



LAWS OF ALASKA

1993

Source

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Chapter No.

70

AN ACT

Establishing a testing program for charitable gaming permittees and operators; relating to the duties of a member in charge; requiring regulations relating to pull-tabs to be consistent with North American Gaming Regulators Association standards on pull-tabs to the extent permitted by charitable gaming laws; allowing permittees to contract with vendors to sell pull-tabs on behalf of the permittee at an establishment holding a package store license and certain establishments holding a beverage dispensary license; allowing municipalities to prohibit vendors from conducting gaming activities within the municipality; restricting the purchase of pull-tabs by permittees, licensees, and vendors and their owners, managers, and employees; requiring receipts before prizes of \$50 or more may be awarded in pull-tab games; prohibiting distributors from supplying pull-tabs to vendors; relating to the distribution of pull-tabs from one distributor to another distributor; requiring the registration of vendors and regulating activities involving them; requiring the licensing of out-of-state pull-tab manufacturers and increasing the annual licensing fee for pull-tab manufacturers; requiring the department regulating charitable gaming to approve contracts between permittees and operators before gaming may occur; preventing persons with felony convictions or convictions for crimes involving theft or dishonesty or a violation of gambling laws from being involved in charitable gaming activities as a permittee, licensee, vendor, person responsible for the operation of an activity, fund raiser or consultant of a licensee or vendor, or employee in a managerial or supervisory capacity, and providing exceptions for certain persons whose convictions are at least 10 years old and are not for violation of an unclassified felony described in AS 11, a class A felony, or extortion; relating to multiple-beneficiary charitable gaming permits and door prizes for charitable gaming; requiring operators to pay permittees at least 30 percent of the adjusted gross income from a pull-tab activity and limiting operators to expenses of not more than 70 percent of the adjusted gross income from that activity; requiring operators to pay permittees at least 10 percent of the adjusted gross income from a charitable gaming activity other than pull-tabs and limiting operators to expenses of not more than 90 percent of the adjusted gross income from that activity; requiring a permittee who uses a pull-tab vendor to enter into a contract with that vendor; requiring a vendor contracting with a permittee to pay the permittee at least 70 percent of the ideal net for each pull-tab series delivered to the vendor by the permittee; requiring that operators report an adjusted gross

income of at least 15 percent of gross income; allowing the commissioner regulating charitable gaming to issue orders prohibiting violations of state gaming laws; relating to the authority of the commissioner regulating charitable gaming to suspend or revoke a permit, license, or registration; prohibiting the payment of any portion of the net proceeds of a bingo or pull-tab game to a registered lobbyist; providing a penalty for false statements in gaming license applications; providing communities with the authority by local option election to prohibit charitable gaming within the community; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 25, 1993

Actual Effective Date: Sections 17 and 21 take effect January 1, 1994,
sections 1, 2, 9, 11, 13, and 15 take effect January 1, 1995; remainder of
Act takes effect June 26, 1993

AN ACT

1 Establishing a testing program for charitable gaming permittees and operators; relating
2 to the duties of a member in charge; requiring regulations relating to pull-tabs to
3 be consistent with North American Gaming Regulators Association standards on pull-
4 tabs to the extent permitted by charitable gaming laws; allowing permittees to
5 contract with vendors to sell pull-tabs on behalf of the permittee at an establishment
6 holding a package store license and certain establishments holding a beverage
7 dispensary license; allowing municipalities to prohibit vendors from conducting gaming
8 activities within the municipality; restricting the purchase of pull-tabs by permittees,
9 licensees, and vendors and their owners, managers, and employees; requiring receipts
10 before prizes of \$50 or more may be awarded in pull-tab games; prohibiting

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1 distributors from supplying pull-tabs to vendors; relating to the distribution of pull-
2 tabs from one distributor to another distributor; requiring the registration of vendors
3 and regulating activities involving them; requiring the licensing of out-of-state pull-tab
4 manufacturers and increasing the annual licensing fee for pull-tab manufacturers;
5 requiring the department regulating charitable gaming to approve contracts between
6 permittees and operators before gaming may occur; preventing persons with felony
7 convictions or convictions for crimes involving theft or dishonesty or a violation of
8 gambling laws from being involved in charitable gaming activities as a permittee,
9 licensee, vendor, person responsible for the operation of an activity, fund raiser or
10 consultant of a licensee or vendor, or employee in a managerial or supervisory
11 capacity, and providing exceptions for certain persons whose convictions are at least
12 10 years old and are not for violation of an unclassified felony described in
13 AS 11, a class A felony, or extortion; relating to multiple-beneficiary charitable
14 gaming permits and door prizes for charitable gaming; requiring operators to pay
15 permittees at least 30 percent of the adjusted gross income from a pull-tab activity
16 and limiting operators to expenses of not more than 70 percent of the adjusted
17 gross income from that activity; requiring operators to pay permittees at least 10
18 percent of the adjusted gross income from a charitable gaming activity other than
19 pull-tabs and limiting operators to expenses of not more than 90 percent of the
20 adjusted gross income from that activity; requiring a permittee who uses a pull-tab
21 vendor to enter into a contract with that vendor; requiring a vendor contracting with
22 a permittee to pay the permittee at least 70 percent of the ideal net for each pull-
23 tab series delivered to the vendor by the permittee; requiring that operators report

