

Chapter 15. Games of Chance and Contests of Skill.

Article 1. Administration.

Sec. 05.15.010. Department of Revenue to administer chapter.

The Department of Revenue shall administer this chapter.

Sec. 05.15.020. Annual permit and fees.

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

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

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

(b) An additional fee of one percent of the net proceeds received during the preceding year from the activities authorized under the permit shall be paid to the department annually by the municipality or qualified organization authorized to conduct activities under this chapter, if the gross receipts for the activities were \$20,000 or more.

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

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

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

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

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

Sec. 05.15.025. Money deposited in general fund. [Repealed, § 28 ch 90 SLA 1991.]

Sec. 05.15.030. Required notices by applicant, permittee, or licensee.

(a) At the time of filing an application for a permit or license under this chapter, the applicant shall notify the city or borough nearest to the location of the proposed activity of the application. A local government unit may protest the conduct of the activity in its jurisdiction by resolution stating the reasons for the protest filed with the department; protests are limited to the lack of qualifications prescribed by this chapter. This resolution is only a recommendation by the local government that may be considered by the department in determining whether to issue or refuse to issue a permit or license.

(b) [Repealed, § 5 ch 105 SLA 1995.]

(c) If a permittee or licensee changes the location of an activity in the jurisdiction for which a permit has been issued, the permittee shall notify the department and the local government within 10 days after moving to the new location.

Sec. 05.15.040. Issuance, effect, and term of permit.

After the fee is paid, a permit issued, and during the effective period of the permit, the municipality or qualified organization may conduct the activity specified in the permit. A municipality that has been issued a permit under this chapter may not conduct any activity authorized by the permit outside of the geographic boundaries of the municipality. If a permit is revoked, the permittee is not eligible for another permit until the expiration of one year from the date of revocation. A permit expires at the end of the period for which it is issued. A permit is not transferable.

Sec. 05.15.050. Surrender of permit upon suspension or revocation.

When a permit is suspended or revoked, the permittee shall surrender the permit to the department on or before the effective date of the suspension or revocation. A permit is not valid beyond the effective date of the suspension or revocation, whether surrendered or not.

Sec. 05.15.060. Regulations.

(a) The department shall adopt regulations under [AS 44.62](#) (Administrative Procedure Act) necessary to carry out this chapter covering, but not limited to,

(1) the issuance, renewal, and revocation of permits, licenses, and vendor registrations;

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

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

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

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

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

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

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

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

(10) restrictions on the participation by employees of the Department of Fish and Game in salmon classics, king salmon classics, and big bull moose derbies, and by employees of Douglas Island Pink and Chum in king salmon classics;

(11) other matters the department considers necessary to carry out this chapter or protect the best interest of the public.

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

Sec. 05.15.070. Examination of books and records.

The department may examine or have examined the books and records of a permittee, an operator, a registered vendor, or a person licensed to manufacture or to distribute pull-tab games in the state. The department may issue subpoenas for the attendance of witnesses and the production of books, records, and other documents.

Sec. 05.15.080. Reports and fees required of municipalities and qualified organizations.

(a) A municipality or a qualified organization issued a permit under this chapter shall file a report with the department by the 45th day following each calendar quarter in which the permittee had gross receipts of \$50,000 or more from activities authorized under this chapter. The report must include the type of activity conducted, the date and location of the activity, the amount of gross receipts, the amount of authorized expenses, the value of prizes awarded, the amount of net proceeds, and other information the department may require. However, if the only activity conducted by a municipality or qualified organization during a calendar quarter is a raffle or lottery or a Calcutta pool, then the municipality or qualified organization is not required to file a report under this subsection until the raffle or lottery or a Calcutta pool is completed.

(b) A municipality or a qualified organization issued a permit under this chapter shall file an annual report with the department by March 15 of the year following the year in which activities were conducted, accompanied by the payment of the additional fee, as may be required under AS 05.15.020(b). The report must list the types of activities conducted, and, for each activity, the total amount of gross receipts, the total amount of authorized expenses, the total value of prizes awarded, and the total amount of net proceeds.

(c) A permittee that conducts a Calcutta pool shall file a report for each pool conducted on a form prescribed by the department that lists

- (1) the date of the pool and the event;

- (2) the amount of wagers;
- (3) the amount of prizes distributed to the winners of the pool;
- (4) the amount and nature of each expense;
- (5) the amount remaining after the payment of the prizes and expenses;
- (6) any other information that the department requests or requires.

Sec. 05.15.083. Reports to department by operators.

