-------------

**PRIZE REDEMPTION:**

- ◆ All prizes must be claimed before December 15, 1991. Instant win prizes of \$1, \$2, \$10 and \$25 must be claimed where the "Million Dollar Baseball" card was purchased. T-shirt, \$100 prizes and all prizes won from mailed in requests must be claimed by completing the back of winning game piece and mailing it to LAI Marketing, P. O. Box 102600, Anchorage, AK 99510-2600. Prize claims should be sent via certified mail and must be received by December 31, 1991. Allow six weeks for verification and redemption of prizes. No responsibility is assumed for lost, late, illegible or misdirected mail. Unclaimed "Million Dollar Baseball" prizes as of December 15, 1991 will not be awarded. Winning game pieces become the property of LAI Marketing and will not be returned.
- ◆ Employees of LAI Marketing and their immediate families are not eligible to win. Unless authorized by LAI Marketing, no substitution of prize permitted. All federal, state and local taxes on prizes are the sole responsibility of prize winners. Prizes claimed by minors may require consent of parent or legal guardian before prize is redeemed.
- ⇒ Game pieces which have the "VOID IF REMOVED" covering removed, are forged, mutilated, altered, illegible, improperly obtained, printed incorrectly or otherwise defaced are automatically void. Liability for any irregular game card is limited to replacement with another, subject to availability.
- ◆ Prize winners agree to use their name, address and photograph for publicity purposes without compensation. All participants agree to release LAI Marketing and its authorized distributors from any and all liability for injuries and damages which may result from their participation in this promotion.
- ◆ Distribution of "Million Dollar Baseball" cards may be conducted only by employees of LAI Marketing and its authorized retailers.

**Proceeds Benefit the  
MUSCULAR DYSTROPHY ASSOCIATION OF ALASKA**

LAI Marketing is a division of Lottery Alaska, Inc.

**1ES**  
**AVERAGE BETTER THAN ONE IN FIVE WINS.**  
 When you win a prize of \$1, \$2, \$5, \$10, \$20 or \$40 for payment, see your Lottery Alaska Retailer from whom you purchased the ticket. When you win prizes of \$100, \$500, or \$5,000 ask your Lottery Alaska Retailer for instructions or call Lottery Alaska Headquarters (1-800-478-LOTT) for instructions on redemption. All prizes must be claimed within 30 days of announced end of game. All players are subject to the rules and regulations of the State of Alaska Lottery Alaska, Inc.

**IMPORTANT**  
 Tickets void if mutilated, altered, misused, stolen, reconstructed, copied, defective, or incomplete. If "VOID IF REMOVED" covering is removed, if ticket does not match standards on file with Lottery Alaska or the State of Alaska, or fails any Lottery Alaska validation requirement, if imprint does not clearly appear in each designated position, or if play symbols are not intact, or if play symbols are inconsistent. Tickets not to be sold to anyone under 18 years of age.

**CLAIMANT INFORMATION**

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Phone \_\_\_\_\_  
 ID \_\_\_\_\_ Date Cashed \_\_\_\_\_  
 Retailer Signature \_\_\_\_\_  
 Retailer Number \_\_\_\_\_

90 000000 1E31590 Old Sport  
 NO PURCHASE NECESSARY  
 710640

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**ON AVERAGE BETTER THAN ONE IN FIVE WINS.**  
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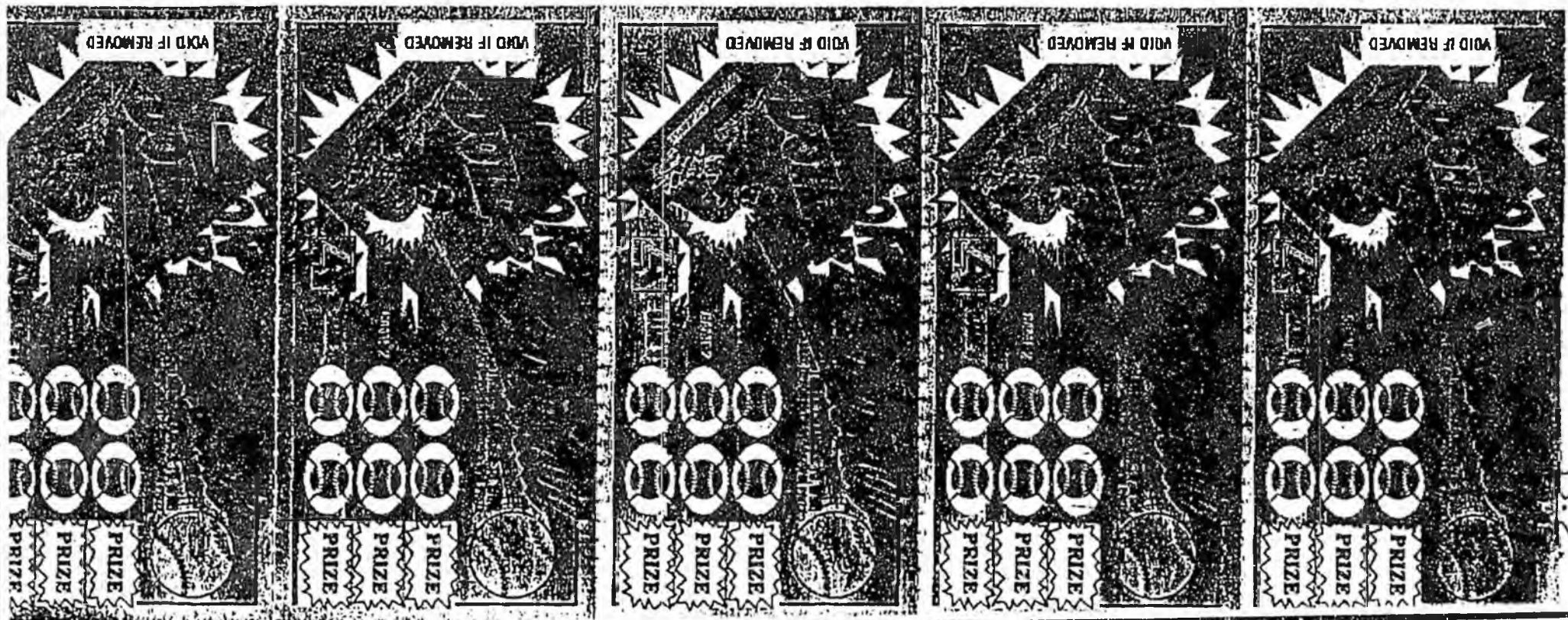
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 Retailer Signature \_\_\_\_\_  
 Retailer Number \_\_\_\_\_

90 000000 1E31590 Old Sport  
 NO PURCHASE NECESSARY  
 710640



Ticket Front

ALASKA TREASURES

Iditarod Greats

\$1

JOE REDINGTON



VOID IF REMOVED

MATCH 3 AMOUNTS AND WIN THAT PRIZE

SCRATCH HERE

WIN

UP TO

\$10,000

INSTANTLY

**Ticket Back**

**ALASKA TREASURES**

**Iditarod Greats**

**Joe Redington, Sr., Knik, Alaska**

Joe Redington, Sr. was born in Oklahoma in 1917. In 1948, he came to Alaska from Pennsylvania to mush dogs. He lists his occupation as dog musher and trainer. Redington has mushed on the Iditarod Trail since 1948. He helped start the Iditarod Race in an effort to preserve the trail. He worked with members of Congress to have the trail designated a National Historic Trail. Joe has also competed in the Kusko 300, the John Beargrease Race, the Alprod, the Fur Rendezvous World Championship, the Knik 120, the Knik 200, the Talkeetna 300, the Cache Creek Classic, and the Willow Championship. Redington says, "I've mushed dogs for over 40 years in Alaska, covering over 160,000 miles by dog team. I've also mushed dogs to the summit of Mt. McKinley." Redington is the owner of Knik Kenneis, the largest sled dog kennel in the world.

YEAR	PLACE	TIME	YEAR	PLACE	TIME
1990	25th	14:12:59:13	1981	14th	13:15:19:02
1989	9th	12:02:57:16	1980	Scratched	
1988	5th	13:03:25:28	1979	10th	16:11:34:01
1987	33rd	15:14:13:12	1978	5th	15:03:14:48
1986	Scratched		1977	5th	17:01:26:30
1985	Scratched		1976	Scratched	
1984	7th	13:08:43:11	1975	5th	15:15:23:43
1982	17th	17:08:25:45	1974	11th	22:10:15:57

LAI Marketing, a division of Lottery Alaska, Inc.

**Instant-Win Game Rules**

1. Match 3 identical prize amounts on one game piece and win that prize.
2. NO PURCHASE NECESSARY. For free game piece, send hand written, self addressed, stamped envelope and a 3" x 5" card with the words "ALASKA TREASURES, Iditarod Greats" to LAI Marketing, P. O. Box 102600, Anchorage, AK 99510-2600. Limit, one free game piece per request per day. Must be received by 1/15/92.
3. Collect prizes of \$25 or less at the retail location where game piece was obtained. Collect \$50, \$100 and \$10,000 prizes and all winning game pieces obtained from mail requests by completing back of the game piece and mailing to LAI Marketing, P. O. Box 102600, Anchorage, AK 99510-2600. Prize claims should be sent by certified mail. Claims must be received by 12/31/91. Only prizes claimed will be awarded.
4. Game subject to official rules. See Official Rules brochure at participating stores for complete rules and odds of winning. Promotion ends 12/31/91.

Name \_\_\_\_\_

Address \_\_\_\_\_ Phone \_\_\_\_\_

City, State, Zip \_\_\_\_\_

## AND NOW FOR SOME GOOD NEWS: LOTTERIES ARE IN TROUBLE

**A**t last, there is something positive to say about publicly sponsored lotteries: They are not doing very well.

They are doing poorly in the sense that they are not producing the revenue that had been anticipated for busted state budgets, revenue that has been earmarked for education in many states.

I consider this good news, not bad as the advocates of lotteries view it, because I believe, aside from the moral implications of governments enticing citizens into gambling, that the lotteries eventually will fall of their own weight. That will happen, however, only after our addiction to lotteries has become so great that the withdrawal will cause great pain and dislocations. As with drug addiction, it is better to quit now than later.

The lotteries are now sending us a message that was not widely heard before. More significant, it is being spread not by the opponents of lotteries but by their sponsors and advocates. The message—as detailed in Jeffrey L. Katz's excellent article, *Lottery Fatigue*, in the September issue of *GOVERNING*—is that lotteries become less productive of revenue unless they are bolstered by constant innovations and ceaseless advertising aimed at enticing participants to gamble.

Look at what seems to lie ahead: lotteries on video machines to better hook the young; selling tickets by telephone and in supermarkets; combining lotteries with television game shows; allowing states to sell their tickets in other states; and, for those who do not patronize the lotteries, state-sponsored sports betting. All this is just for starters. America, it seems, could soon become one big Las Vegas, but with the states rather than the mob running it all.

State-sponsored gambling is brought to us through the warped logic that haunts so much of our public life today. When I wrote in this space two years ago that lotteries were a scam because they hold out a false hope to the poor, who make up a disproportionate share of those who wager, proponents argued back that people of various incomes play the games.

So what? That does not diminish the fact that one can go through the urban slums of America and see the wasted poor betting against overwhelming odds in futile attempts to escape their misery. And not only in the cities. J.C. Doherty, an astute authority on rural America, wrote from Chestertown, Maryland, that displaced farm workers there, after receiving their welfare checks, line up for lottery tickets—"paying their taxes, so to speak."

Nor does the argument wash that state sponsorship of gambling keeps it away from private crooks. That may technically be true, but the arguments on the other side overwhelm that technicality. Governments at all levels have lost enough credibility with the public without becoming gaming operators facing all the ethical pitfalls that occupation entails.

Nor is it reasonable to suppose that those pitfalls will be avoided when the running of lotteries is in public hands. Lotteries to finance public services and facilities flourished in the 19th century until they fell prey to massive corruption and the public shunned them. Government-operated lotteries made their comeback only in recent years when states discovered that the use of clever advertising to lure the bettors would make lotteries fly.

Although there has been no report of super scandals in recent lotteries, they are nevertheless fertile ground for waste and fraud. And there are more subtle ethical problems. Some states have learned that lottery advertising tends to blunt criticism of lotteries in weak-kneed newspapers, magazines and broadcast outlets—something commercial advertisers have known for years and acted upon.