1 an adjusted gross income of at least 15 percent of gross income; allowing the
2 commissioner regulating charitable gaming to issue orders prohibiting violations of
3 state gaming laws; relating to the authority of the commissioner regulating charitable
4 gaming to suspend or revoke a permit, license, or registration; prohibiting the
5 payment of any portion of the net proceeds of a bingo or pull-tab game to a
6 registered lobbyist; providing a penalty for false statements in gaming license
7 applications; providing communities with the authority by local option election to
8 prohibit charitable gaming within the community; and providing for an effective date.

9 _____
10 * Section. 1. AS 05.15.020(a) is amended to read:

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

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

15 (2) designates a member in charge and at least one alternate
16 member in charge under AS 05.15.112 who have passed the examination required
17 by AS 05.15.112 [THE ANNUAL PERMIT FEE IS

18 (1) \$20 FOR AN APPLICANT THAT DID NOT HOLD A PERMIT
19 DURING THE PRECEDING YEAR;

20 (2) \$20 FOR AN APPLICANT THAT HAD GROSS RECEIPTS OF
21 LESS THAN \$20,000 FROM ACTIVITIES CONDUCTED UNDER THIS CHAPTER
22 DURING THE PRECEDING YEAR;

23 (3) \$50 FOR AN APPLICANT THAT HAD GROSS RECEIPTS OF
24 \$20,000 OR MORE BUT NOT EXCEEDING \$100,000 FROM ACTIVITIES
25 CONDUCTED UNDER THIS CHAPTER DURING THE PRECEDING YEAR; OR

26 (4) \$100 FOR AN APPLICANT THAT HAD GROSS RECEIPTS
27 EXCEEDING \$100,000 FROM ACTIVITIES CONDUCTED UNDER THIS
28 CHAPTER DURING THE PRECEDING YEAR].

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1 * **Sec. 2.** AS 05.15.020 is amended by adding a new subsection to read:

2 (c) The annual permit fee under (a) of this section is

3 (1) \$20 for an applicant that did not hold a permit during the preceding
4 year;

5 (2) \$20 for an applicant that had gross receipts of less than \$20,000
6 from activities conducted under this chapter during the preceding year;

7 (3) \$50 for an applicant that had gross receipts of \$20,000 or more but
8 not exceeding \$100,000 from activities conducted under this chapter during the
9 preceding year; or

10 (4) \$100 for an applicant that had gross receipts exceeding \$100,000
11 from activities conducted under this chapter during the preceding year.

12 * **Sec. 3.** AS 05.15.060 is amended to read:

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

16 (1) the issuance, renewal, and revocation of permits, [AND] licenses,
17 and vendor registrations;

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

23 (3) the immediate revocation of permits, [AND] licenses, and vendor
24 registrations authorized under this chapter if this chapter or regulations adopted under
25 it are violated;

26 (4) the requiring of detailed, sworn, financial reports of operations from
27 permittees and licensees including detailed statements of receipts and payments;

28 (5) the investigation of permittees, licensees, registered vendors, and
29 their employees, including the fingerprinting of those permittees, licensees, registered
30 vendors, and employees whom the commissioner considers it advisable to fingerprint;

31 (6) [EXCLUSION FROM PARTICIPATION AS A PERMITTEE,

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1 LICENSEE, OR EMPLOYEE OF A PERMITTEE OR LICENSEE, OF A PERSON
2 CONVICTED OF, IN PRISON FOR, OR ON PAROLE FOR A FELONY WITHIN
3 THE PRECEDING FIVE YEARS, OR CONVICTED OF A CRIME INVOLVING
4 THEFT OR DISHONESTY OR OF A VIOLATION OF A MUNICIPAL, STATE, OR
5 FEDERAL GAMBLING LAW;

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

8 (7) [(8)] the number of activities that may be held, operated, or
9 conducted under a permit during a specified period; however, the department may not
10 allow more than 14 bingo sessions a month and 35 bingo games a session to be
11 conducted under a permit; the holders of a multiple-beneficiary permit under
12 AS 05.15.100(d) may hold, operate, or conduct the number of sessions and games
13 a month equal to the number allowed an individual permittee per month
14 multiplied by the number of holders of the multiple-beneficiary permit;