(a) An operator shall file a report with the department by the last business day of the month following each calendar quarter in which an activity was conducted. The report must include, for each authorizing permittee on whose behalf an activity was conducted during the quarter, the date and location of each activity, the type of activity conducted, the amount of gross receipts, the amount of authorized expenses, the value of prizes awarded, the amount of net proceeds paid, and other information the department may require; a completed Internal Revenue Service Form 941; and a copy of the operator's employer contributions and wage reports submitted to the Department of Labor and Workforce Development for the quarter. However, if the only activity conducted by an operator during the calendar quarter is a raffle or lottery, then the operator is not required to file a report under this subsection until the raffle or lottery is completed.

(b) An operator shall file an annual report with the department no later than February 28 of the year following the year in which activities were conducted. The report must include, for each authorizing permittee on whose behalf an activity was conducted, the types of activities conducted, the total amount of gross receipts, the total amount of authorized expenses, the total value of prizes awarded, and the total amount of net proceeds paid to each authorizing permittee. The annual report must also include a completed Internal Revenue Service Form W-2 for each person employed by the operator during the preceding year.

Sec. 05.15.087. Operator's reports to permittee and payment of net proceeds.

(a) An operator shall file a monthly report with each authorizing permittee for which the operator has conducted an activity during the preceding month. The report must include a daily summary of activity conducted under the permit issued to the authorizing permittee and an accounting of gross receipts, expenses, and net proceeds for the month. A check in the amount of the net proceeds due to the authorizing permittee for the month must accompany the report. The operator shall file the report by the 15th day after the end of the month covered by the report.

(b) An operator shall file a quarterly report with each authorizing permittee for which the operator has conducted an activity during the preceding calendar quarter. The report must contain quarterly summaries and year-to-date totals of the information provided under (a) of this section. The operator shall file the report by the last day of the month following the end of the calendar quarter.

(c) An operator shall file an annual report with each authorizing

permittee for which the operator has conducted an activity during the preceding calendar year. The report must contain an annual summary of the information provided under (a) of this section. The operator shall file this report by February 28 of the year following the year in which the activities were conducted.

(d) An operator shall provide original invoice documents and deposit slips upon the request of an authorizing permittee for whom the operator has conducted activities.

Sec. 05.15.090. Agency reports.

Before April 15 of each year, the department shall prepare a detailed report containing a summary of all reports required of permittees and operators. The attorney general and the commissioner of public safety shall, within 10 days after the convening of the legislature each year, jointly prepare a detailed report outlining the effect, if any, of the operation of this chapter on the legal and law enforcement activities of the state and notify the legislature that the report is available.

Sec. 05.15.095. General provisions relating to the filing of applications and reports and payment of fees.

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

- (1) the member in charge for the qualified organization;
- (2) a person authorized to sign on behalf of the municipality;
- (3) the operator or the operator's agent;
- (4) the licensed pull-tab distributor or the distributor's agent;

or

(5) the licensed pull-tab manufacturer or the manufacturer's agent.

(b) A permittee or operator may not conduct an activity under this chapter during a period in which a report or fee is delinquent.

(c) A delinquent fee bears interest at the rate set by [AS 43.05.225](#).

(d) A permittee or licensee under this chapter shall pay a penalty of one percent of the unpaid balance, as determined by the department, of a fee due under this chapter for each 30-day period or part of a 30-day period that the fee is delinquent. The department may waive the penalty if the failure to pay the fee on time is due to a reasonable cause, as defined by regulation adopted by the department. The amount of the penalty may not exceed 25 percent of the unpaid fee.

Sec. 05.15.097. Notice to the alcoholic beverage control board.

If, after notice and hearing, the department determines that a person has violated a provision of this chapter related to gambling and the person is a licensee or permittee under [AS 04](#), the department shall provide notice of the violation to the Alcoholic Beverage Control Board.

Article 2. Licenses, Permits, and Registrations.**Sec. 05.15.100. Issuance of permits and licenses.**

(a) The department may issue a permit to a municipality or qualified organization. The permit gives the municipality or qualified organization the privilege of conducting bingo, raffles and lotteries, pull-tab games, ice classics, race classics, rain classics, goose classics, mercury classics, deep freeze classics, canned salmon classics, salmon classics, king salmon classics, dog mushers' contests, snow classics, snow machine classics, fish derbies, animal classics, crane classics, cabbage classics, Calcutta pools, big bull moose derbies, and contests of skill.

(b) [Repealed, § 5 ch 105 SLA 1995.]