Jim Hosker, the Kentucky lottery czar, has admitted that he pulled commercials from Massachusetts stations during the time when he ran that state's lottery because of news broadcasts he considered unfair. State officials, or those working for the state under privatization, have enough temptations without being handed a weapon so easily used against the news media.

Yet the public's sense of what constitutes the proper role for government seems to have dimmed in recent years. The easy slide into state-sponsored gambling—which would have been impossible a generation ago—may be a metaphor for the larger faults in our public life: the decline of issues and the ascendancy of personalities in political dialogue; disintegration of the political parties and of their ability to apply discipline in government bodies; schizophrenic constituencies that demand services without tax revenues to pay for them, creating a generation of elected officials without the courage to say what is needed, by way of money or sacrifice, to have the kind of society we want.

For now, it may be sufficient to ask: Do we really believe we can educate our children to deny themselves instant gratification—as wise heads say we must—with the takings from gambling? □



MAR 20 1991

# NEWS RELEASE

*Red -  
for gaming*

STATE OF ALASKA

OFFICE OF THE GOVERNOR  
P.O. BOX A  
JUNEAU, ALASKA 99811

WALTER J. HICKEL  
GOVERNOR



FOR INFORMATION CONTACT:

ERIC REHMANN  
ACTING PRESS SECRETARY

DEPUTY PRESS SECRETARY

(907) 465-3500

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FOR IMMEDIATE RELEASE

March 20, 1991

91-51

## HICKEL ADMINISTRATION INTERPRETS PULL-TAB REGULATIONS

JUNEAU--Gov. Walter J. Hickel today announced that members and volunteers of charitable organizations will be allowed to sell pull-tabs at locations other than a charity's principal place of business.

At a meeting last week, Hickel instructed the Department of Commerce and Economic Development to clarify emergency regulations filed in January that banned third parties from selling pull-tabs.

The interpretation of the emergency regulations reached by the administration allows members and volunteers of charitable organizations with a gaming permit to sell pull-tabs as long as the members and volunteers are not compensated. Volunteers do not have to be members of the charitable organization selling the pull-tabs.

The interpretation also allows charitable organizations through their members and volunteers to use retail locations, such as stores and taverns, to sell pull-tabs for fund raising purposes. The owner or operator of the retail location must donate the space and service.

Said Hickel: "I've expressed my opposition to gambling many times. But as long as the state permits the sale of pull-tabs, the state also should ensure that all the profits from their sales reach the charities."

###

# Pull-tab seller, state cut a deal to renew license

By GEORGE FROST  
Daily News reporter

1/9

State gambling regulators have cut a deal with Fairbanks pull-tab operator Ed Dilley — accused in a state audit of pocketing \$810,000 that should have been paid to non-profit organizations.

Dilley, the state's biggest pull-tab operator, was given a temporary 1992 gambling license Monday following a round of secret negotiations with state officials, according to Dilley and Gary Amendola, a deputy attorney general representing the state Department of

Commerce.

The 48-year-old former contractor was denied renewal of a state license in December. The confidential audit alleged that he had overcharged expenses and withheld income that was supposed to go to charities he worked for in

1989 and 1990.

"They had charged me with underpaying \$810,000," Dilley said Wednesday. "In actuality, the numbers my accountant came up with showed that I had overpaid ... \$53,000.

"I suspect they (gaming regula-

tors) don't completely agree with me, but we haven't disagreed either."

State gaming manager John Hansen did not return telephone messages for comment. But Han-

Please see Page B-3. PULL-TAB

# Regulators issue pull-tab permit to Fairbanks man

By BEN WEAR

1/8/92

JAMES WRITER

State gaming regulators have agreed to let Fairbanks pull-tab operator Ed Dilley go back into business and are softening their stance on an audit that said Dilley overcharged his non-profit clients.

Dilley, who was denied a 1992 gaming operator's license last week by the state Department of Commerce and Economic Development, was given a temporary permit Monday night, according to his Anchorage attorney, Darryl Thompson. Some of his Pop Shoppe outlets, which sell the cardboard slot machines, will open "in a day or two," Thompson said, as soon as Commerce completes the paperwork.

The state issued the temporary license following a several-hour meeting Monday with state gaming officials in which Dilley refuted the audit's conclusions, aided by a coterie of advisers, including Thompson, a Seattle attorney, a Fairbanks accounting professor and Dilley's certified public accountant.

Dilley was incensed when details of the audit were published last month, including allegations that he had overcharged by \$810,000 the charitable groups

whose gambling he runs. Gaming statutes allow operators such as Dilley to deduct from the money they pass on to their non-profit clients "bona fide expenses reasonably necessary" to run the games.

That audit, and a separate Commerce investigative report, were the primary supporting evidence for the department's decision to pull Dilley's 1992 license. Dilley's gaming operations took in \$9.8 million in 1990, almost all of that from pull-tabs, and distributed \$380,935 to the 40 or so non-profit groups that hired him.

Hansen, on a break from the close-door Monday meeting, said that the \$810,000 obligation would be "substantially reduced," based on documentation of expenses provided by Dilley. Hansen would not be more specific Tuesday, saying that Dilley has to provide still more documents before his staff can calculate a revised estimate of what Dilley owes.

Both Hansen and Thompson took pains to be diplomatic about the haggling over the audit.

"I think both sides are being reasonable," Thompson said. "Any remaining issues, we'll go to a hearing officer and have her resolve them."

## Gaming officials to release audit on pull-tab salesman

ASSOCIATED PRESS

FAIRBANKS -- State gaming officials say they will release an audit Tuesday that details their complaints about pull-tab salesman Ed Dilley, after they meet with Dilley today.

The state alleges that Dilley, a Fairbanks businessman, failed to pay enough money to the non-profit groups that hired him as a fund-raiser.

The findings in a state report led officials to deny a 1992 pull-tab operator's license to Dilley, who until Jan. 2 was the state's largest pull-tab vendor.

John Hansen, of the state Department of Commerce and Economic Development, said some portions of the report that have become public to date have been "proposed findings."

The report on Dilley's operation cannot be released until after officials meet with him today.

The proposed findings say Dilley, who last week shut down eight Pop Shoppes, including two in Fairbanks, withheld \$810,000

from charities and non-profits in 1989 and 1990.

At least 10 Fairbanks-area agencies hired Dilley to raise money for them during those two years: Festival Fairbanks '84, Interior Building Association, Fairbanks Amateur Hockey Association, Fairbanks Youth Soccer Association, Chena Kiwanis Club, Northstar Little League, Fairbanks Little League, North Star Dance Foundation, Alaska Gold Kings Inc., and North Pole Rotary.

Several groups have said they were pleased with the service Dilley provided. However, the Gold Kings are suing Dilley, alleging he stole money from the hockey team.

Dilley on Friday issued a letter to non-profit groups, saying he has conducted games "at the highest level of honesty" and has been subjected to "lies and slander that would shame the CIA."

He supports gaming reform but the state is trying to end all gaming, he said in the letter.

# Pull-tab operator gets license back

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THE ASSOCIATED PRESS/THE JUNEAU EMPIRE

**FAIRBANKS** - Pull-tab game operator Ed Dilley has been granted a temporary state license pending an ongoing review of his operations, less than a week after officials denied him a license because of alleged financial violations.

Dilley, who owns eight pull-tab shops statewide including The Pop Shoppes in the Nugget and Mendenhall malls in Juneau, says he plans to be back in business soon.

The state issued a temporary operator's license after a meeting Monday between Dilley and state officials.

Gaming in Alaska, including bin-

go and pull-tab sales, is conducted under permits issued to non-profit groups. The charities then may contract with for-profit operators, such as Dilley, to manage the fund-raising games.

Dilley's pull-tab license expired Jan. 1.

In December, the state turned down Dilley's application for the 1992 renewal of his operator's permit, following a state investigation and audit of his expense and deduction practices.

The audit alleges that Dilley improperly withheld more than \$800,000 from charities in 1989 and 1990.

The draft audit - which was the subject of Monday's hearing - remains confidential. Hansen earlier had told the Fairbanks Daily News-Miner that the audit would be released Tuesday.

But assistant attorney general Gary Amendola said the audit would not be released this week. "We had our meeting and based on that we're going to make some adjustments. I expect that will take up to a week," he said.

"It was a worthwhile exchange of information about methodologies and for determining appropriate expenses in Ed Dilley's operation. We had a frank discussion about those

expenses," Amendola said.

Dilley, a 48-year-old former contractor, has become the state's largest pull-tab operator, annually marketing \$10 million worth of game tickets through eight Pop Shoppe outlets in Fairbanks, Anchorage, Juneau and Nome.

"I have posted additional bonding until the state is fully satisfied with the results of our talks," Dilley said in a prepared statement Wednesday.

"Both myself and the state wish to minimize any losses to non-profits during this week and expedite the opening of the Pop Shoppe stores," the release said.

# Report blasts pull-tab vendor

By BEN WEAR

TIMES WRITER

1/11/92  
A state investigation says Fairbanks gambling operator Ed Dilley broke his word to state regulators last year by continuing to sell pull tabs through bars, liquor stores and video stores after agreeing to stop the banned practice.

Dilley broke gaming rules 530 times from January 1989 to July 1991, according to the several-hundred-page report by state Department of Commerce and Economic Development gaming investigator William Casselman.

Dilley, 48, continued to use so-called "third-party vendors" to sell the tabs, months after state Attorney General Charles Cole banned the practice, despite nearly having his license suspended last summer. The report also says Dilley charged all of the rent in his Pop Shoppe stores to the non-profit groups who hired him, even though T-shirts, pool tables, hot dog stands, and other sales items occupied as much as 90 percent of the space.

The state issues gambling permits only to non-profit groups but allows

The report also says Dilley charged all of the rent in his Pop Shoppe stores to the non-profit groups who hired him, even though T-shirts, pool tables, hot dog stands, and other sales items occupied as much as 90 percent of the space.

them to hire operators such as Dilley to run the games. Operators are allowed to charge their clients for "reasonably necessary" expenses.

Casselmann wrote in the report, prepared last fall after a four-month investigation, that Dilley charged his clients more than he actually paid for some expenses. He cited one case where Dilley paid \$3,600 to rent space in a Nome liquor store to sell pull tabs and then charged his clients \$20,000. Dilley charged a Fairbanks soccer team \$2,000 a week for management and bookkeeping, records in the report show.

The report contains comments from several non-profit groups accusing Dilley of charging them unreasonable expenses, treating them rudely

and withholding information.

"Dilley's business has become such a large operation he appears to have lost the capability of controlling" it, Casselman wrote. "Also... Dilley displays a total disregard for the gaming program management and the elected officials governing the program."

A section of the report, titled "Dilley's Communications," recounts numerous letters and phone calls laced with insults and profanity by Dilley. A Jan. 24, 1991, letter from Dilley to Commerce Commissioner Glenn Olds, for instance, said that most lawyers on the attorney general's staff "would not make a pimple on a good paralegal's a—."

Casselmann concluded Dilley's operator's license should be revoked.

Dilley's attorney Darryl Thompson said Friday that the culprit is confusion, not his client.

"The reform act is a new law and may not clearly direct reporting requirements," Thompson said. "We are working with the state in good faith."

The report also contains a half-page on the criminal history of Dilley, the state's leading pull-tab vendor. Most of that section was blacked out at the request of Dilley's lawyer. What remains says only that Dilley was convicted of an unnamed crime in Oregon, sometime around 1973, without saying if it was a felony or a misdemeanor.

Under state gaming law, a person with a felony conviction cannot obtain a gaming license if the conviction, prison time or parole occurred within the past five years. Violation of any gambling law or conviction on a crime "involving theft or dishonesty" also makes a person ineligible for a gaming license.

Dilley's conviction did not fall within those categories, the report said.

Thompson was asked what the

See Report, back page

# Report

Continued from page B1

criminal conviction involved.

"It's irrelevant," Thompson said. "If you need to, you can get it from the state of Oregon."

The investigative report is distinct from a state audit that generated a wave of bad publicity for Dilley in recent weeks.

Dilley has admitted that the audit, still being withheld from the public, accuses him of withholding \$810,000 that should have gone to his clients in 1989 and 1990, but he vehemently rejects its conclusions.

The audit and the investigative report convinced officials to revoke Dilley's 1992 license late

last month, leading him to charge that he had been convicted without a trial. On Jan. 6, Dilley and his advisers met with regulators behind closed doors for several hours, discussing the audit.