15 (8) [(9)] a method of accounting for receipts and disbursements by
16 operators, including the keeping of records and requirements for the deposit of all
17 receipts in a bank;

18 (9) [(10)] the disposition of funds in possession of a permittee, [OR]
19 a person, municipality, or qualified organization that possesses an operator's license,
20 or a registered vendor at the time a permit, [OR] a license, or a vendor registration
21 is surrendered, revoked, or invalidated;

22 (10) [(11)] restrictions on the participation by employees of the
23 Department of Fish and Game in salmon classics; and in king salmon classics, and by
24 employees of Douglas Island Pink and Chum in king salmon classics;

25 (11) [(12)] other matters the commissioner considers necessary to carry
26 out this chapter or protect the best interest of the public.

27 * Sec. 4. AS 05.15.060 is amended by adding a new subsection to read:

28 (b) Regulations adopted by the department under this section relating to
29 charitable gaming activity involving pull-tabs shall, to the extent permitted by this
30 chapter, be consistent with the standards on pull-tabs of the North American Gaming
31 Regulators Association, as amended from time to time.

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1 * Sec. 5. AS 05.15.070 is amended to read:

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

7 * Sec. 6. AS 05.15.100 is amended by adding a new subsection to read:

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

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

14 Sec. 05.15.105. PERSONS PROHIBITED FROM INVOLVEMENT;
15 EXCEPTIONS. (a) If a person has been convicted of a violation of a law of this state
16 that is, or a law or ordinance of another jurisdiction that would be if it had been
17 committed in this state, a felony, or a violation of a law or ordinance of this state or
18 another jurisdiction that is a crime involving theft or dishonesty or a violation of
19 gambling laws

20 (1) the department may not issue a license to the person;

21 (2) the department may not issue a license to, or register as a vendor,
22 an applicant who employs the person in a managerial or supervisory capacity or uses
23 the person as a fund raiser or consultant;

24 (3) the department may not issue a permit for an activity if the person
25 is responsible for the operation of the activity;

26 (4) the person may not be employed in a managerial or supervisory
27 capacity by a licensee or vendor or used as a fund raiser or consultant by a licensee
28 or vendor;

29 (5) the person may not participate in charitable gaming as a permittee,
30 licensee, or vendor.

31 (b) The department shall adopt regulations that provide that a disqualification

1 of a person under (a) of this section based upon a conviction of that person for a
2 violation

3 (1) of a law of this state that is, or a law or ordinance of another
4 jurisdiction that would be if it was committed in this state, a class B felony other than
5 extortion, a class C felony, or an unclassified felony described outside of AS 11, and
6 that is not a crime of dishonesty or theft or a violation of gambling laws, terminates
7 10 years after the person's conviction;

8 (2) of a law or ordinance of this state or another jurisdiction that is a
9 crime involving theft or dishonesty or a violation of gambling laws, and that is not,
10 or would not be if it was committed in this state, an unclassified felony described in
11 AS 11, a class A felony, or extortion, terminates 10 years after the person's conviction,
12 if the department determines that the

13 (A) person is of good character, honesty, and integrity; and

14 (B) person's involvement in charitable gaming is not against the
15 public interest.

16 * Sec. 8. AS 05.15.112(a) is amended to read:

17 (a) Each municipality or qualified organization that receives a permit under
18 this chapter shall designate a member in charge. **Municipalities and qualified**
19 **organizations that hold a multiple-beneficiary permit shall jointly designate one**
20 **member in charge.**

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

22 (a) Each municipality or qualified organization that applies for a permit under
23 this chapter shall designate a member in charge and at least one alternate member in
24 charge. The member in charge and alternate members in charge designated must have
25 passed a test formulated by the department on the contents of this chapter and the
26 regulations adopted under this chapter. The department shall administer the test at
27 least four times a year. Municipalities and qualified organizations that hold a multiple
28 beneficiary permit shall jointly designate one member in charge and at least one
29 alternate member in charge.

30 * Sec. 10. AS 05.15.112(b) is amended to read:

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

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1 transmittal of all records and reports required of the permittee. The member in charge
2 shall be a member of the qualified organization or the board of directors of the
3 qualified organization or an employee of the municipality. In the case of a multiple-
4 beneficiary permit, the member in charge shall be a member of one of the
5 qualified organizations or the board of directors of one of the qualified
6 organizations or an employee of one of the municipalities.