(c) The department may issue an operator's license to a natural person to conduct an activity permitted under this chapter, other than a Calcutta pool, on behalf of a municipality or a qualified organization. The department may also issue an operator's license to a municipality or a qualified organization to conduct an activity, other than a Calcutta pool, on behalf of another municipality or qualified organization.

(d) The department may issue a multiple-beneficiary permit to two to six municipalities or qualified organizations or to a combination of two to six municipalities and qualified organizations that apply jointly for the permit. The permit gives the permit holders the privilege of jointly conducting the activities specified in (a) of this section.

Sec. 05.15.105. Persons prohibited from involvement.

(a) If a person has been convicted of a violation of a law of this state that is, or a law or ordinance of another jurisdiction that would be if it had been committed in this state, a felony, or a violation of a law or ordinance of this state or another jurisdiction that is a crime involving theft or dishonesty or a violation of gambling laws

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

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

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

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

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

(b) The department shall adopt regulations that provide that a disqualification of a person under (a) of this section based upon a conviction of that person for a violation

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

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

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

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

Sec. 05.15.110. Authorized activities a privilege.

The activities specified in [AS 05.15.100](#) may be permitted as a privilege and do not confer a right upon any person to conduct the activities.

Sec. 05.15.112. Member in charge.

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

(b) The member in charge is responsible for preparation, maintenance, and transmittal of all records and reports required of the permittee, and, if the permittee has entered into a contract with an operator under [AS 05.15.115](#), for monitoring the operator's performance under and compliance with that contract. The alternate members in charge are responsible for the duties of the member in charge in the absence of the member in charge. The member in charge and the alternate members in charge shall be members of the qualified organization or the board of directors of the qualified organization or employees of the municipality. In the case of a multiple-beneficiary permit, the member in charge and the alternate members in charge shall be members of one of the qualified organizations or the board of directors of one of the qualified organizations or employees of one of the municipalities.

(c) The member in charge shall monitor the operator's performance under and compliance with contracts for the conduct of activities on behalf of the authorizing permittee.

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

(e) If a permittee's designated member in charge or sole alternate member in charge resigns or is no longer able to serve as member in charge or alternate member in charge, the permittee has six months to replace the member in charge or alternate member in charge with a person who meets the requirements of this section, and to notify the department of the replacement. If after six months the permittee has not replaced the member in charge or alternate member in charge with a person who meets the requirements of this section, or has not notified

the department of the replacement, the permittee's permit is suspended until the requirements of this subsection are met.

Sec. 05.15.115. Contracts between permittees and operators.

(a) A municipality or qualified organization holding a permit to conduct an activity under this chapter may enter into a contract with an operator licensed under this chapter to conduct on behalf of the municipality or qualified organization those activities permitted under the authority of the permit.

(b) The contract between an authorizing permittee and an operator must include the amount and form of compensation to be paid to the operator, the term of the contract, the activities to be conducted by the operator on behalf of the permittee, the location where the activities are to be conducted, the name and address of the member in charge, and other provisions the department may require.

(c) A permittee may not contract with more than one operator at a time to conduct the same type of activity. For the purposes of this subsection, bingo games, raffles, lotteries, pull-tab games, ice classics, race classics, rain classics, goose classics, mercury classics, deep freeze classics, canned salmon classics, salmon classics, king salmon classics, dog mushers' contests, snow classics, snow machine classics, fish derbies, animal classics, crane classics, cabbage classics, big bull moose derbies, and contests of skill are each a different type of activity.

(d) A permittee shall submit by certified mail to the department for approval a copy of each contract with an operator with whom the permittee contracts to conduct activities subject to this chapter. The contract must meet the requirements of this section. The department shall approve or disapprove the contract. If the contract is disapproved, reasons for the disapproval shall be provided in writing to the permittee. Activities may not be conducted under the contract before the contract is approved. Subsequent amendments to an approved contract do not take effect until the amendments are approved by the department.

Sec. 05.15.120. Eligibility for permit.

An applicant shall be a municipality or qualified organization to be eligible for a permit.

Sec. 05.15.122. Operator's license.

(a) A person, municipality, or qualified organization may not conduct an activity subject to this chapter on behalf of a municipality or qualified organization unless the person, municipality, or qualified organization has received an operator's license issued by the department.

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

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

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

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

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

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

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

(c) [Repealed, § 37 ch 70 SLA 1993.]

(d) [Repealed, § 37 ch 70 SLA 1993.]

Sec. 05.15.124. Municipal regulation of operators or vendors.