Dilley was given a temporary license that evening, pending more negotiations. Gaming manager John Hansen and Thompson publicly put an amicable face on the talks.

Dilley did not, however.

His defiant comments in a published report earlier this week, claiming the state made such a mess of the audit that the charities actually owe him money, nearly waylaid the negotiations. He also was quoted as saying the state had backed away from all but three violations in the investigative report.

Dilley's candor violated an agreement to keep the media in the dark about the negotiations. State officials, angry at what they say were false statements, demanded a retraction from Dilley.

Thompson sent reporters a prepared statement on the mat-

ter.

"Recent comments attributed to Mr. Dilley are not accurate as to what Mr. Dilley stated, nor are they an accurate portrayal... of the ongoing negotiations between Mr. Dilley and the Department of Commerce," the statement said.

# Hickel seeks rules giving charities 40 percent pull-tab profits

By BEN WEAR  
TIMES WRITER

Gov. Walter J. Hickel ordered his Commerce commissioner Monday to resubmit rules cracking down on pull-tab operators, regulations that Lt. Gov. Jack Coghill had refused to sign.

The rules, first suggested by Commerce and Economic Development Commissioner Glenn

Olds last summer, would require operators — contractors hired by non-profit groups to run their gambling — to give the charities at least 40 percent of the money left after bettors are paid. The current minimum payout is 15 percent.

"I don't think Alaskans want gambling as an industry in their state," Hickel said in a prepared statement. "However, bingo and

pull-tabs are generally accepted as a way of helping support charitable causes. I want to make sure that the money from those operations goes to the people who really need it."

Gaming revenue has exploded by 300 percent since 1985 to \$188 million, fueled by the increased use of operators by charities. But the charities' actual take has gone up just 40 percent. Regulators be-

lieve the operators are overcharging their non-profit clients for business expenses.

The Commerce regulations also would limit the payout on a pull-tab to \$500 and prohibit selling the miniature cardboard slot machines to someone who is drunk. Coghill said earlier this month that reserving 40 percent for charities would drive operators out of business and ultimate-

ly result in the non-profit groups getting less money. Coghill announced he's writing legislation to deregulate operators completely.

Hickel's move is a further repudiation of Coghill, who lost his authority last Friday to pass on regulations from state departments. Despite the close timing of the two events, at least one high-ranking administration official said Coghill's gaming stance isn't

the whole story.

"The letter (Hickel) wrote to the commissioners indicated that several of them have asked about" Coghill's authority over rules, Commerce Deputy Commissioner Larry Galloway said. "The gaming issue is sensational because it deals with so much money and it has the attention of the press. But I don't think it's a one-item deal."

# Coghill: Hickel breaking promises

By JAY CROFT AT 12-31-91  
TIMES WRITER

Lt. Gov. Jack Coghill, "hurt and disappointed" by Gov. Walter J. Hickel taking away special regulatory powers, lashed out Monday at Hickel and top administration officials Coghill said have cut him out of decision-making circles.

"I am shocked that the governor has

■ Proposal requires pull-tab operators to pay charities 40 percent. A9.

■ Fairbanks plan would give some revenues directly to residents. B1

taken this action," Coghill said in a statement. "The governor's action effectively dissolves the Hickel/Coghill team by go-

ing back on another promise that was made when Wally joined the campaign."

But, Coghill said in an interview, he has no intention of resigning. "That would play right into their hand," he said about Hickel, chief of staff Max Hodel and others.

Hickel last week stripped Coghill of authority to accept, reject or amend state

regulation proposals.

Hickel had given the powers in April and took them back after complaints from Cabinet members and advice from the attorney general.

Hickel spokesman John Manly said Hickel does not want Coghill to step down.

"Of course not," Manly said. "He

wants him to continue to be part of the team.

"I think he (Coghill) tends to overreact sometimes."

Coghill said Hickel had promised him the power to veto commissioners during their campaign last year, an increase from the lieutenant governor's stated du-

See Coghill, page A9

# Coghill

Continued from page A1

"The sad thing is that, without an elected official's review of regulations, the runaway bureaucracy that was here before us will continue to run this state," he said.

Hickel also has not kept promises to cut the budget, encourage teamwork among commissioners, solve the years-long subsistence crisis or oppose federal handling of wetlands management, Coghill said.

He plans to become an "inside advocate" to ensure Hickel follows through on those pledges.

Coghill said he was particularly upset that Hickel did not tell him of the change.

"When he did that to me without even talking to me ...," Coghill said, his voice raising and then falling off. "Wally Hickel never even said 'boo' to me. He sent Max Hodel.

"I'm not mad. I'm just disappointed," Coghill said. "It's strictly a political power play on the part of Max Hodel."

Hodel issued his own press release Monday in response to Coghill's.

"This has been an unmanageable process, bogging down the system," Hodel said. "The governor's action is not an effort to minimize the lieutenant governor's role but to expedite the process."

The administration's plans remain the same, Hodel said. "We are reviewing all procedures that can help streamline services to Alaska, and this step follows that direction."

He was sorry Coghill was "personally disappointed," Hodel said, and "I hope he will continue

"They, the people around the governor and the governor himself, have effectively taken me out of any policy position. I'm not crying spilt milk or anything. I'm just thoroughly hurt. I had my hopes that we would be a team. We campaigned on being a team."

— Lt. Gov. Jack Coghill

to be part of the team."

Coghill also blamed the switch on Glenn Olds, Commerce and Economic Development commissioner, with whom he ran afoul over proposed changes to regulating the state's charitable gaming industry.

Coghill sat on Olds' proposals from July until this month, when he recommended legislation largely contrary to Olds' ideas.

"It was the charitable gaming issue, I think, which prompted the governor to ask the attorney general for his opinion on this issue," Attorney General Charles Cole said Monday from Texas.

Cole urged Hickel to reverse his April order so regulations will go from the 15 executive departments to the Law Department for technical review and Coghill's office for filing.

"Once regulations have been adopted by a commissioner in accordance with statutory requirements, the lieutenant governor is required to file them as a ministerial act," Cole said.

"(Gaming) was not my principal concern," Cole said. "I felt that the procedures being employed by the lieutenant governor could possibly taint all regulations."

Hickel later Monday directed Olds to readopt the proposals, which would require pull-tab and bingo operators donate at least 40 percent of their net proceeds

to charity, up from 15 percent.

Olds was traveling out of the state and did not return a phone message. In a statement, though, he said he never disputed Coghill's authority.

"But when he told me he wanted to reverse policy calls made with the governor, I have urged him not to do it single-handedly, as he was apparently intending to do with the gaming regulations," Olds said.

Coghill denied "a power play on my part" and intentionally cutting out Olds, who was "so busy globe-trotting" he couldn't discuss the issue.

It was not the first time he rejected a department's proposal, Coghill said.

He rejected regulations from the Department of Natural Resources that would ban helicopters from Wood-Tikchik State Park in Southeast. The park's council voted to seek an audit into Coghill's authority.

He said Monday he would continue to refuse to sign proposals as he felt necessary.

Former Lt. Gov. Stephen McAlpine said he did so "many, many times" during his eight years in office.

McAlpine agreed with Coghill that an elected official should hold non-elected department workers accountable to public concerns. And he said he urged Hickel months ago to appoint

someone to oversee regulations.

"The lieutenant governor is in a perfect position," McAlpine said. "No. 1, the regulations have to go there anyway. And No. 2, he is elected."

Still, McAlpine said he tried to keep conflicts behind closed doors.

A battle between Hickel and Coghill, he said, is one neither can win. "At some point, they have to sit down and make the peace."

Hickel yanking Coghill's regulatory powers is the latest example of the deteriorating relationship between the state's top two elected executives, friends for 40 years.

"I would say it's been eroding," Coghill said.

While Hickel was in Asia in October, Coghill blasted two former Hickel aides — special assistant James Rockwell and press secretary Eric Rehmann, who both resigned this month — for having undue influence with the governor and for being too public. Then Hickel, Rockwell and Olds fired back their own shots at Coghill, none mincing words in the press.

Since then, "a series of events" has further distanced him from Hickel, Coghill said.

He attributed the growing split to Hickel's appointment of legislative liaison Paul Fuhs over

Bruce Geraghty, Coghill's former chief of staff; preparation of the governor's budget which "I didn't have anything to do or say with;" and Hickel's naming former Labor Commissioner Nancy Bear Usera to run the Administration Department without consulting Coghill.

"They, the people around the governor and the governor himself, have effectively taken me out of any policy position,"

Coghill said. "I'm not crying; spilt milk or anything. I'm just thoroughly hurt. I had my hopes that we would be a team. We campaigned on being a team."

Coghill said he still had not talked with Hickel, despite trying to reach him over the weekend.

Instead, Coghill said he will wait for Hickel to return to Juneau this week, "and then I'll ask for an appointment with him."

# Hickel takes regulation veto from Coghill

By LARRY PERSILY

THE JUNEAU EMPIRE

12/31/91  
Lt. Gov. Jack Coghill, who has been stripped of his powers to veto proposed state regulations, says the move is another example of the governor's broken campaign promises and "effectively dissolves the Hickel-Coghill team."

Coghill said today, "He (Gov. Walter J. Hickel) took this action without ever talking to me. He never talks to me."

Hickel last week rescinded Coghill's powers to review, approve or reject proposed state-agency regulations. Coghill said it had been his job to apply the administration's "litmus test" to proposed regulations, to ensure that they followed the Hickel-Coghill campaign promise of less government interference.

"I'm more disappointed and hurt than I am mad," said Coghill, who said he wants an "eyeball-to-eyeball" meeting with the governor when he returns to Juneau.

"Hell no, I'm not going to resign," the lieutenant governor said. His future role in the administration will be as an "inside advocate ... to push Wally's administration to honor the commitments we both made."

Hickel was in Anchorage this

morning and is not due back to Juneau until Thursday evening.

Coghill in part blamed Hickel's chief of staff, Max Hodel, for his loss of regulatory review powers. "The whole third floor since we've taken office has been a show of politics, mostly by Max Hodel."

Hodel this morning released a prepared statement: "The governor's action is not an effort to minimize the lieutenant governor's role, but to expedite the process. I am sorry Jack is personally disappointed that the change has been made."

The governor rescinded Coghill's authority Thursday, following complaints from cabinet members and advice from the attorney general.

In April, Hickel gave Coghill expanded powers over the adoption of state regulations, allowing the lieutenant governor to challenge the work of the governor's commissioners.

It is the Legislature's job to set policy and the role of state agencies to adopt regulations to carry out those policies, Coghill said. "(But) they (the agencies) go beyond procedural matters and really get into policy matters. The commissioners do not read those things (proposed

Please turn to Coghill, Page 8

## Coghill...

Continued from Page 1  
regulations). Some underlings stick them under their nose and away they go."

Some lawmakers said it probably was unconstitutional for Hickel to grant Coghill such regulatory review powers.

Hodel said today the attorney general's office determined that Coghill's new powers were not appropriate.

"This has been an unmanageable process, bogging down the system," Hodel said.

Commissioners are required to submit their proposed regulations for final review by the lieutenant governor's and attorney general's offices, and under past administrations the lieutenant governor's office exercised much less control than Coghill had this year.

Hickel's two-paragraph memo to Coghill last week said, "In the future, your office will continue to perform the ministerial duties of endorsement and filing of regulations. ..."

Coghill blamed Commerce Commissioner Glenn Olds for persuading Hickel to rescind his regulatory powers. He said Olds and others had told the governor "that I've been interfering with their duties, and I've not."

The lieutenant governor said he gets no respect from Olds, who he accused of "junketing all over the world."

Olds is on vacation in Florida this week. He did not return a phone call this morning.

One of the top-level policy dis-

agreements apparently prompting the change involved the state's \$200 million-a-year charitable gaming industry. Olds had approved regulations in July that would have limited the amount of expenses operators could claim, in effect guaranteeing a larger take for the charities.

Existing state law says charities must receive at least 15 percent of the take after prizes, but the regulations would have raised that to 40 percent.

Olds also wanted to prevent bartenders from selling pull-tabs to people who were drunk.

But Coghill delayed acting on the regulations, saying he wanted to regulate the non-profit charities, not the for-profit operators hired by the charities.

Under Coghill's plan, charities would be responsible for policing the vendors they hire to sell their pull tabs or other fund-raising games.

Some in the fund-raising industry, though, said Coghill's plan might shift too much responsibility on the shoulders of the charities.

Coghill also said earlier this month he would introduce legislation next year setting the minimum take for charities at between 5 percent and 25 percent, depending on the type of game.