7 * Sec. 11. AS 05.15.112(b) is repealed and reenacted to read:

8 (b) The member in charge is responsible for preparation, maintenance, and
9 transmittal of all records and reports required of the permittee, and, if the permittee has
10 entered into a contract with an operator under AS 05.15.115, for monitoring the
11 operator's performance under and compliance with that contract. The alternate
12 members in charge are responsible for the duties of the member in charge in the
13 absence of the member in charge. The member in charge and the alternate members
14 in charge shall be members of the qualified organization or the board of directors of
15 the qualified organization or employees of the municipality. In the case of a multiple
16 beneficiary permit, the member in charge and the alternate members in charge shall
17 be members of one of the qualified organizations of the board of directors of one of
18 the qualified organizations or employers of one of the municipalities.

19 * Sec. 12. AS 05.15.112(d) is amended to read:

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

23 * Sec. 13. AS 05.15.112 is amended by adding a new subsection to read:

24 (e) If a permittee's designated member in charge or sole alternate member in
25 charge resigns or is no longer able to serve as member in charge or alternate member
26 in charge, the permittee has six months to replace the member in charge or alternate
27 member in charge with a person who meets the requirements of this section, and to
28 notify the department of the replacement. If after six months the permittee has not
29 replaced the member in charge or alternate member in charge with a person who meets
30 the requirements of this section, or has not notified the department of the replacement,
31 the permittee's permit is suspended until the requirements of this subsection are met.

1 * Sec. 14. AS 05.15.115(d) is amended to read:

2 (d) A permittee shall submit by certified mail to the department for approval
3 a copy of each contract with an operator with whom the permittee contracts to conduct
4 activities subject to this chapter. The contract must meet the requirements of this
5 section. The department shall approve or disapprove the contract. If the
6 contract is disapproved, reasons for the disapproval shall be provided in writing
7 to the permittee. Activities may not be conducted under the contract before the
8 contract is approved. Subsequent amendments to an approved contract do not
9 take effect until the amendments are approved by the department [THE
10 PERMITTEE SHALL SUBMIT TO THE DEPARTMENT A COPY OF THE
11 CONTRACT OR SUBSEQUENT AMENDMENT OF THE CONTRACT BY
12 CERTIFIED MAIL AT LEAST 15 DAYS BEFORE ACTIVITIES ARE
13 CONDUCTED UNDER THE CONTRACT OR AMENDED CONTRACT].

14 * Sec. 15. AS 05.15.122(b) is amended to read:

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

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

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

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

21 (4) submits proof of liability insurance satisfactory to the department;

22 [AND]

23 (5) posts a bond or security satisfactory to the department in the
24 amount of \$25,000 for each permit under which the operator operates up to a
25 maximum of \$100,000; and

26 (6) if a natural person, has passed a test formulated by the
27 department on the contents of this chapter and the regulations adopted under this
28 chapter and administered by the department at least four times a year; or, if a
29 municipality or qualified organization, has designated a municipal employee or
30 member of the organization who has passed this test.

31 * Sec. 16. AS 05.15.124 is amended to read:

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1 Sec. 05.15.124. MUNICIPAL REGULATION OF OPERATORS: A
2 municipality may by ordinance prohibit an operator or a vendor from conducting
3 activities under this chapter within the municipality.

4 * Sec. 17. AS 05.15.128(a) is amended to read:

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

6 (1) report an adjusted gross income of at least 15 percent of gross
7 income annually [FOR TWO CONSECUTIVE QUARTERS] based on the total
8 operation of the operator; or

9 (2) pay to each authorizing permittee annually [FOR TWO
10 CONSECUTIVE QUARTERS] at least 30 percent of the adjusted gross income, as
11 determined under (1) of this subsection, from a pull-tab activity or at least 10 [15]
12 percent of the adjusted gross income, as determined under (1) of this subsection, from
13 a gaming activity other than pull-tabs, received from activities conducted on behalf
14 of the authorizing permittee.

15 * Sec. 18. AS 05.15.140(b) is amended to read:

16 (b) In an application for a permit, a municipality or qualified organization shall
17 disclose the name and address of each person responsible for the operation of the
18 activity and whether any person named

19 (1) has been convicted of [, IN PRISON FOR, OR ON PAROLE FOR]
20 a violation of a law of this state that is, or a law or ordinance of another state that
21 would be if committed in this state, an unclassified felony described in AS 11, a
22 Class A felony, extortion, or a violation of a law or ordinance of this state or
23 another jurisdiction that is [WITHIN THE PRECEDING FIVE YEARS, OR
24 CONVICTED OF] a crime involving theft or dishonesty or [OF] a violation of [A
25 MUNICIPAL, STATE, OR FEDERAL] gambling laws [LAW]; or

26 (2) has a prohibited financial interest, as defined in regulations adopted
27 by the commissioner, in the operation of the activity.