A municipality may by ordinance prohibit an operator or a vendor from conducting activities under this chapter within the municipality.

Sec. 05.15.128. Revocation of operator's license.

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

(1) report an adjusted gross income of at least 15 percent of gross income annually based on the total operation of the operator; or

(2) pay to each authorizing permittee annually at least 30 percent of the adjusted gross income, as determined under (1) of this subsection, from a pull-tab activity or at least 10 percent of the adjusted gross income, as determined under (1) of this subsection, from a gaming activity other than pull-tabs, received from activities conducted on behalf of the authorizing permittee.

(b) A person, municipality, or qualified organization whose operator's license has been revoked under this section may appeal the revocation if the person, municipality, or qualified organization submits to and pays for a complete audit of the operator's financial records by the department. The results of the audit are conclusive.

Sec. 05.15.130. Department may impose additional requirements.

The department may supplement the definitions of qualified organizations and activities by regulations adopted under this chapter adding to the definitions additional requirements that the department considers necessary for the best interests of the public or for the proper administration of this chapter.

Sec. 05.15.140. Proof necessary to qualify for permit.

(a) The department may not issue or renew a permit except upon satisfactory proof that the applicant is a municipality or qualified organization, the activity may be permitted under this chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon request of the department, the applicant shall prove conclusively each of these requirements before a permit may be issued or renewed.

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

(1) has been convicted of a violation of a law of this state that is, or a law or ordinance of another state that would be if committed in this state, an unclassified felony described in [AS 11](#), a Class A felony, extortion, or a violation of a law or ordinance of this state or another jurisdiction that is a crime involving theft or dishonesty or a violation of gambling laws; or

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

(c) [Repealed, § 37 ch 70 SLA 1993.]

(d) Application forms for permits must contain a notice that a false statement in the application is punishable by law.

Sec. 05.15.145. Multiple-beneficiary permits.

(a) Two to six municipalities or qualified organizations, or a combination of two to six municipalities and qualified organizations, may jointly apply for a multiple-beneficiary permit under [AS 05.15.100](#)(d). The commissioner may not issue or renew a permit except upon satisfactory proof that each joint applicant is a municipality or qualified organization, the activity may be permitted under this chapter, and the issuance of a permit is not detrimental to the best interests of the public. Upon request of the commissioner, the joint applicants shall prove conclusively each of these requirements before a permit may be issued or renewed.

(b) The provisions of [AS 05.15.140](#)(b) – (d) apply to multiple-beneficiary permits and applications for them.

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

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

Sec. 05.15.150. Limitation on use of proceeds.

(a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the charitable gaming activity to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic, or religious uses in the state. In this subsection, “political, educational, civic, public, charitable, patriotic, or religious uses” means uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life, or by providing for the promotion of the welfare and well-being of the membership of the organization within their own

community, or through aiding candidates for public office or groups that support candidates for public office, or by erecting or maintaining public buildings or works, or lessening the burden on government, but does not include

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

(2) the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property unless it is used exclusively for one or more of the permitted uses; or

(3) the direct or indirect payment of any portion of the net proceeds of a charitable gaming activity, except the proceeds of a raffle and lottery,

(A) to aid candidates for public office or groups that support or oppose candidates for public office;

(B) to a political party or to an organization affiliated with a political party; or

(C) to a group, as that term is defined in [AS 15.13.400](#), or a political group, as that term is defined in [AS 15.80](#), that seeks to influence the outcome of an election.

(b) The net proceeds derived from the activity must be devoted within one year to one or more of the uses stated in (a) of this section. A municipality or qualified organization desiring to hold the net proceeds for a period longer than one year must apply to the department for special permission and upon good cause shown the department may grant the request.

Sec. 05.15.160. Authorized expenses.

(a) The only expenses that may be incurred or paid in connection with the operation of an activity under a permit issued under this chapter are bona fide expenses reasonably necessary for

(1) goods, wares, and merchandise necessary for the operation of the activity;

(2) personal services involved with the operation of the activity, including those performed by

(A) an employee of the permittee; or

(B) an operator hired by the permittee to conduct the activity if the compensation is not related to the receipts from the activity.

(b) Municipalities, qualified organizations, and operators may pay their employees a reasonable amount in wages or other compensation for personal services rendered by their employees while the employees are engaged in activities subject to this chapter. A reasonable amount of compensation is an amount approximating the amount ordinarily paid by similar businesses for similar work performed under similar circumstances.