His proposed legislation also would allow convenience stores and bars to sell the fund-raising games on behalf of charities, reversing a January ruling from the attorney general's office.

"The problem with the gaming process is over the past three or four years we've tried to micro-manage it ... rather than take a look at what government's role really is," Coghill said.

The governor has made gaming

reform a priority of his administration, and in the past has expressed displeasure that the charities have not earned more from the growth of the industry.

Hodel said Hickel would make a "major announcement regarding charitable gaming" later today.

Hickel spokesman John Manly said rescinding Coghill's regulatory powers had more to do with the attorney general's advice than the pull-tab issue.

Coghill, however, pointed to another regulatory debate that he said probably added to his problems within the administration. Earlier this year he had rejected Department of Natural Resources regulations to ban helicopters from Wood-Tikchik State Park in Southeast Alaska, prompting a majority of the park council's members to vote for an audit into his authority to block the regulations.

"I said you don't ban, you regulate," Coghill said today.


"The sad thing is that, without an elected official's review of regulations, the runaway bureaucracy that was here before us will continue to run this state," he said.

Coghill said other campaign promises broken by Hickel include cutting the budget, solving the state's subsistence battle with the federal government, challenging restrictive federal management of wetlands development and forcing commissioners to work as a team with the administration.

Coghill left the Republican Party last year to run with Hickel on the Alaskan Independence Party ticket. The last-minute campaign team won the election on an anti-government interference and pro-development platform.

## Anchorage Daily News

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Katherine Fanning, Editor and Publisher 1971 to 1983  
Lawrence Fanning, Editor and Publisher 1967 to 1971  
Founded in 1948 by Norman C. Brown

## Pull-tab politics

### *Bad ideas make for bad bills*

Here's a bill that hasn't been written yet but deserves the trash can when the ink dries.

Lt. Gov. Jack Coghill, dissatisfied with the way the state regulates bingo and pull-tab lottery games, says he's going to introduce legislation that deregulates a major part of the state's gambling industry. In Alaska, legalized gambling is confined to games conducted on behalf of charities.

*Once upon a time Americans thought gambling was a tool of the devil. Not any more. In 1989, Americans spent about as much on legal and illegal gambling as they did on the defense budget — \$290 billion dollars.*

If the Coghill bill passes, charities would have to regulate themselves, and so-called third-party vendors — for example bars and restaurants — could begin unregulated, unlicensed pulltab sales. Third-party vendors can't sell pulltabs at all now under a January interpretation of the law issued by Attorney General Charlie Cole.

Once upon a time Americans thought gambling was a tool of the devil. Not any more. In 1989, Americans spent about as much on legal and illegal gambling as they did on the defense budget — \$290 billion dollars.

Here in Alaska, charitable gaming has become a \$200 million industry. Think for a moment. What other \$200 million industry would we allow to operate with a minimum of scrutiny? What other state would tell gamblers to do their thing as if the honesty and integrity of the game were a matter of indifference to state officials?

A self-policing charitable gaming industry is a contradiction in terms. Alaskans would be making a bad bet by following Jack Coghill. Poorly regulated or unregulated gambling is a sure thing to go wrong — and create devilish trouble for everyone.

# Charities are losers after Coghill blocks pull-tab rule change

The Associated Press

12/15/91

JUNEAU — A disagreement between Lt. Gov. Jack Coghill and Commerce Commissioner Glenn Olds has blocked new regulations that would have increased the share of profits that charities reap from pull-tab lottery sales.



Coghill

With Coghill's decision to block the regulations, it will be up to the legislature to try to resolve the issue next year.

Regulations approved by Olds in July would have capped the amount of expenses claimed by lottery operators, set a \$500 limit on the top prize in pull-tab games and prohibited bartenders from selling pull-tab tickets to drunks.



Olds

Olds had said the limit on allowable expenses would return more of the profits from charitable gaming to charities. Only non-profit groups may be licensed for pull-tab or bingo games, but many charities hire for-profit operators to run the games.

The gaming industry said the new rules would put many operators out of the gaming business and hurt the charities.

The sticking point is the expense cap, which would limit charities and operators to claiming 60 percent of the proceeds for expenses after prizes are paid out. The remaining 40 percent would have to go to the charities.

Charities now are required to receive a minimum of 15 percent of the take after prizes.

Coghill does not approve of the new cap, according to memos from his office. He has declined to sign the new regulations for five months.

Neither Olds nor Coghill returned phone calls for comment Friday.

Please see Page B-3, PULL-TAB

## PULL-TAB: Rules blocked

Continued from Page B-1

Gov. Wally Hickel in April gave Coghill the authority to block proposed regulations that don't fit the administration's agenda. The new power was sharply criticized by legislators.

"I think these regulations of Olds will die a natural death because Coghill is going to keep them locked up," said Roger Cunningham of Wasilla, a gaming industry representative.

Coghill said in a Sept. 4 memo to Joe Holbert, Hickel's deputy chief of staff, that the limits would put many pull-tab operators out of business.

Lawmakers failed to agree on reforms of the state's gambling laws last session. The issue was the last one considered and led to a rare filibuster on the House floor in the final hour before adjournment.

Hickel had asked lawmakers for a bill granting a greater return of profits to charities. After lawmakers failed to do that, Olds drafted regulations that would do the same thing.

The business of bingo, pull tabs and other charita-

ble gaming has grown into a \$200 million industry in Alaska over the past decade, according to a state report. But the percentage of the take returned to charities has steadily declined.

In 1990, gambling generated almost \$188 million in gross income and charities received \$14.6 million, or 8 percent, of the total. Five years before, the industry generated almost \$64 million in gross income and charities received about \$8.7 million, or 14 percent.

In an Oct. 28 memo to Attorney General Charlie Cole, Coghill said he and Olds had agreed to remove the offending provision on allowable expenses. But John Hansen, state gaming manager, said Olds never signed a memo directing state lawyers to remove that provision.

Coghill has asked the Law Department to help draft new legislation that would change the way charitable gaming is run in the state.

Marco Pignalberi, chairman of the Coalition for Non-Profit Gaming in Anchorage, said the industry also is working on new legislation for the session, which begins Jan. 13.

# Hike in charity's share of pull tabs is blocked

## Coghill stops Olds reforms; buck goes to Legislature

ASSOCIATED PRESS

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## Gambling

Continued from page A1

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Lawmakers failed to agree on reforms of the state's gambling laws last session. The issue was the last one considered and led to a rare filibuster on the House floor in the final hour before adjournment.

Hickel had asked lawmakers for a bill granting a greater return of profits to charities. After lawmakers failed to do that, Olds drafted regulations that would do the same thing.

The business of bingo, pull tabs and other charitable gaming has grown into a \$200 million industry in Alaska over the past decade, according to a state report. But the percentage of the take returned to charities has steadily declined.

In 1990, gambling generated almost \$188 million in gross income and charities received \$14.6 million, or 8 percent, of the total. Five years before, the industry generated almost \$64 million in gross income and charities received about \$8.7 million, or 14 percent.

In an Oct. 28 memo to Attorney General Charles Cole, Coghill said he and Olds had agreed to remove the offending provision on allowable expenses. But John Hansen, state gaming manager, said Olds never signed a memo directing state lawyers to remove that provision.

Coghill has asked the Law Department to help draft new legislation that would change the way charitable gaming is run in the state.

Marco Pignalberi, chairman of the Coalition for Non-Profit Gaming in Anchorage, said the industry also is working on new legislation for the session, which begins Jan. 13.

# Coghill kills pull-tab regulations

By DIRK MILLER

12-13-91

THE JUNEAU EMPIRE

A disagreement between Lt. Gov. Jack Coghill and Commerce and Economic Development Commissioner Glenn Olds has blocked new rules that would have upped the share that charities reap from the sale of pull-tab games.

With Coghill's decision to block the regulatory changes, it appears the issue will go back to the Legislature next year.

Tough regulations approved by Olds in July would have capped the amount of expenses claimed by game operators, set a \$500 limit on the top prize in pull-tab games and prohibited bartenders from selling pull-tab tickets to drunk customers.

Olds had said the limit on allowable expenses would return more of the profits from charitable gaming to charities.

Though only non-profit organizations may receive a state license for pull-tab or bingo games, many charities hire for-profit operators to run the games.

The gaming industry, however, said the rules would put many people out of the gaming business.

The sticking point was the expense cap, which would limit charities and operators to claiming 60 percent of the proceeds for expenses after prizes are paid out. The remainder would have to go to the charity or non-profit organization.

Currently, charities are required to receive a minimum of 15 percent

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The business of bingo, pull tabs and other charitable gaming has grown into a \$200 million industry in Alaska over the past decade. But the percentage of the take returned to charities has steadily declined.

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of the take after prizes.

Coghill apparently did not approve of the cap, according to memos from his office. He has held off signing the new regulations for the past five months.

Gov. Walter J. Hickel in April gave Coghill the authority to block proposed regulations that don't fit the administration's agenda. Though the new powers were criticized by legislators, they have not been overturned by Hickel.

"I think these regulations of Olds will die a natural death because Coghill is going to keep them locked up," said Roger Cunningham of Wasilla, an industry representative.

Cunningham supplies gaming products to non-profits and operators. Cunningham has said the cap would damage the industry.

Neither Olds nor Coghill returned phone calls today to the Empire.

Coghill said in a Sept. 4 memo to Joe Holbert, Hickel's deputy chief of staff, that the limits would put many pull-tab operators out of business.

Rep. Dave Donley, D-Anchorage, said the disagreement in the Hickel administration is understandable. Donley was one of several lawmakers who proposed changes to the state's charitable gaming law last session. Lawmakers failed to agree on reforms pushed by the Hickel administration the last day of the session.

Hickel had pushed lawmakers for legislation granting a greater return of the profits to charities. After lawmakers failed to do that, Olds drafted regulations with a similar effect.

The business of bingo, pull tabs and other charitable gaming has grown into a \$200 million industry in Alaska over the past decade, according to a state report. But the percentage of the take returned to charities has steadily declined.

In 1990, gambling generated almost \$188 million in gross income and charities received \$14.6 million or 8 percent of that total. Five years before, the industry generated almost \$64 million in gross income and

charities received about \$8.7 million or 14 percent.

More than 900 non-profit organizations last year held permits allowing them to engage in bingo and pull-tab operations.

In an Oct. 28 memorandum to Attorney General Charlie Cole, Coghill said he and Olds had agreed to remove the offending provision on allowable expenses. But John Hansen, the state's gaming manager, said Olds never signed a memo requesting that the state's lawyers remove that provision.

Gary Amendola, an assistant attorney general, also said there apparently had been an agreement between Coghill and Olds to drop the expenses section.

"He (Coghill) returned the regulations to the Department of Law in anticipation that Department of Commerce would send over a memo to amend (the regulations)," Amendola said. "I also understand that so far that memo has not been sent."

Meanwhile, Coghill has asked the Department of Law to work with him on drafting new legislation that would change the way charitable gaming is run in the state. The issue is expected to come before lawmakers in the session that begins Jan. 13.

Marco Pignalberi, chairman of the Coalition for Non-Profit Gaming in Anchorage, said the industry is also working on new legislation for the coming session.

# Commission on pull tabs requested

## Charities want panel to investigate Commerce's new gaming rules

By JOHN FOLEY

TIMES WRITER

Non-profit gambling organizations, claiming they have been victimized by governmental sleight-of-hand, have requested a state commission be formed to examine the issue closer.

Rosalie Nadeau, co-chairwoman of the Coalition for Non-Profit Gaming, said Monday that many organizations throughout the state selling pull tabs will be hurt by regulations approved last week by Commerce Commissioner Glenn Olds.

The regulations require charities receive 40 percent of the adjusted gross income from sales of pull tabs, with 60 percent going to expenses. Charities were required to receive 15 percent of the income, with 85 percent going to expenses.

"Those organizations which conduct the gaming themselves are not able to live with the regulations as signed by the Commissioner," Nadeau said. "Those organizations who

choose to conduct gaming through the use of an operator will find that their operator can no longer afford to do business.'

Typically, buyers pay between 50 cents and \$2 for a pull tab and tear off strips in search of matching symbols to win prizes.

Although 15 percent of the income does not sound like much, Nadeau said that kind of net-profit is excellent. "When you consider the cash investment of the charitable organization is almost nothing," she said, "the rate of return is phenomenal."