28 * Sec. 19. AS 05.15 is amended by adding a new section to read:

29 Sec. 05.15.145: MULTIPLE-BENEFICIARY PERMITS. (a) Two to six
30 municipalities or qualified organizations, or a combination of two to six municipalities
31 and qualified organizations, may jointly apply for a multiple-beneficiary permit under

1 AS 05.15.100(d). The commissioner may not issue or renew a permit except upon
2 satisfactory proof that each joint applicant is a municipality or qualified organization,
3 the activity may be permitted under this chapter, and the issuance of a permit is not
4 detrimental to the best interests of the public. Upon request of the commissioner, the
5 joint applicants shall prove conclusively each of these requirements before a permit
6 may be issued or renewed.

7 (b) The provisions of AS 05.15.140(b) - (d) apply to multiple-beneficiary
8 permits and applications for them.

9 (c) A municipality or qualified organization that is among the holders of a
10 multiple-beneficiary permit may withdraw from the permit by giving written notice of
11 intent to withdraw to the department and to the other holders of the permit. The
12 effective date of the withdrawal is 30 days after the department receives written notice
13 of intent. A municipality or qualified organization that withdraws from a multiple-
14 beneficiary permit may apply for a permit under AS 05.15.100(a), but its share of the
15 prizes awarded under the multiple-beneficiary permit and the prizes it awards under
16 its own permit are subject to the maximums established in AS 05.15.180(g).

17 (d) The holders of a multiple-beneficiary permit shall jointly file reports with
18 the department that comply with the reporting requirements imposed on operators
19 under AS 05.15.083.

20 * Sec. 20. AS 05.15.150(a) is amended to read:

21 (a) The authority to conduct the activity authorized by this chapter is
22 contingent upon the dedication of the net proceeds of the charitable gaming activity
23 [RAFFLES OR CONTESTS] to the awarding of prizes to contestants or participants
24 and to political, educational, civic, public, charitable, patriotic or religious uses in the
25 state. "Political, educational, civic, public, charitable, patriotic, or religious uses" means
26 uses benefiting persons either by bringing them under the influence of education or
27 religion or relieving them from disease, suffering, or constraint, or by assisting them
28 in establishing themselves in life, or by providing for the promotion of the welfare and
29 well-being of the membership of the organization within their own community, or
30 through aiding candidates for public office or groups that support candidates for public
31 office, or by erecting or maintaining public buildings or works, or lessening the burden

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1 on government, but does not include

2 (1) the direct or indirect payment of any portion of the net
3 proceeds of a bingo or pull-tab game to a lobbyist registered under AS 24.45; or

4 (2) the erection, acquisition, improvement, maintenance, or repair of
5 real, personal, or mixed property unless it is used exclusively for one or more of the
6 permitted uses [STATED].

7 * Sec. 21. AS 05.15.160 is amended by adding new subsections to read:

8 (c) The total amount of authorized expenses that may be incurred under (a) of
9 this section in connection with a pull-tab activity may not exceed 70 percent of the
10 adjusted gross income from that pull-tab activity.

11 (d) The total amount of authorized expenses that may be incurred under (a) of
12 this section in connection with any gaming activity other than pull-tabs may not exceed
13 90 percent of the adjusted gross income from that gaming activity.

14 * Sec. 22. AS 05.15.170 is repealed and reenacted to read:

15 Sec. 05.15.170. SUSPENSION OR REVOCATION OF PERMIT, LICENSE,
16 OR VENDOR REGISTRATION. (a) The department may suspend, for a period of
17 up to one year, or revoke a permit, license, or vendor registration, after giving notice
18 to and an opportunity to be heard by the permittee or licensee, if the permittee,
19 licensee, or vendor

20 (1) violates or fails to comply with a requirement of this chapter or of
21 a regulation adopted under this chapter;

22 (2) breaches a contractual agreement with a permittee, licensee, or
23 registered vendor;

24 (3) becomes disqualified to participate in charitable gaming as provided
25 in AS 05.15.105; for the purposes of this paragraph, a permittee, licensee, or vendor
26 that is not a natural person is considered convicted if an owner or manager of the
27 permittee, licensee, or vendor is convicted; or

28 (4) knowingly submits false information to the department or, in the
29 case of a registered vendor, to a permittee when the vendor knows that the false
30 information will be submitted to the department as part of an application for
31 registration;

1 (5) gives or acts upon any inside information on the status of the prizes
2 awarded or to be awarded in a pull-tab game.