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

(d) The total amount of authorized expenses that may be incurred under

(a) of this section in connection with any gaming activity other than pull-tabs or Calcutta pools may not exceed 90 percent of the adjusted gross income from that gaming activity.

(e) The total amount of expenses that may be incurred and prizes that may be awarded under (a) of this section in connection with a Calcutta pool may not exceed 50 percent of the pool of wagers.

Sec. 05.15.165. Operators.

(a) An operator shall pay net proceeds to the authorizing permittee by check.

(b) If the department finds that an operator has incurred expenses that are not authorized under [AS 05.15.160](#), the department shall order the operator to refund to the authorizing permittee the amount of the unauthorized expenses. The operator shall pay the authorizing permittee interest on the amount ordered to be paid at the rate of 1.5 percent a month for each month or fraction of a month between the date of the activity and the date the refund is made.

(c) The operator shall post in a public place on the premises where the activities are conducted the operator's license and a copy of the permit of each authorizing permittee with whom the operator has a contract to conduct activities at the location.

(d) An operator shall obtain liability insurance covering each location where the licensee conducts an activity subject to this chapter. The operator shall provide upon request proof of insurance for each location to the department. The operator and the insurer shall inform the department of changes in the coverage of the insurance or of cancellation of the insurance. Cancellation of the insurance immediately suspends the rights of the operator to conduct activities under this chapter at the location covered by the insurance until subsequent insurance is obtained.

(e) An operator shall have its financial records reviewed annually by a certified public accountant. The operator shall submit the results of the review to the department by February 28 of the year following the year for which the review is conducted.

(f) An operator may not

(1) charge losses resulting from bad checks or uncollectable debts against the net proceeds due to the authorizing permittee;

(2) extend credit to players;

(3) employ house players;

(4) allow the operator's employees to play a game conducted by the operator at the location where the employee works for the operator.

Sec. 05.15.167. Operator's bond.

(a) The bond or security filed under [AS 05.15.122\(b\)](#) must be made payable to the department and must be conditioned upon payment of the amounts due to the department and payment of net proceeds due to the authorizing permittee. If the operator fails to make the required payments, the operator forfeits the bond or security to the department.

(b) The amount forfeited under (a) of this section shall be first used to satisfy delinquent fees, interest, and penalties due the department

under this chapter. If the bond or security is not exhausted by payment of delinquent fees, interest, and penalties, the department may use the remaining amount to pay net proceeds due an authorizing permittee. The total amount available for payment of net proceeds shall be prorated among the permittees to whom proceeds are due from that operator.

(c) The operator and the surety shall inform the department if the bond is cancelled or the security is impaired.

Sec. 05.15.170. Suspension or revocation of permit, license, or vendor registration.

(a) The department may suspend, for a period of up to one year, or revoke a permit, license, or vendor registration, after giving notice to and an opportunity to be heard by the permittee or licensee if the permittee, licensee, or vendor

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

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

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

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

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

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

Sec. 05.15.180. Limitations on authorized activity.

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

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, race classics, rain classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests, snow classics, snow machine classics, canned salmon classics, salmon classics, animal classics, crane classics, cabbage classics, Calcutta pools, big bull moose derbies, and king salmon classics, a permit may not be issued for an activity under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A permit may not be issued for a snow machine classic under this chapter unless it has been in existence for at least five years before the permit is issued. A permit may not be

issued for an animal classic under this chapter unless it was in existence before November 1, 2002.

(c) [Repealed, § 5 ch 105 SLA 1995.]

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

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

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

(g) A municipality or a qualified organization may award a maximum of \$2,000,000 in prizes each year in activities authorized under this chapter; however, if a municipality or a qualified organization contracts with an operator to conduct on its behalf activities authorized under this chapter, the municipality or qualified organization may award a maximum of \$500,000 in prizes each year. A municipality or a qualified organization that conducts a contest of skill and awards more than \$1,000,000 in prizes to the participants in that contest of skill may exclude \$1,000,000 in prizes awarded to those participants from the \$2,000,000 maximum allowed in this subsection. The holders of a multiple-beneficiary permit under [AS 05.15.100\(d\)](#) may award a maximum in prizes each year of \$2,000,000 times the number of holders of the permit for activities authorized under this chapter. In this subsection, "activities authorized under this chapter" means all activities subject to this chapter other than bingo.