Reached Monday in Cambridge, Mass., Olds said he implemented the regulation to "de-accelerate" the pull tab profits going to gaming, which he said were abusing the law. Those who disagree with the regulation can lobby legislators to change the law, he added.

House Speaker Ben Grussendorf said the gaming issue has been examined by the House and Senate and there is no need to form another commission. If so desired, the judiciary and labor and commerce committees could hold public hearings on the issue,

he added.

Nadeau and the non-profit gaming coalition argue that Gov. Walter J. Hickel's administration is using the issue to sweep all forms of gambling out of the state.

"The administration is not dealing in reality when it comes to this issue," she said. "Wally Hickel would like to do away with gaming in Alaska, charitable or otherwise."

In agreement was Katy Middleton, executive assistant at The Monroe Foundation in Fairbanks, which uses pull tabs to raise funds for schools. Last year the games provided \$75,000 for the educational needs of Monroe Catholic High School and Immaculate Conception Grade School, she said.

"No one knows what's going on with the regulations," she said. "We just don't know what is going to happen."

Other organizations in the state that use pull tabs to raise money for charities are People Count Inc. in Nikiski and The Alaska Mental Health Association in Anchorage.

■ **SEARCH:** Hunter missing / D-2

■ **TROUBLESHOOTER:** Seeking band music / D-3

■ **FORUM:** Readers write / D-7

# METRO

THURSDAY

SECTION **D** March 21, 1991

## Pull-tab law revision dismays charities

By **MATT KOHLMAN**  
The Associated Press

JUNEAU — The latest revision of the state's pull-tab lottery regulations will do little to ease the hardship faced by charitable groups that depend on lottery income, the groups' representatives said Wednesday.

Under the revised regulations, bars, restaurants, grocery stores and other third-party vendors can sell pull-tab lottery tickets as long

as they receive no compensation.

An emergency regulation passed in mid-January says the vendors can only rent space to charitable groups licensed to sell pull-tabs.

The revision allows the vendors to donate their space and time, said Assistant Attorney General Gary Amendola. "We'll find out how benevolent retail organizations want to be," he said.

In a news release on the change, Gov. Wally Hickel said he has

always opposed gambling. He added, however, that "as long as the state permits the sale of pull-tabs, the state also should ensure that all the profits from their sales reach the charities."

But Roger Cunningham, co-chairman of the Coalition for Non-Profit Gaming, said the ruling basically provides no change.

"This latest round of interpretations is not a large help to non-profits," he said. "Walter Hickel

did not become a millionaire by giving his services away for free, and that's precisely what he's asking merchants to do here."

The revision is a "non-story," said former Attorney General Ed Boyko, the coalition's attorney.

"The bottom line is they haven't fixed anything," Boyko said. "The problem is pressing, the charities are going broke and nobody cares."

"Who's going to donate? It's a grandstanding routine to make the

people believe the governor cares about the plight of the charities."

That plight started in December when Attorney General Charlie Cole banned the sale of pull-tabs in unlicensed outlets.

State law requires operators to have licenses, but the law was not enforced until this year. There were only 25 licensed operators in the state at the beginning of the

Please see Page D-3, **PULL-TABS**

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## **PULL-TABS: Charities irked**

Continued from Page D-1

year, according to the state Division of Occupational Licensing, which oversees charitable gaming.

Regulations say licensed operators must pay charities at least 15 percent of adjusted gross sales after prizes are paid to pull-tab buyers. Third-party vendors faced no such requirements and made separate arrangements with individual charities.

Critics said the vendors increasingly charged charities for selling pull-tabs and made charities bid for space.

The ban and subsequent emergency modification sought to end that practice, state officials said. It should provide charities with a greater share of the proceeds, Amendola said.

But Cunningham said there was no evidence of widespread abuse. He said charities have lost an important money-producing outlet under the regulation.

"One hundred percent of nothing is nothing," he said.

# Fever over lotteries cooling, states find

By FRED BAYLES  
The Associated Press

When Gov. Ann Richards opened a special session of the Texas legislature last week, she urged lawmakers to support a state lottery to help with a multibillion-dollar deficit.

"It is the rarest of all creatures," she said, "a popular way to generate revenue."

But officials in Texas — and Louisiana where a lottery begins this fall — may be taking a bigger gamble than they think.

State-run lotteries are no longer a sure bet.

In the fiscal year just ended, seven of the lotteries operating in 31 states and the District of Columbia made less than they did the previous year, the first time many

Please see Page C-5, FEVER

## FEVER: Lotteries no panacea, states increasingly finding

Continued from Page C-1

saw lottery revenues fall. Revenues of six others were flat. Still others see bets drying up this year: in New York, betting is down 10 percent.

The explanations are many. A weak economy; the Gulf war; competition from other games. "With the banking crisis and the war, we're a little behind," said Peg Rose, a spokeswoman for the Rhode Island Lottery Commission.

But some see more long-term reasons. Public interest, they say, is flagging. In some cases the games have reached a saturation point.

"It's going to take some fairly dramatic change in the way they are doing tickets or

some significant new product," said Duane Burke of the Public Gaming Research Institute.

**NYSSE**

Police spokesman Mel Personett said the boy first broke into APEX Appliances, a nearby store, and stole tools used to break into the liquor store. No damage estimate was available for the appliance store, but the break-in at the liquor store caused \$300 damage, Personett said.

The boy was lodged at the Johnson Youth Center after being charged with second-degree burglary, third-degree theft, third-degree criminal mischief and minor consuming alcohol. The boy, whose name was not released because he is a minor, may have been accompanied by a second juvenile, Personett said. The case is under investigation.

\*\*\*\*\*

**Community senior citizens conference Saturday:** Juneau senior citizens will consider resolutions on issues affecting the elderly and elect delegates for a statewide conference when they meet in a community forum Saturday at the assembly chambers. The forum will run from 9 a.m. to 4 p.m. and is open to all senior citizens.

The Juneau Commission on Aging, in cooperation with other senior organizations, is sponsoring Saturday's forum in preparation for the Alaska Conference on Aging, to be held in Anchorage in April. Eleven Juneau delegates will be elected Saturday to represent the community at the statewide gathering in the spring. Delegates must be at least 55 years old.

Issues for Saturday's meeting include health and social services, senior rights, ethics and housing. Guest speakers include Al Borrego and Vicky Borrego of the University of Alaska Southeast. The Borregos served as co-authors on "The Golden Resource" in 1989, which compiled survey results on Juneau senior citizen needs and concerns. For more information on Saturday's meeting, people may call Larry Parker at 789-7261.

\*\*\*\*\*

**UAS offers grant-writing workshop:** First-time grant writers can take a grant-writing workshop from 9 a.m. to 11 a.m. Friday through the University of Alaska Southeast Small Business Development Center.

The session, scheduled at the Bill Ray Center downtown, is intended for novices and will focus on funding sources, differences between grants and contracts, and criteria for success. The workshop will be taught by Linda VanBallenberghe, who works as an educational specialist for the state office of adult and vocational education.

VanBallenberghe will present techniques for grant writers in both the private and public sector. There is a \$20 fee for the class, and people interested in attending should contact Audrey Accord at 463-3789.

## Alaska

**Moderate earthquake rattles Valdez:** A moderate earthquake measuring 4.4 on the Richter scale struck near Valdez in Prince William Sound today, the Alaska Tsunami Warning Center said. It was centered about 70 miles northwest of Valdez and struck at 3:17 a.m.

There were no immediate reports of damage or injuries, but the earthquake was felt by residents of Valdez, seismologist Bob Hammond said. It was the second earthquake in 24 hours in the Valdez area. An earthquake measuring 3.6 on the Richter scale and centered about 30 miles northwest of Valdez struck at 6:55 a.m. Monday.

Moderate to strong earthquakes are commonplace throughout Alaska.

\*\*\*\*\*

**Baby's death investigated in Anchorage:** Authorities are investigating the death of a baby found in a south Anchorage home with 14 other children at what police said was an unlicensed child-care operation.

Janis Knight, who ran the operation from the home, called authorities after the infant boy stopped breathing last Thursday. The child, born in September, died that afternoon at Providence Hospital. His name was not released by police.

Police officers who examined the home said they found babies throughout the house. Infants in car seats were found in the bathtub, in a closed closet and between the bed and wall in a bedroom. A license is required when people supervise more than four children not related to them, according to Gwen McAlpin, a licensing supervisor with the state Division of Family and Youth Services.

\*\*\*\*\*

**Gonzales confirmed for last House seat:** Republican activist Johnny Gonzales of Clear was sworn into a seat in the House today, filling the vacancy left by Dick Shultz's appointment to the Senate. House Republicans confirmed Gonzales late Monday, the first day of the 1991 legislative session.

Gonzales said he was unsure what was discussed in the GOP caucus, and was disappointed he was not sworn in Monday with the other House members. "I have the same question. What's the holdup? I figured the caucus would just fly through it."

Gov. Walter J. Hickel nominated Gonzales Friday. Shultz, R-Tok, was sworn into the Senate earlier this month to replace Jack Coghill, who was elected lieutenant governor last fall.

PULL TABS

By JULIA RUBIN

THE ASSOCIATED PRESS

**ANCHORAGE** - Parties on both sides of a dispute over unlicensed pull-tab sales said they will abide by a temporary state regulation until they can put the issue before the Alaska Legislature.

The temporary rule, issued last week, allows charities to lease space from unlicensed restaurants, bars and other "third-party vendors" to sell pull-tabs. Some charities worried about the rule's requirements that they have designated gaming areas in such establishments and that their own employees conduct the sales, among other concerns.

But on Friday, attorney Edgar Paul Boyko, who represents about 30 Alaska charities gathered in the Coalition for Non-Profit Gaming, told the group those fears were largely unfounded and that any such differences in interpreting the new rule had been ironed out for the meantime.

"The trouble with the emergency regulations is that they were effected without consulting any of the affected people. They created more problems than they solved," Boyko said.

He said the charities will seek a better solution from the legislature and that he saw no reason to seek legal action "unless (regulators) go to court and start harassing people."

Boyko called the temporary rule a complete reversal of the state's ban, ordered last October and effective since Jan. 1, on any pull-tab sales by unlicensed third-party vendors.

But John Hansen, gaming manager for the state Division of Operational Licensing, said the rule is a compromise that allows charities to continue operating while imposing some regulation on the unlicensed vendors.

"It sets certain limitations as to whom, where and how much people will be paid, but it is better than no activity at all," he said.

"What is now clearly understood is what the rules mean. I believe there was a lot of reaction that was unnecessary because people were interpreting this different ways."

The temporary rule lasts for 120 days and the state is taking written comment on it until April 1, Hansen said.

"Hopefully, the Legislature is going to be looking at the issue and making a determination about whether they want to have third-party vendors. There are several bills being drafted. If (the Legislature doesn't act), then we'll go to make these regulations permanent," he said.

Boyko told the charity operators to get leases and file for permits with the state, and continue operating as usual.



## Christmas memories

Bob Chernikof of Wallace and turn an estimated 400 Christmas enough gardening crew will volunteered its tree-chipping program, which was sponsored asked to hold out their Christmas up, and instead to bring them Creek for the recycling project coordinator, said a logo contenty's expanding recycling camp

## Settlement access to r

THE ASSOCIATED PRESS

**ANCHORAGE** - GCI has set a year-old lawsuit with a state utility group and won unrestricted access to the utilities' telephone rate-set meetings.

The agreement was approved by the long-distance telephone companies and officials of the Alaska Exchange Carriers Association, which represents 21 telephone utilities in the state.

"There were no winners and losers," said Jeffery Mayhook, attorney representing the Exchange Carriers Association.


The suit was initially filed in January 1990 when the carriers association excluded representatives of GCI from key meetings. GCI contented the meetings were an open forum cause the group was a "subordinate government unit" subject to Alaska Open Meetings Act.


However, Mayhook said his client was not ruled a government entity.

The Alaska Public Utilities Commission agreed with Mayhook's assertion and also said the utility group was exempt from the open meeting rule.

But during the lawsuit, the association opened its meetings, Mayhook said.

"It doesn't hurt ACEA," he said.