3 (b) If the department revokes a license or vendor registration under this
4 section, it may prohibit the licensee or vendor from reapplying for a license or vendor
5 registration for a period of not more than five years. If the department revokes a
6 permit under this section, it may prohibit the permittee from reapplying for a permit
7 for a period of not more than one year.

8 * Sec. 23. AS 05.15.180(d) is amended to read:

9 (d) The total value of door prizes offered or awarded under authority of a
10 permit issued to a municipality or qualified organization under this chapter or under
11 authority of a multiple-beneficiary permit may not exceed \$20,000 a month or
12 \$240,000 a year.

13 * Sec. 24. AS 05.15.180(e) is amended to read:

14 (e) The total value of all door prizes offered or awarded at a single facility or
15 bingo hall or parlor by an operator on behalf of authorizing permittees [OR BY A
16 PERMITTEE IN CONJUNCTION WITH OTHER PERMITTEES] may not exceed
17 \$20,000 a month or \$240,000 a year.

18 * Sec. 25. AS 05.15.180(g) is amended to read:

19 (g) A municipality or a qualified organization may award a maximum of
20 \$1,000,000 in prizes each year in activities authorized under this chapter; however, if
21 a municipality or a qualified organization contracts with an operator to conduct on its
22 behalf activities authorized under this chapter, the municipality or qualified
23 organization may award a maximum of \$500,000 in prizes each year. The holders of
24 a multiple-beneficiary permit under AS 05.15.100(d) may award a maximum in
25 prizes each year of \$1,000,000 times the number of holders of the permit for
26 activities authorized under this chapter. In this subsection "activities authorized
27 under this chapter" means all activities subject to this chapter other than bingo.

28 * Sec. 26. AS 05.15.181(a) is amended to read:

29 (a) A person may not manufacture pull-tabs in the state, and may not sell or
30 distribute a pull-tab that the person has manufactured outside of the state to
31 persons in the state, unless the person has received a pull-tab manufacturer's license:

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1 issued by the department.

2 * Sec. 27. AS 05.15.181(b) is amended to read:

3 (b) The department may issue a pull-tab manufacturer's license to a person
4 who pays an annual fee of \$2,500 [\$500].

5 * Sec. 28. AS 05.15.183 is amended by adding a new subsection to read:

6 (e) A distributor may not

- 7 (1) take an order for the purchase of a pull-tab series from a vendor;
8 (2) sell a pull-tab series to a vendor; or
9 (3) deliver a pull-tab series to a vendor.

10 * Sec. 29. AS 05.15.185 is amended to read:

11 Sec. 05.15.185. DISTRIBUTION OF PULL-TAB GAMES. Each series of
12 pull-tabs distributed in the state must be sealed and have a serial number label issued
13 by the National Association of Fundraising Ticket Manufacturers or other serial
14 number label approved by the department and may be distributed only to

15 (1) a municipality or a qualified organization that has obtained a permit
16 issued under this chapter;

17 (2) [OR TO] an operator on behalf of an authorizing permittee; or

18 (3) a distributor licensed under this chapter.

19 * Sec. 30. AS 05.15.187(e) is amended to read:

20 (e) Pull-tabs may not be sold to a person under the age of 21 [19] years. A
21 person under the age of 21 [19] years may not purchase a pull-tab.

22 * Sec. 31. AS 05.15.187(f) is amended to read:

23 (f) Each permittee [MUNICIPALITY OR QUALIFIED ORGANIZATION]
24 that had gross receipts exceeding \$100,000 during the preceding year from activities
25 conducted under this chapter or that is required to report under AS 05.15.080(a), that
26 conducts a pull-tab game shall maintain records for two years of each prize of \$50 or
27 more, the first day and last day that each series was distributed, the serial number of
28 each series, and the distributor from whom each series was purchased. In this section
29 "permittee" includes municipalities and qualified organizations that jointly hold
30 a multiple-beneficiary permit.

31 * Sec. 32. AS 05.15.187 is amended by adding new subsections to read:

1 (h) An owner, manager, or employee of a person holding a permit or license
2 under this chapter, or registered under this chapter as a vendor, may not purchase a
3 pull-tab from a pull-tab series manufactured, distributed, or sold by the permittee,
4 licensee, or registered vendor.

5 (i) A permittee, operator, or registered vendor may not turn over a prize of \$50
6 or more to a person with a pull-tab card entitling the person to that prize unless the
7 person signs a receipt for the prize and returns the receipt to the permittee, operator,
8 or vendor. The receipt must be in a form approved by the department.