(h) Only one Calcutta pool permit may be issued for each event and is limited to the permittee conducting the event or a permittee authorized by the person conducting the event if the person is not eligible to be a permittee. A Calcutta pool may not be conducted for elementary, secondary, or post-secondary school sporting events or for youth organization events. A person may not wager on a Calcutta pool unless the person is at least 18 years of age. A permittee may not accept a wager on a contestant or entrant in a Calcutta pool unless the contestant or entrant is or are 18 years of age or older. A person may not place a wager on a contestant or entrant in a Calcutta pool unless the contestant or entrant is or are 18 years of age or older. A Calcutta pool may not be conducted unless the rules for the pool are publicly posted and available to all participants in the pool.

Sec. 05.15.181. Pull-tab manufacturers.

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

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

(c) Each series of pull-tabs manufactured in the state must be sealed and have a serial number label issued by the National Association of Fundraising Ticket Manufacturers or other serial number label approved by the department.

(d) A pull-tab manufacturer may distribute pull-tabs only to a

licensed pull-tab distributor unless the pull-tab manufacturer is also a licensed pull-tab distributor.

(e) Each pull-tab manufacturer shall report to the department by the last business day of the month on each series of pull-tabs distributed during the preceding month, including the serial number of each series distributed and the name of the distributor to whom the series was distributed.

Sec. 05.15.183. Pull-tab distributors.

(a) A person may not distribute pull-tab games unless the person has received a pull-tab distributor's license issued by the department.

(b) The department may issue a pull-tab distributor's license to a person who pays an annual fee of \$1,000.

(c) Pull-tabs may be distributed only from a location in the state. A person may not distribute pull-tabs directly to another person in the state from a location outside of this state.

(d) A pull-tab distributor shall report to the department by the last business day of each month on each pull-tab series distributed in the preceding month. The report must include the name of the permittee to whom each series of pull-tabs is distributed and the serial number of each series.

(e) A distributor may not

(1) take an order for the purchase of a pull-tab series from a vendor;

(2) sell a pull-tab series to a vendor; or

(3) deliver a pull-tab series to a vendor.

Sec. 05.15.184. Pull-tab tax.

A pull-tab distributor shall collect a tax of three percent of an amount equal to the gross receipts less prizes awarded on each series of pull-tabs distributed. The pull-tab distributor shall pay to the department the tax collected in the preceding month at the time that the report under [AS 05.15.183\(d\)](#) is filed with the department.

Sec. 05.15.185. Distribution of pull-tab games.

Each series of pull-tabs distributed in the state must be sealed and have a serial number label issued by the National Association of Fundraising Ticket Manufacturers or other serial number label approved by the department and may be distributed only to

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

(2) an operator on behalf of an authorizing permittee; or

(3) a distributor licensed under this chapter.

Sec. 05.15.187. Operation of pull-tab games.

(a) A municipality or qualified organization may operate pull-tab games. Pull-tabs shall be obtained from a licensed distributor.

(b) A pull-tab series may not be sold at more than one location during the same day.

(c) Pull-tabs from different series may not be mixed or combined, unless 10 percent or less of a series remains unsold, in which case the remaining pull-tabs may be combined with a different series having an identical price and prize structure.

(d) A pull-tab series may not be withdrawn from sale until all pull-tabs in the series are sold, except that a pull-tab series may be withdrawn from sale if a manufacturing defect exists in the series and the department is notified of the defect and of the withdrawal from sale within a period established by regulation by the department.

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

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

(g) Notwithstanding other provisions of this chapter, a pull-tab game that confers an additional right upon all or some of the purchasers of a pull-tab series to participate in a lottery for additional prizes may not be conducted in the state unless a surety bond in the amount of \$250,000 conditioned upon payment of all prizes and awards when due is submitted to the department by the operator or authorizing permittee and approved by the attorney general.

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

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

Sec. 05.15.188. Pull-tab sales by vendors on behalf of permittees; vendor registration.

(a) A permittee may contract with a vendor to sell pull-tabs on behalf of the permittee if the permittee first registers the vendor with the department by applying for registration on a form prescribed by the department and by submitting the registration fee of \$50 for each location at which the vendor will sell pull-tabs.

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

(c) The endorsement issued under (b) of this section is an extension of the permittee's privilege under [AS 05.15.100](#) to conduct pull-tab

sales in this state. A vendor may not sell a pull-tab series until a copy of the permit containing the endorsement for the new vendor location has been posted by the permittee in the registered vendor establishment. The endorsed permit must be clearly visible to the gaming public.

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

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

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

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

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

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

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

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

Secs. 05.15.190 – 05.15.198. [Renumbered as AS 05.15.600 – 05.15.625.]