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16

DATE: 1/21/91

FURTHER: HESS

Date of 5-Day Notice: 1-23-92  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 1-28-92

L&C Committee considered SENATE BILL NO. 16

"An Act including public school employees in the Public Employment Relations Act as class (a)(3) employees entitled to a right to strike after advisory arbitration; and providing for an effective date."

and recommended:

- replace with \_\_\_\_\_ CS SB 16 (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) ADMIN  
SB & CS  
\_\_\_\_\_  
\_\_\_\_\_

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

Shirley Craft  
John M. Collins  
Kirk Halford  
J. K. ...  
[Signature]

OTHER RECOMMENDATIONS:

LEC CS FDP Same  
Φ FNs to SB & CS p. 1 - (Admin)  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Irue Raice - 10/23/91  
 Chair: Signature and Recommendation

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. SB 16

Revision Date: 1/21/92 Department Affected: Education  
 Title: An Act providing advisory arbitration for school employees prior to striking. BRU: K - 12 Support  
 Component: Foundation  
 Sponsor: Duncan  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

1	4	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: None to DOE. However, it could be considerable to districts.

ANALYSIS: (Attach a separate page if necessary.) The Department will provide technical assistance for the striking districts, contingent upon district reimbursement of travel and per diem. There will be no impact to the foundation program because funding is based on average daily membership (ADM) not the number of days in session. The impact of districts could be considerable, but undetermined, based on the length and nature of

the strike.  
 Prepared By: Mike Maher Phone: 465-2900  
 Division: Commissioner's Office Date: 1/21/92  
 Approved by Commissioner: Karen B. Chan for Jerry Covey  
 Agency: Education Date: 1/21/92

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

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. SB 16

Revision Date: \_\_\_\_\_ Department Affected: Education  
 Title: Act providing advisory arbitration for school employees prior to striking. BRU: \_\_\_\_\_  
 Sponsor: Duncan Component: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

--	--	--	--

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

POSITIONS:

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

Estimate of current year impact: none

**ANALYSIS:** (Attach a separate page if necessary.) The Department will provide technical assistance for striking districts, contingent upon district reimbursement of travel and per diem. There will be no impact to the foundation program because funding is based on average daily membership (ADM) not the number of days in session. The impact to districts could be considerable, but undetermined, based on the length and nature of the strike.

Prepared By: Harry Gamble Phone: 465-2300  
 Division: Commissioner's Office Date: 10/31/91  
 Approved by Commissioner: Jerry Covey, Commissioner  
 Agency: Education Date: 10/31/91

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO : SB 16

Revision Date: \_\_\_\_\_  
Title: "An Act Including public school employees in the Public Employment ... Act..."  
Sponsor: Senators Duncan, Zharoff  
Requestor: Senate Labor & Commerce

Department Affected: Labor  
BRU: Commissioner's Office  
Component: Ak Labor Relations Agency  
COMPONENT SERIAL NO. 1200

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	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jan DeYoung, Hearing Examiner Phone: 264-2887  
Division: Ak Labor Relations Agency Date: 10/29/91

Approved by Commissioner: John Abshire Date: 10/29/91  
Agency: Department of Labor

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

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. SB 16

Revision Date: \_\_\_\_\_  
 Title: Act providing advisory arbitration for school employees  
prior to striking.  
 Sponsor: Duncan  
 Requestor: \_\_\_\_\_

Department Affected: Administration  
 BRU: Labor Relations  
 Component: Labor Relations

COMPONENT SERIAL NO. 

0	0	5	8
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	12.0	0	12.0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>12.0</b>	<b>0</b>	<b>12.0</b>	<b>0</b>	<b>0</b>

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

GENERAL FUND	0	12.0	0	12.0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>12.0</b>	<b>0</b>	<b>12.0</b>	<b>0</b>	<b>0</b>

POSITIONS:

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

Estimate of current year impact: None.

ANALYSIS: (Attach a separate page if necessary.)

Assumes advisory arbitration to be conducted by paid arbitrator for two (2) State teacher bargaining units (Mt. Edgecumbe/AVTEC) at \$6,000 in fees for each hearing. Assumes issues for both groups would be largely repetitive (e.g., wages). Current contracts do not expire until June 199 (arbitration occurring in early 1993). Assumes teachers' bargaining will remain under PERA and that contracts will be of at least two years' duration. Assumes additional negotiations workload will be absorbed by current staff.

Prepared by: Bruce Cummings  
 Division: Labor Relations

Phone: 465-4404  
 Date: April 5, 1991

Approved by Commissioner: Millett Kelley  
 Agency: Administration

Date: 4/5/91

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

**FISCAL NOTE**

**STATE OF ALASKA**  
**1992 LEGISLATIVE SESSION**

**BILL NO. SB 16**

Revision Date: January 21, 1992  
 Title: Act providing advisory arbitration for school employees  
prior to striking.  
 Sponsor: Duncan  
 Requestor: Senate Labor and Commerce

Department Affected: Administration  
 BRU: Personnel/OEEO  
 Component: Labor Relations

COMPONENT SERIAL NO. 

0	0	5	8
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	6.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

<b>CAPITAL</b>	0	0	0	0	0	0
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<b>REVENUE</b>	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	6.0	6.0	6.0	6.0	6.0	6.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

POSITIONS:

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

Estimate of current year impact: 6.0

ANALYSIS: (Attach a separate page if necessary.)  
 Assumes advisory arbitration to be conducted by paid arbitrator for two (2) State teacher bargaining units (Mt. Edgecumbe/AVTEC) at \$6,000 in fees for each hearing. Assumes issues for both groups would be largely repetitive (e.g., wages). One contract expires this fiscal year, the other expires in FY 93. Assumes teachers' bargaining will remain under PERA and that contracts will be of at least two years' duration. Assumes additional negotiations workload will be absorbed by current staff.

Prepared by: R. H. King *Richard P. King*  
 Division: Personnel/OEEO

Phone: 465-4430  
 Date: 1/21/92

Approved by Commissioner: Nancy Bear Userra *Nancy Bear Userra*  
 Agency: Administration

Date: 1/21/92

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

SB 16 - Public School Employees in PERA

This legislation would permanently place all public school employees in the Public Employment Relations Act as class (a)(3) employees. This change would allow these employees to go on strike after contract negotiations have been declared at impasse and advisory arbitration has failed.

Your bill files should include:

- \*Copy of SB 16
- \*Sectional summary prepared by Legislative Counsel
- \*Fiscal notes from the Dept. of Education, the Dept. of Labor and the Dept. of Administration.
- \*Chapter 180, SLA 90 which gives public school employees the right to strike and is scheduled for sunset next year.
- \*Copies of Title 14, Education statutes, and Title 23, which contains PERA.
- \*Recent Anchorage Times article dealing with an AEA poll concerning current Anchorage School District negotiations.

ON FRIDAY 1/24

CLASSIFIED EMPLOYEES  
ASSOCIATION, CONNECTED  
TO NEA, WILL BE ON  
LINE FROM THEIR  
CONVENTION AT THE  
ANCHORAGE HILTON.

Tenny -

Hayo -

"GIVE PRR"

"KNOWLEDGE LOSS  
CONDITIONS"

NO DEFINITIONS

OPEN INTERPRETATION

WISZ mtg.

12/17/91

1) Rod - I want some info on arbitration + right to strike. 1<sup>st</sup> - we need a 2-3 page memo for LC files describing the old system previous to "right to strike".

TALK 14

Then - another that explains the process that leads to strike .... and what is laid out in statute vs. what individual districts control.

How is arbitrator chosen? what requirements exist?

2) Arbitrators have licenses? If so - how many in Alaska? Info on their work load. I'm working toward requiring Alaskans.

We need all this before session begins.

LEGISLATOR'S COPY -- If you have modifications, please contact the assigned staff immediately

**Legislative Research Agency**  
Phone: 465-3991 Fax: 463-3351

**WORK ORDER**

No. 92.090

Short Title: Teachers Right to Strike

Legislator: Senator Drue Pearce Phone: 465-4993

Requested By: Rod Mourant  Phone  Memo

Date Requested: November 13, 1991

Staff Assignment: Carol R. Vandor

Date Assigned: November 13, 1991

**QUESTIONS ASKED/INFORMATION SOUGHT:**

See attached.

*DRUE -  
I SPOKE WITH  
TIMELY BEFORE I  
DID THIS. HEL  
RESEARCH WANTS TO  
MAKE SURE YOU  
KNOW ABOUT IT.  
Rod*

PURPOSE: \_\_\_\_\_

REGARDING BILL NUMBER: \_\_\_\_\_

INFORMATION GATHERED/SOURCES CONTACTED: \_\_\_\_\_

COMPLETION DATE: January 13, 1991

# Alaska State Legislature

Senator Drue Pearce, Chair  
Senator Virginia Collins, Vice Chair  
Senator Dick Ellason  
Senator Rick Halford  
Senator Jay Kerttula



## SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3844

3111 C STREET, SUITE 150  
ANCHORAGE, ALASKA 99504  
(907) 561-2018

TO: Gordon Harrison, Director  
Legislative Research Agency

FROM: Rod Mourant, Legislative Aid  
Senate Labor & Commerce Committee

DATE: November 12, 1991

RE: Teachers' Right-to-Strike

RECEIVED  
NOV 13 1991

Legislative Research Agency

Gordon, I was talking with Nevin Menzlin(sp?) of the Republican Research Agency for the Pennsylvania legislature today on teacher right-to-strike issues. His telephone number, by the way, is 717-783-2010. He had requested information on Alaska's laws a couple of weeks ago and called back with some follow-up questions.

He mentioned that in his research on teacher strike experience that he had been using information on the experience of other states. He specifically mentioned that the State of Pennsylvania has allowed teachers to strike since 1970 and had prepared a report that detailed their collective bargaining track record and teacher salary changes. Teachers in Pennsylvania probably hold the national record for going on strike the most number of times. Likewise, the State of New York has a right-to-strike law but charges a teacher two days pay for each day that they are on strike. He has seen a report that detailed their teacher salary record as well.

These are but two states that place in the top twenty for teacher compensation. Would be please attempt to obtain or produce similar reports. Also, would you please research how the remaining eighteen states handle the compensation question for educators; i.e., strike, binding arbitration, etc.. This information would be most useful when the committee holds hearings on SB 16 this January.

Thanks for your help.

SENATE LABOR & COMMERCE COMMITTEE  
AGENDA

DATE: OCTOBER 31, 1991

TIME: 4:00 PM

LOCATION: ANCHORAGE

1. Call meeting to order
2. Note time/day/year
3. Note members present and members excused  
\*remember to note any late arriving members
4. Recognize any VIP's
5. Remind participants/witnesses to sign in  
WE ARE ON TELE CONFERENCE.
6. Announce order of bills to be heard

SB 16 - PUBLIC SCHOOL EMPLOYEES IN PERA  
AND ENTITLED TO RIGHT-TO-STRIKE

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7. Begin by announcing first bill to be heard and proceed through the agenda.
8. Announce time of Adjournment

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3857 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

### MEMORANDUM

January 27, 1992

**SUBJECT:** Selection of arbitrator in Amendment to SB 16 - Public school employee collective bargaining (Amendment 7-LS0133\A.3 dated 1/24/92)

**TO:** Senator Drue Pearce, Chair  
Senate Labor and Commerce Committee

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested an opinion concerning the constitutionality of the above-referenced amendment.

In my opinion, the amendment is based on supportable public purposes and probably would withstand a court challenge.

The amendment does not create a preference based on the residence of the arbitrators but rather identifies desirable experience and knowledge that an arbitrator should have. The residence of the arbitrator is not a criterion to be considered. The grounds relied on by the state supreme court in Robison v. Francis, 713 P.2d 259 (Alaska 1986), (holding that a 90 to 95 percent resident employment preference on public construction contracts was unconstitutional) and State v. Enserch Alaska Const., Inc., 787 P.2d 624 (Alaska 1989) (holding that a regional employment preference in an economically distressed zone was unconstitutional) to invalidate the employment preferences based on state or regional residence were the federal privileges and immunities clause,<sup>1/</sup> which forbids discrimination against the citizens of other states, and the state equal protection clause.<sup>2/</sup>

---

<sup>1/</sup>Art. IV, sec. 2, United States Constitution provides:

The citizens of each state shall be entitled to all privileges and immunities of citizens in the several states.

<sup>2/</sup>Article 1, sec. 1 of the state constitution provides, in part, that "all persons are equal and entitled to equal rights, opportunities and privileges under the law."

Senator Drue Pearce  
January 27, 1992  
Page 2

Since the amendment proposed to SB 16 does not create a preference based on the residence of the arbitrator, and, I believe, would not be considered by the court to be a subterfuge to do so without saying so, I believe it would withstand scrutiny under the federal privileges and immunities clause.