9 * Sec. 33. AS 05.15 is amended by adding a new section to article 2 to read:

10 Sec. 05.15.188. PULL-TAB SALES BY VENDORS ON BEHALF OF
11 PERMITTEES; VENDOR REGISTRATION. (a) A permittee may contract with a
12 vendor to sell pull-tabs on behalf of the permittee, if the permittee first registers the
13 vendor with the department by applying for registration on a form prescribed by the
14 department and by submitting the registration fee of \$50 for each location at which the
15 vendor will sell pull-tabs.

16 (b) Upon approval of the vendor registration, the department shall issue an
17 endorsement to the permittee's permit that authorizes the conduct of pull-tab sales at
18 that vendor location.

19 (c) The endorsement issued under (b) of this section is an extension of the
20 permittee's privilege under AS 05.15.100 to conduct pull-tab sales in this state. A
21 vendor may not sell a pull-tab series until a copy of the permit containing the
22 endorsement for the new vendor location has been posted by the permittee in the
23 registered vendor establishment. The endorsed permit must be clearly visible to the
24 gaming public.

25 (d) A separate endorsement shall be issued for each vendor location. The
26 permittee shall inform the department when a vendor with whom the permittee is
27 contracting changes the physical location at which pull-tabs are sold, and shall return
28 to the department all copies of a permit endorsed to a vendor that is no longer selling
29 pull-tabs on behalf of the permittee. Failure to inform the department of a change in
30 vendor location, or to return the endorsed copies of a permit to the department after
31 a vendor change, may constitute grounds for the suspension or revocation of a

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1 permittee's permit.

2 (e) At the time that a permittee annually renews its permit, it shall also renew
3 the registration of all locations where a vendor is selling pull-tabs on the permittee's
4 behalf and shall pay a registration fee of \$50 for each vendor location.

5 (f) A permittee that uses a vendor to sell pull-tabs on its behalf shall enter into
6 a written contract with that vendor. The department may inspect this contract. If the
7 contract contains provisions that violate this chapter or the regulations adopted under
8 it, the department may declare the contract void, and may suspend or revoke the
9 registration of the vendor and the permit of the permittee.

10 (g) A person, other than a permittee's member-in-charge, may not directly
11 supply a pull-tab series to a registered vendor for sale by that vendor on behalf of the
12 permittee.

13 (h) If a permittee contracts with a vendor under (a) of this section, the contract
14 must provide that the permittee shall receive no less than 70 percent of the ideal net.

15 (i) An amount equal to the ideal net less the compensation owed to the vendor
16 shall be paid by the vendor to the member-in-charge upon delivery of a pull-tab series
17 to the vendor for sale. The amount required to be paid by the vendor shall be paid by
18 check and the check may not be drawn in a manner that the payee is not identified.

19 (j) An operator may not contract with or use a vendor to sell pull-tabs.

20 (k) A permittee may not contract with more than five vendors under this
21 section.

22 * **Sec. 34.** AS 05.15 is amended by adding new sections to read:

23 Sec. 05.15.195. ORDER PROHIBITING ACTION IN VIOLATION OF
24 CHAPTER. (a) If the commissioner determines that a person has engaged in an act
25 or practice in violation of this chapter or a regulation adopted under this chapter, the
26 commissioner may, after giving reasonable notice to the person and an opportunity for
27 the person to be heard, issue an order prohibiting the violation by the person. The
28 order remains in effect until the person has submitted evidence acceptable to the
29 commissioner showing that the violation has been corrected.

30 (b) If the public interest requires, the commissioner may issue an emergency
31 order prohibiting an act or practice in violation of this chapter or a regulation adopted

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1 under this chapter without notice to or an opportunity to be heard by the person
2 affected by the order. The commissioner shall immediately serve the person with a
3 copy of the emergency order. An emergency order expires 60 days after the date it
4 is issued, if the person affected by the order requests a hearing within 15 days of
5 receipt of the order. If the person does not request a hearing within 15 days of receipt
6 of the emergency order, the order becomes permanent. Following a hearing, the
7 commissioner may rescind, modify, or make permanent the emergency order.

8 (c) A party aggrieved by an order under this section may appeal to the superior
9 court.

10 Sec. 05.15.197. PROHIBITION OF CHARITABLE GAMING. (a) The
11 following question, appearing alone, may be placed before the voters of a municipality
12 or an established village in accordance with AS 05.15.198: "Shall charitable gaming
13 in (name of municipality or village) be prohibited? (yes or no)".

14 (b) The following question, appearing alone, may be placed before the voters
15 of a municipality or an established village in accordance with AS 05.15.198: "Shall
16 pull-tab sales in (name of municipality or village) be prohibited? (yes
17 or no)."