Secs. 05.15.200 – 05.15.210. [Renumbered as AS 05.15.680 – 05.15.690.]

Article 3. Miscellaneous Provisions.

Sec. 05.15.600. Cancellation of permits based on unlawful provision. If any provision of this chapter, or regulation adopted under this chapter, is determined to be unlawful, then all permits issued in connection with the licensed activity to which the unlawful provision or regulation related are cancelled.

Sec. 05.15.610. Order prohibiting action in violation of chapter.

(a) If the commissioner determines that a person has engaged in an act or practice in violation of this chapter or a regulation adopted under this chapter, the commissioner may, after giving reasonable notice to the person and an opportunity for the person to be heard, issue an order prohibiting the violation by the person. The order remains in effect until the person has submitted evidence acceptable to the commissioner showing that the violation has been corrected.

(b) If the public interest requires, the commissioner may issue an emergency order prohibiting an act or practice in violation of this chapter or a regulation adopted under this chapter without notice to or an opportunity to be heard by the person affected by the order. The commissioner shall immediately serve the person with a copy of the emergency order. An emergency order expires 60 days after the date it is issued if the person affected by the order requests a hearing within 15 days of receipt of the order. If the person does not request a hearing within 15 days of receipt of the emergency order, the order becomes permanent. Following a hearing, the commissioner may rescind, modify, or make permanent the emergency order.

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

Sec. 05.15.620. Local prohibition of charitable gaming.

(a) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with [AS 05.15.625](#): "Shall charitable gaming in (name of municipality or village) be prohibited? (yes or no)".

(b) The following question, appearing alone, may be placed before the voters of a municipality or an established village in accordance with [AS 05.15.625](#): "Shall pull-tab sales in (name of municipality or village) be prohibited? (yes or no)."

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

Sec. 05.15.625. Procedure for local option elections.

(a) The local governing body of a municipality, whenever a number of registered voters equal to at least 10 percent of the number of votes cast at the last regular municipal election petition the local governing body to do so, shall place upon a separate ballot at the next regular election or at a special election the question set out in [AS](#)

05.15.620 that is the subject of the petition. The local governing body shall conduct the election in accordance with the election ordinance of the municipality.

(b) The lieutenant governor, whenever 10 percent of the registered voters residing within an established village petition the lieutenant governor to do so, shall place upon a separate ballot at a special election the question set out in AS 05.15.620 that is the subject of the petition. The lieutenant governor shall conduct the election in the manner prescribed by AS 15 (Alaska Election Code).

(c) Notwithstanding any other provisions of law, an election under (a) or (b) of this section to remove a restriction on charitable gaming imposed under AS 05.15.620 may not be conducted more than once every 12 months.

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

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

(2) application filed under AS 29.26.110 must contain the question set out under AS 05.15.620 rather than containing an ordinance or resolution;

(3) petition must contain the question set out under AS 05.15.620 rather than material required under AS 29.26.120(a)(1) and (2).

Sec. 05.15.640. Restrictions on use of broadcasting.

(a) A person may not use broadcasting to promote or conduct a charitable gaming activity under this chapter except that a person may use

(1) broadcasting to promote a fish derby, a dog mushers' contest, a type of classic defined in AS 05.15.690, or a raffle and lottery; or

(2) the Internet or an Internet communication to promote a charitable gaming activity under this chapter.

(b) Notwithstanding (a) of this section, the department may authorize a noncommercial broadcasting station or network of stations to broadcast the conducting of an activity under this chapter on the station or network under a permit held by the station or network. The department may not authorize a station to broadcast the conducting of an activity for more than 12 hours in a calendar year. In this subsection, "noncommercial broadcasting station" means a radio or television station that is licensed by the Federal Communications Commission to a governmental entity or to an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code).

(c) In this section,

(1) "broadcasting" includes television and radio transmission by 2,500 megahertz, microwave video and audio programming, slow-scan television programming, and programming by way of satellite, cable, teletype, or facsimile transmission and distribution methods;

(2) "Internet" means the combination of computer systems or networks that make up the international network for interactive communications services, including remote logins, file transfer, electronic mail, and newsgroups;

(3) "Internet communication" means an announcement or

advertisement disseminated through the Internet.

Article 4. General Provisions.

Sec. 05.15.680. Penalties.

(a) A person who knowingly violates or aids or solicits a person to violate this chapter is guilty of a violation for the first offense and a class B misdemeanor for the second and each subsequent offense.

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

Sec. 05.15.690. Definitions.