Under state equal state protection analysis, the court would consider whether the distinction created by the amendment, between arbitrators with local experience and those without local experience, was a reasonable one, supported by a valid state purpose. While, in Enserch, the right to public employment was found to be an important right, and the interest underlying the state's regulation was therefore required to be an important one in order to support the constitutionality of the measure, I believe that the state could successfully defend the amendment here. The distinction based on knowledge is directly related to ensuring that arbitrators who have an appreciation for the effect of their decisions on the people who will have to live with those decisions are selected. The court would probably consider this to be an important enough state purpose to support the distinction that the amendment makes between arbitrators.

If I may be of further assistance, please advise.

TBC:gc  
92-065.glc

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

### MEMORANDUM

January 21, 1992

**SUBJECT:** Amendment requiring that Advisory Arbitrators be state residents (SB 16)

**TO:** Senator Drue Pearce

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

Enclosed is the amendment you requested, requiring that, beginning on January 1, 1997, the advisory arbitrators for education employee impasse or deadlock resolution be state residents. In my opinion, the state resident requirement is vulnerable to constitutional challenge as a violation of the federal privileges and immunities clause.

In Robison v. Francis, 713 P.2d 259 (Alaska 1986), the state supreme court reviewed a state law that required that 95 percent of the work force on public construction projects in the state be state residents. The court held that this requirement violated the federal privileges and immunities clause<sup>1/</sup> because the opportunity for employment on public construction projects in Alaska was a "fundamental right" protected under the privileges and immunities clause and the state had failed to show that it had substantial justification for the discrimination against nonresidents. Under the privileges and immunities clause, a state may justify violation of a fundamental right only by showing that the nonresidents of the state are a "peculiar source of the evil" that the state is seeking to remedy and that less restrictive means to achieve that goal are not available. The court held that excluding nonresidents from public construction jobs so that more jobs are available to Alaskans was not a permissible justification for discrimination under the privileges and immunities clause. I believe that the same analysis would be followed if the enclosed amendment were enacted. Unless the state is able to establish a "substantial justification" for the discrimination

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<sup>1/</sup>Section 2, article IV of the United States Constitution. The clause provides:

The citizens of each state shall be entitled to all privileges and immunities of citizens in the several states.

Senator Drue Pearce

January 21, 1992

Page 2

against nonresidents and to show that employment of nonresidents as advisory arbitrators creates or exacerbates a serious state problem that cannot be remedied by means that do not violate the rights of the nonresident arbitrators, I believe that a court would hold the provisions of this amendment unconstitutional.

If I may be of further assistance, please advise.

TC:pl:gc  
92-029.plm

Enclosure

**DIVISION OF LEGAL SERVICES**

**LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA**

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101


*Have her  
suggestion  
drafted as an  
amendment.*

**MEMORANDUM**

January 17, 1992

**SUBJECT:** Hiring preference for arbitrators (SB 16 - Including Public School Employees in PERA)

**TO:** Senator Jim Duncan

**FROM:** Teresa B. Cramer   
Legislative Counsel

You have asked whether arbitrators who conduct advisory arbitrations under the amendment to AS 23.40.200(d) in sec. 4 of SB 16 could be required to be members of the American Arbitration Association (AAA) and whether a resident preference could be imposed on the selection of the arbitrators.

Assuming that membership in the AAA is reasonable evidence of the qualifications of the arbitrator, I see no reason why the bill could not require membership in the AAA for advisory arbitrators.

In my opinion, based on the resident and regional hiring preference cases that have been decided over the past several years,<sup>1/</sup> Alaska courts would not uphold a law creating a state or regional residence preference. (If you would find a discussion of these decisions and how they apply to your question useful, please let me know.) However, I believe that the bill could require that arbitrators who have some familiarity with local conditions be given a selection preference.

Language to accomplish both of these conditions could be added to the end of the amendment AS 23.40.200(d) now in the bill and might read:

---

<sup>1/</sup> See Robison v. Francis, 713 P.2d 259 (Alaska 1986), holding that a statute requiring that almost all work on public construction projects be performed by state residents violates the privileges immunities clause of the federal constitution.  
State v. Enserch, 787 P.2d 624 (Alaska 1989) holding that statute creating a hiring preference on public works projects for eligible residents of an economically distressed zone violated the equal protection clause of the state constitution.

Senator Jim Duncan  
January 17, 1992  
Page 2

The arbitrator selected to conduct the advisory arbitration must be a member of the American Arbitration Association. In selecting the arbitrator, the parties shall give preference to arbitrators who have knowledge of the local conditions in the school district or regional educational attendance area.

(If this language were inserted in the bill, it would be set out in bold typeface and underlined.)

If I may be of further assistance, please advise.

TBC:gc  
92-033.glc

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

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

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

### MEMORANDUM

October 28, 1991

**SUBJECT:** Sectional summary of SB 16 (Including public school employees in the Public Employment Relations Act)

**TO:** Senator Jim Duncan

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested a sectional summary of SB 16 which makes permanent the temporary inclusion of public school employees in the Public Employment Relations Act (PERA) enacted last legislature. As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Sections 1 and 2 remove employees of the state boarding school from the education employee collective bargaining provisions in Title 14 and place them under PERA.

Sections 3 and 6 make changes to PERA to place both certificated and noncertificated employees of school districts regional educational attendance areas, and the state boarding school<sup>1/</sup>, other than school superintendents, within Class (a)(3) of PERA. Class (a)(3) employees may engage in strikes after an impasse is reached. Section 3 leaves employees of the University of Alaska within Class (a)(2) of PERA. Those employees have a limited right to strike.

Section 4 requires that, if an impasse or deadlock is reached in negotiations, public school employees and school districts must submit to advisory arbitration before the employees may engage in a strike.

Section 5 makes clear that the legislature does not need to approve the monetary terms of a collective bargaining agreement entered into by a school district.

---

<sup>1/</sup>In this memo, I use the term "school district" to include municipal school districts, REAA's, and the state boarding school.

Senator Jim Duncan

October 28, 1991

Page 2

Section 6 amends the definition of "public employee" in PERA to include school district employees other than superintendents.

Section 7 amends the definition of "public employer" in PERA to include school districts. It also makes an editorial change by substituting "municipality" for "town, city, borough." Under AS 01.10.060(4), "municipality" is defined for the entire extent of Alaska Statutes as

a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;

Section 8 adds a definition of "regional educational attendance area" to PERA.

Section 9 makes clear that this change in the law does not terminate or modify a collective bargaining unit determination, recognition of a collective bargaining representative, or a collective bargaining agreement if it was in effect on the effective date of this Act.

Section 10 repeals the provisions for educational employee collective bargaining that are found in Title 14.

Section 11 precludes municipalities and REAA's from opting out of PERA.

Section 12 is an immediate effective date provision.

If I may be of further assistance, please advise.

TBC:gc  
91-385.glc

Post-It™ brand fax transmittal memo 7671 # of pages 2

To <i>Senator Pearce</i>	From <i>Senator Duncan</i>
Co. <i>Rod Alvarado</i>	Co. <i>Dale</i>
Dept. <i>L &amp; C Committee</i>	Phone # <i>465-4766</i>
Fax # <i>561-4194</i>	Fax # <i>465-4948</i>



# Alaska State Legislature

COMMITTEES:  
VICE CHAIR -  
FINANCE  
VICE CHAIR -

SENATOR JIM DUNCAN

**RECEIVED**  
AUG - 6 1991

P. O. Box V JUNEAU, ALASKA 9  
(907) 465-4766

LEGISLATIVE AUDIT

July 28, 1991

12/19/91

Will BE RELEASED

1/16/92 DR

WELKER

Representative Ron Larson, Chairman  
Legislative Budget and Audit Committee  
P. O. Box V  
Juneau, Alaska 99811

Dear Representative Larson:

I would like to have a performance audit performed on the effect of Senate Bill 15, Chapter 180 SLA 1990. This new law placed public school employees in Title 23 the Public Employment Relations Act as class (a)(3) employees entitled to a right to strike.

I am interested in the impact this new law has had on school districts and the union when comparing this last year with a year when a similar amount of funding was available during negotiations.

Some of the factors that should be part of a review are:  
length of time involved in negotiations,  
cost of any attorney or legal services attributable to negotiations,  
cost to school district attributable to a negotiator,  
a comparison of the settlement process between Titles 14 and 23,  
the amount to Labor Relations Agency involvement,  
the number of Unfair Labor Practice filings, and  
interviews with both labor and management to determine the general attitude toward each other during the negotiations period.

Please let me know if I may provide you with any additional information.

Sincerely,

Jim Duncan  
Senator

Post-It™ brand fax transmittal memo 7671		# of pages 1	
To	Merle Larson	From	SEN. DUNCAN
Co.	Leg Audit	Co.	Dale
Dept.	3830	Phone	465-4766
Fax	2347	Fax	465-4748

STRIKE POLICY

Permitted

Alaska	Montana
Hawaii	Oregon
Illinois	Pennsylvania
Minnesota	Wisconsin

Prohibited

California	Massachusetts*	Rhode Island
Connecticut	Michigan	South Dakota*
Delaware*	Nebraska*	Tennessee*
Florida*	Nevada*	Washington
Indiana*	New Hampshire	
Iowa*	New York*	
Kansas	New Jersey	
Maine	North Dakota*	
Maryland*	Ohio	
	Oklahoma*	

No Specific Provision

Alabama  
Idaho  
North Carolina  
Vermont

\* Denotes states that have penalty provisions.

## IMPASSE PROCEDURE

Mediation is utilized in 20 states and factfinding in 27 states.  
Interest arbitration is utilized as follows.

### Mediation

Alaska	New Jersey
Connecticut	New York
Hawaii	Ohio
Illinois	Oregon
Iowa	Pennsylvania
Indiana	Rhode Island
Maine	Wisconsin
Massachusetts	
Minnesota	
Montana	
Nebraska	
Nevada	
New Hampshire	

### Conventional

Hawaii	Montana	New York
Connecticut	Nebraska	Ohio
Illinois	Nevada	Oregon
Indiana	New Hampshire	Pennsylvania
Iowa	New Jersey	
Maine		
Massachusetts		

## BARGAINING RIGHTS

### 34 States Have Collective Negotiation

Alaska	Maine	North Dakota
California	Maryland	Ohio
Connecticut	Massachusetts	Oklahoma
Delaware	Michigan	Oregon
Florida	Minnesota	Pennsylvania
Hawaii	Montana	Rhode Island
Idaho	Nebraska	South Dakota
Illinois	Nevada	Tennessee
Indiana	New Hampshire	Texas
Iowa	New Jersey	Vermont
Kansas	New York	Washington
		Wisconsin

### States Have No Bargaining Statute

Arizona	Louisiana	South Carolina
Arkansas	Mississippi	Utah
Colorado	Missouri	Virginia
Georgia	New Mexico	West Virginia
Kentucky		Wyoming

While there is no bargaining statute, many school districts in these states do bargain.

### 1 State has a Meet and Confer Statute

Nebraska

### Bargaining is Prohibited in 1 State

North Carolina

SB 16 - Public School Employees in PERA

Your file should include:

SB 16

Sectional by Legislative Counsel

Fiscal Notes : Education

Administration

Chptr 180 SLA 90 - Current sunset right-to-strike

Title 14 - Education statutes

Title 23 - PERA

Anchorage Times Teacher Poll article

Legal opinion Cramer 1/21/92 - Arbitrator Residency

Anchorage Times Editorial

State by state salary & bargaining comparison packet

Summary of Title 14 procedures

Wisconsin Law Review "Collective Bargaining in Public Schools"

AAESP Position paper

AASA Position paper

New York Teacher Collective Bargaining statutes

Telegram from Ft Yukon

Leg Audit: Impact of PERA on Local Schools

NEA Chart: PERA Salary changes

## TEACHERS' SALARIES

Here, in rank order by salary, are the average 1990-91 salaries of teachers in the top 20 states, the year-to-year percent change, and the national average.