18 (c) If a majority of the voters vote "yes" on the question set out in (a) or (b)
19 of this section, the department shall be notified immediately after certification of the
20 results of the election and thereafter the department may not issue a license, permit,
21 or vendor registration authorizing charitable gaming or pull-tab sales, as appropriate,
22 within the boundaries of a municipality and in unincorporated areas within five miles
23 of the boundaries of the municipality or within the perimeter of an established village.
24 As necessary to implement the results of an election under (a) or (b) of this section,
25 existing licenses, permits, and vendor registrations for charitable gaming or pull-tab
26 sales within the boundaries of a municipality and in unincorporated areas within five
27 miles of the boundaries of the municipality or within the perimeter of an established
28 village are void 90 days after the results of the election are certified. A license or
29 vendor registration that will expire during the 90 days after the results of a local option
30 election under this section are certified is void as of the expiration date.

31 Sec. 05.15.198. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a) The

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1 local governing body of a municipality, whenever a number of registered voters equal
2 to at least 10 percent of the number of votes cast at the last regular municipal election
3 petition the local governing body to do so, shall place upon a separate ballot at the
4 next regular election or at a special election the question set out in AS 05.15.197 that
5 is the subject of the petition. The local governing body shall conduct the election in
6 accordance with the election ordinance of the municipality.

7 (b) The lieutenant governor, whenever 10 percent of the registered voters
8 residing within an established village petition the lieutenant governor to do so, shall
9 place upon a separate ballot at a special election the question set out in AS 05.15.197
10 that is the subject of the petition. The lieutenant governor shall conduct the election
11 in the manner prescribed by AS 15 (Alaska Election Code).

12 (c) Notwithstanding any other provisions of law, an election under (a) or (b)
13 of this section to remove a restriction on charitable gaming imposed under
14 AS 05.15.197 may not be conducted more than once every 12 months.

15 (d) AS 29.26.110 - 29.26.160 apply to a petition under (a) of this section in
16 a general law municipality except the

17 (1) number of required signatures is determined under (a) of this
18 section rather than under AS 29.26.130;

19 (2) application filed under AS 29.26.110 must contain the question set
20 out under AS 05.15.197 rather than containing an ordinance or resolution;

21 (3) petition must contain the question set out under AS 05.15.197 rather
22 than material required under AS 29.26.120(a)(1) and (2).

23 * Sec. 35. AS 05.15.200(b) is amended to read:

24 (b) A person who, with the intent to mislead a public servant in the
25 performance of the public servant's duty, submits a false statement in an application
26 for a permit, license, or vendor registration under this chapter [,] is guilty of unsworn
27 falsification.

28 * Sec. 36. AS 05.15.210 is amended by adding new paragraphs to read:

29 (36) "established village" means an unincorporated community that is
30 in

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

1 residents; or

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

3 and

4 (i) is on a road system and is located more than 50
5 miles outside the boundary limits of a unified municipality; or

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

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

11 (38) "governing body" has the meaning given in AS 29.71.800.

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

15 (40) "managerial or supervisory capacity" means that the employee

16 (A) is responsible for gaming receipts;

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

19 (C) prepares financial reports required under this chapter;

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

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

24 (F) is a fund raiser or a consultant;

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

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

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

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

31 (C) the business is an establishment holding a

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1 (i) beverage dispensary license under AS 04.11.090 that
2 has not been designated by the Alcoholic Beverage Control Board under
3 AS 04.16.049(a)(2) - (3), has not been exempted by the Department of
4 Labor under AS 04.16.049(c) and AS 23.10.355, and if the
5 establishment is a hotel, motel, resort, or similar business that caters to
6 the traveling public as a substantial part of its business, does not allow
7 the sale of pull-tabs in a dining room, banquet room, guest room, or
8 other public areas other than a room in which there is regularly
9 maintained a fixed counter or service bar at which alcoholic beverages
10 are sold or served to members of the public for consumption;

11 (ii) an establishment holding a package store license
12 under AS 04.11.150.

13 * Sec. 37. AS 05.15.122(c), 05.15.122(d), and 05.15.140(c) are repealed.

14 * Sec. 38. TRANSITIONAL PROVISION. The Department of Commerce and Economic
15 Development shall prepare the tests required by AS 05.15.112(a), as amended by sec. 9 of this
16 Act, and by AS 05.15.122(b), as amended by sec. 15 of this Act, so that they may first be
17 offered no later than January 1994.

18 * Sec. 39. Except for secs. 1, 2, 9, 11, 13, 15, 17, and 21 of this Act, this Act takes effect
19 immediately under AS 01.10.070(c).

20 * Sec. 40. Sections 17 and 21 of this Act take effect January 1, 1994.

21 * Sec. 41. Sections 1, 2, 9, 11, 13, and 15 of this Act take effect January 1, 1995.