In this chapter,

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

(2) "animal classic" means a game of chance in which prizes are awarded for the correct guess

(A) of which numbered or colored hole on a wheel a rat, hamster, gerbil, or other rodent enters as the wheel is slowly rotated;

(B) concerning an activity involving chicken manure and a numbered or lettered grid;

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

(4) "big bull moose derby" means a contest in which prizes are awarded based on the size or spread of moose antlers;

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

(6) "cabbage classic" means a game of chance where a prize of money is awarded for the closest guess of the weight of the winning cabbage at the Giant Cabbage Weigh-Off at the Alaska State Fair in Palmer operated and administered by the Palmer Rotary Club;

(7) "Calcutta pool" means a game of chance where a prize of money is awarded from a pool of wagers on a contest of skill limited to amateur and professional sporting events, other than horse racing, in the state in which those who wager bid at auction for the exclusive right to purchase or wager upon a particular contestant or entrant in the event;

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

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

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

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

(12) "crane classic" means a game of chance in which a prize of money is awarded for the closest guess of the time of arrival of the first sandhill crane to a particular place;

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

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

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

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

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

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

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

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

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

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

and

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

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

(20) “fish derby” means a contest in which prizes are awarded for catching fish;

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

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

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

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

(B) by the Kenai Chamber of Commerce;

(24) “governing body” has the meaning given in [AS 29.71.800](#);

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

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

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

(28) “king salmon classic” means a game of chance where a prize of money is awarded for the closest guess of the time of the arrival of the first king salmon of the year at a designated spot on the fish ladder in the Douglas Island Pink and Chum hatchery at Salmon Creek in Juneau and is limited to the king salmon classic operated and administered by the Greater Juneau Chamber of Commerce;

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

(30) “managerial or supervisory capacity” means that the employee
(A) is responsible for gaming receipts;

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

(C) prepares financial reports required under this chapter;

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

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

(F) is a fund raiser or a consultant;

(31) “mercury classic” means a game of chance where a prize of money is awarded for the closest guess of the time the temperature reaches a certain degree and is limited to the

(A) Homer Mercury Classic operated and administered by the Boys and Girls Club of the Kenai Peninsula; and

(B) mercury classic operated and administered by the Greater Fairbanks Chamber of Commerce or jointly, in the discretion of the Greater Fairbanks Chamber of Commerce, by the Greater Fairbanks Chamber of Commerce and the Fairbanks Convention and Visitors’ Bureau;

(32) “net proceeds” means the gross receipts from an authorized activity less the fee described in [AS 05.15.020\(b\)](#), the expenses authorized by [AS 05.15.160](#), and the prizes awarded at the activity;

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

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

(35) “permittee” means a municipality or a qualified organization

that holds a valid permit under [AS 05.15.100](#);

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

(37) “political organization” means an organization or club organized under or formally affiliated with a political party as defined in [AS 15.80.010](#);

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

(39) “qualified organization” means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, veterans, labor, political, or educational organization, police or fire department and company, dog mushers’ association, outboard motor association, or fishing derby or nonprofit trade association in the state, that operates without profits to its members and that has been in existence continually for a period of three years immediately before applying for the license or permit; the organization may be a firm, corporation, company, association, or partnership; in this paragraph, “fishing derby association” means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(40) “race classic” means a game of chance where prizes are awarded for the closest guess or guesses of the official winning times of a human race or races, and is limited to the

(A) Mt. Marathon Race Classic operated and administered by the Seward Chamber of Commerce Convention and Visitors’ Bureau; and

(B) Race to Alaska Classic operated and administered by the Greater Ketchikan Chamber of Commerce;

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

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

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

(44) “salmon classic” means a game of chance, to be operated and administered by the

(A) United Fishermen of Alaska, in which a prize of money is awarded for the closest guess of the total number of salmon harvested commercially statewide, as determined by the Department of Fish and

Game, during a certain period of time;

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

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

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

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

(46) "snow classic" means a game of chance in which a prize of money is awarded to the closest guess of the total snow accumulation on the ground at a specific location on Mount Alyeska on a specific date and time and is limited to the Alyeska Snow Classic operated and administered by Four Valleys Community School, Inc.;

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

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

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

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

(C) is an establishment holding a

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

(ii) package store license under [AS 04.11.150](#);

(49) "veterans organization" means a civic, service, or charitable organization in the state, or a branch or lodge or chapter of a

national or state organization in the state, not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States or persons who served in the Alaska Territorial Guard.

Sec. 05.15.695. Short title.

This chapter may be cited as the Alaska Gaming Reform Act.