Rank	State	Average Salary	Percent Change
1	Alaska	\$43,406	0.7
2	Connecticut	43,398	6.5
3	New York	42,080	8.1
4	District of Columbia	43,398	2.5
5	California	39,118	3.5
6	New Jersey	38,411	7.7
7	Maryland	38,312	4.7
8	Rhode Island	38,220	6.0
9	Michigan	37,800	3.7
10	Massachusetts	36,090	4.0
11	Pennsylvania	36,057	8.2
12	Nevada	35,269	5.3
13	Delaware	35,246	5.6
14	Illinois	34,642	5.6
15	Hawaii	33,548	4.0
16	Minnesota	33,128	2.9
17	Wisconsin	33,077	3.6
18	Washington	32,975	8.0
19	Indiana	32,931	5.9
20	Virginia	32,692	5.6
U.S. Average		\$32,880	5.0

Source: American Federation of Teachers

## TEACHERS' SALARIES

Here, in rank order by year-to-year percent change in salary, are the average 1990-91 salaries of teachers in the top 20 states and the national average.

Rank	State	Average Salary	Percent Change
1	Washington	\$32,975	8.3
2	Pennsylvania	36,057	8.2
3	New York	42,080	8.1
4	New Jersey	38,411	7.7
5	Connecticut	43,398	6.5
6	New Jersey	38,411	7.7
7	Indiana	32,931	5.9
8	Delaware	35,246	5.6
8	Illinois	34,642	5.6
8	Virginia	32,692	5.6
11	Nevada	35,269	5.3
12	Maryland	38,312	4.7
13	Hawaii	33,548	4.0
13	Massachusetts	36,090	4.0
15	Michigan	37,800	3.7
16	Wisconsin	33,077	3.6
17	California	39,118	3.5
18	Minnesota	33,128	2.9
19	District of Columbia	43,398	2.5
20	Alaska	43,406	0.7
U.S. Average		\$32,880	5.0

Source: American Federation of Teachers

## Vacancies

Senator Steve Symms (R-ID) has announced that he will not seek reelection to a third term in 1993. The 53-year-old Symms expressed an interest in beginning a new career. A staunch conservative, he said that he would work to hold his seat for the Republicans by staving off an expected challenge from Representative Richard Stallings (D-ID).

In other news, Attorney General Dick Thornburgh has resigned his cabinet post to run for the Senate seat left vacant by the untimely death of Senator John Heinz (R-PA) in a plane crash last April. An election for the seat will be held on November 5 and Thornburgh's opponent will be Senator Harris Wofford (D-PA) who was appointed by Pennsylvania Governor Robert Casey (D) to fill Heinz's seat.

It is rumored that White House Chief of Staff John Sununu is urging President Bush to replace Thornburgh with Missouri Governor John Ashcroft (R). However, the President is not expected to offer up a candidate before his return to the White House on September 3.

## **State Collective Bargaining Statutes**

While the Indiana Legislature has failed during its last two sessions to extend collective bargaining privileges to state and local employees, four states have revised their bargaining statutes since Critique published its first survey of such laws in January 1990. In Alaska, legislators gave educators the right to strike, while North Carolina lawmakers added teachers to the group of state government employees with a union dues check off provision.

Nevada, which permits only local government employees to bargain collectively, revised its law to impose mandatory arbitration in the event of a negotiation impasse. A similar situation occurred in North Dakota where a law was enacted giving state teachers binding arbitration. However, that law may not take effect until the conclusion of a public referendum on the matter next year.

The table on pages 4 and 5 provides an updated, state-by-state survey of public sector bargaining or meet and confer statutes, what they permit and the types of employees that are covered by those laws. (Footnotes pertaining to the table appear on page 6.)

The first state to enact collective bargaining legislation was Wisconsin in 1959. As of August 1991, 38 states allowed exclusive representation for some categories of public employees.

Today only six states -- Arizona, Colorado, Mississippi, New Mexico, Virginia and West Virginia are completely free of such laws. Six others -- Alabama, Arkansas, Louisiana, North Carolina, South Carolina and Utah -- have laws solely providing for some form of limited dues check off.

## STATE PUBLIC SECTOR BARGAINING STATUTES

STATE	STATUTE APPLICABILITY	LOCAL OPTION	ADMINISTRATIVE AGENCY	BARGAINING FORM			UNION SECURITY					IMPASSE PROCEDURES			STRIKES			
				Meet and Confer	Collective Negotiation	SUPERVISOR BARGAINING	Exclusive Representation	Dues Check Off	Maintenance of Membership	Agency Shop	Union Shop	Mediation	Fact Finding	Arbitration		Prohibited	Permitted	Penalties
														Voluntary	Mandatory			
Alabama	se							X										
Alaska 1	pe	X <sup>b</sup>	X		X	X	X	X		X	X	X		X	X		X	
Alaska 2	t				X	X	X					X					X	
Arizona	ns																	
Arkansas	sg							X										
California 1	sg		X	X		X	X	X	X	X		X					X	
California 2	sg <sup>1</sup>			X														X
California 3	ue		X	X			X	X	X			X	X				X	
California 4	lge			X		X	X	X	X	X		X					X	
California 5	se, ce				X		X	X	X	X		X	X				X	
Colorado	ns																	
Connecticut 1	sg		X		X	X	X	X		X		X	X	X		X		
Connecticut 2	t		X		X	X	X	X		X		X	X		X		X	
Connecticut 3	me		X		X	X	X	X				X	X		X		X	
Delaware 1	pe	X <sup>b</sup>	X		X	X	X	X				X		X <sup>e</sup>		X		X
Delaware 2	t		X		X		X	X				X	X		X		X	
Florida	pe		X		X		X	X				X	X				X	X
Georgia 1	sg															X		X
Georgia 2	ff	X		X		X	X					X				X		X
Hawaii	pe		X		X	X	X	X		X		X	X	X	X <sup>1</sup>		X	
Idaho 1	ff		X		X		X						X			X <sup>b</sup>		
Idaho 2	t		X		X		X					X	X					
Illinois 1	pe, ff		X		X		X	X		X		X	X		X <sup>1</sup>		X <sup>b</sup>	
Illinois 2	se		X		X		X	X		X		X	X	X				
Indiana	t		X		X		X	X				X	X	X		X		X
Iowa	pe		X		X		X	X				X	X	X		X		X
Kansas 1	pe	X <sup>c</sup>	X	X			X					X	X			X		
Kansas 2	t		X		X	X	X	X				X	X			X		
Kentucky 1	ff	X	X		X	X	X	X		X		X	X			X		
Kentucky 2	p				X	X										X		
Louisiana	pe							X										
Maine 1	sg		X		X	X	X					X	X	X <sup>h</sup>		X		
Maine 2	me, se		X		X	X	X					X	X	X <sup>h</sup>		X		
Maine 3	ue		X		X	X	X	X		X	X	X	X	X <sup>h</sup>		X		
Maryland 1	t		X		X	X	X	X				X	X			X		X
Maryland 2	se				X	X	X	X				X	X			X		X
Massachusetts	pe		X		X		X	X		X		X	X		X	X		X
Michigan	pe		X		X		X	X		X		X	X		X <sup>1</sup>	X		X
Minnesota	pe		X		X	X	X	X		X		X		X	X <sup>a</sup>	X <sup>1</sup>	X <sup>1</sup>	X
Mississippi	ns																	
Missouri	pe but t & p		X	X			X	X								X		X
Montana 1	pe		X		X		X	X		X		X	X	X	X <sup>1</sup>		X <sup>m</sup>	
Montana 2	n		X		X		X										X	
Nebraska 1	pe, t		X		X	X	X	X				X	X	X <sup>n</sup>		X		X
Nebraska 2	t	X		X			X					X	X	X <sup>n</sup>				X

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														Voluntary	Mandatory			
Nevada	lge		X		X	X	X	X				X	X		X	X		X
New Hampshire	pe		X		X	X	X					X	X	X <sup>c</sup>		X		
New Jersey	pe		X		X	X	X	X		X		X	X	X	X <sup>i</sup>	X		
New Mexico	ns																	
New York	pe		X		X	X	X	X		X <sup>o</sup>		X	X	X	X <sup>i</sup>	X		X
North Carolina	sge, t							X										
North Dakota	t		X		X	X	X	X				X	X			X		X
Ohio	pe		X		X	X	X	X		X		X	X	X <sup>p</sup>		X <sup>o</sup>		
Oklahoma 1	p, ff		X	X	X	X	X				X	X	X		X		X	
Oklahoma 2	se			X	X	X	X	X				X			X		X	
Oregon	pe		X		X		X	X		X		X	X	X	X <sup>i</sup>	X <sup>o</sup>	X <sup>o</sup>	
Pennsylvania 1	p, ff		X		X	X	X		X			X	X	X	X	X		
Pennsylvania 2	pe		X		X	X	X	X	X	X <sup>c</sup>		X	X	X	X <sup>p</sup>	X <sup>o</sup>	X <sup>o</sup>	
Rhode Island 1	sge		X		X	X	X	X		X		X		X	X	X		
Rhode Island 2	me		X		X		X				X		X <sup>n</sup>		X	X		
Rhode Island 3	ff		X		X	X	X							X	X	X		
Rhode Island 4	p		X		X	X	X							X	X	X		
Rhode Island 5	t		X		X		X	X		X		X			X			
South Carolina	sge							X										
South Dakota	pe		X		X		X	X				X				X		X
Tennessee	t				X		X	X				X	X			X		X
Texas	p, ff	X			X	X	X	X				X		X		X		X
Utah	pe							X										
Vermont 1	sge		X		X	X	X				X	X			X	X		
Vermont 2	me		X		X		X	X		X	X	X	X				X	
Vermont 3	t				X	X	X				X	X						
Virginia	ns																	
Washington 1	lge		X		X	X	X	X		X	X	X	X <sup>i</sup>		X <sup>i</sup>	X		X
Washington 2	t		X		X	X	X	X		X		X				X		
Washington 3	ue		X		X		X	X			X					X		
Washington 4	ce		X	X		X	X				X	X						
West Virginia	ns																	
Wisconsin 1	sge		X		X	X	X	X	X		X	X			X	X <sup>s</sup>	X <sup>s</sup>	X
Wisconsin 2	lge		X		X		X	X		X		X		X				
Wyoming	ff				X		X							X				X

### Statute Applicability Code

- |                                 |                                 |                   |
|---------------------------------|---------------------------------|-------------------|
| pe: all public employees        | se: all school employees        | ff: fire fighters |
| sge: state government employees | t: teachers                     | p: police         |
| lge: local government employees | ue: university employees        | n: nurses         |
| me: municipal employees         | ce: community college employees | ns: no statute    |

## FOOTNOTES

- a. In the ten states where strikes are permitted, they are on a limited basis with employees judged essential to the public well-being generally prohibited from striking.
- b. Local jurisdictions may opt not to be covered by the statute.
- c. Only applies to state and public education employees.
- d. Mandatory for state government and others, optional for cities and counties employing less than 100 full time workers.
- e. Salary questions may not be arbitrated.
- f. Arbitration is only mandatory for fire fighters.
- g. Strikes prohibited during term of contract.
- h. Arbitration over wages and benefits is purely advisory.
- i. Arbitration is mandatory for police and fire fighters.
- j. Arbitration only applies to police, fire and medical workers.
- k. Arbitration is mandatory for essential workers, voluntary for nonessential personnel.
- l. Essential employees are prohibited from striking, others, including teachers, may opt to strike or submit to arbitration.
- m. Fire fighters are prohibited from striking.
- n. Arbitration is permitted for employees covered by the teacher statute.
- o. Strikes by police, firemen, prison and hospital guards, banned.
- p. Mandatory arbitration for workers who cannot strike.
- q. Court employees, prison and hospital guards may not strike.
- r. Applicable to uniformed employees.
- s. Strikes by police and fire fighters is prohibited, others may strike if permitted by prior, mutual agreement or both sides refuse to submit to final offer arbitration.
- t. Noncivil service employees.

## Publications of Interest

Government Union Review, Volume 12, Number 3, Summer 1991 - Public Service Research Foundation, 1761 Business Center Drive, Suite 230, Reston, VA 22090: Yearly subscription \$10, Single copy \$2.50.

From the Editor's Note: "A debate is raging in the U.S. Congress, and many state legislatures, over bills that would prohibit the hiring of permanent striker replacement workers. The U.S. House of Representatives has already passed such a measure, H.R. 5, while its Senate companion bill, S. 55, had 30 cosponsors as of August 1991, short of the number needed to override a promised presidential veto.

"The purpose of this legislation is to overturn two U.S. Supreme Court decisions and give labor unions the upper hand in any disputes with management that result in strikes. For that reason, the AFL-CIO has placed passage of S. 55/H.R. 5 on the top of its priorities list for the 102nd Congress.

"In On Strikers and Their Replacements, Dr. Charles Baird examines the nature of this new legislation in light of the Court's rulings