

15 AAC 160.010. Permit required

(a) A municipality or qualified organization that seeks to conduct an activity permitted under [AS 05.15](#) shall apply to the department for a permit.

(b) If a suborganization of a parent qualified organization seeks to conduct an activity permitted under [AS 05.15](#), the suborganization shall apply to the department for its own permit. The suborganization itself must meet the requirements of [AS 05.15](#) and this chapter in order to receive a permit; the suborganization cannot rely solely on the issuance of a permit to the parent qualified organization.

15 AAC 160.020. Permit application

- (a) An applicant for a new permit shall submit to the department
- (1) a completed original application on a form prescribed by the department;
 - (2) the annual permit fee required under [AS 05.15.020](#);
 - (3) if incorporated, a certified copy of the applicant's articles of incorporation;
 - (4) if a partnership, a copy of the applicant's partnership agreement;
 - (5) a copy of the applicant's bylaws and copies of the applicant's national and state charters, if any; bylaws and charters must contain a dissolution clause that provides for the disposition of net proceeds from charitable gaming conducted under this chapter to a permittee, other than a multiple-beneficiary permittee;
 - (6) a certification, to be provided on the application form, that the applicant has at least 25 members who are state residents under [AS 01.10.055](#), and a list of at least 25 names of current members who are certified to be members and state residents, including the names of the member in charge and each alternate member in charge; if more than 25 current members are certified to be members and state residents, a partial list may be provided if it gives at least 25 names, including the member in charge and each alternate member in charge;
 - (7) if exempt from federal income tax under 26 U.S.C. 501(c), as amended through October 24, 1992, an Internal Revenue Service certificate or letter of tax exemption; and
 - (8) documents demonstrating that the applicant has been in existence continually for a period of at least three years immediately before the date of application.
- (b) An applicant for a renewed permit shall submit to the department
- (1) a completed original application on a renewal form prescribed by the department;
 - (2) the annual permit fee required under [AS 05.15.020](#);
 - (3) if incorporated, a certified copy of the changes to the applicant's articles of incorporation since the permit was last issued;
 - (4) if a partnership, a copy of any changes to the applicant's partnership agreement since the permit was last issued;
 - (5) copies of any changes to the applicant's bylaws, and national and state charters, since the permit was last issued;
 - (6) a certification that the applicant has at least 25 members in this state; and
 - (7) if exempt from federal income tax under 26 U.S.C. 501(c), as amended through October 24, 1992, an Internal Revenue Service certificate or letter of tax exemption, if not already submitted to the department under (a) of this section.
- (c) An applicant for a permit that is a municipality, school, or university is exempt from the requirement to submit the information under (a)(6) or (b)(6) of this section.
- (d) An applicant for a permit shall retain a copy of an application submitted under (a)(1) or (b)(1) of this section for three years after the date that the application is submitted to the department.
- (e) An applicant for a permit, that is not a municipality, shall accomplish the notice required under [AS 05.15.030\(a\)](#) by submitting one copy of the application submitted under (a)(1) or (b)(1) of this section to the city or borough nearest to each location in which the applicant seeks to conduct an activity permitted under [AS 05.15](#). If the applicant proposes activity in an area served by both a city and a borough, the applicant may choose which of the two will receive notice of the application.

15 AAC 160.030. Operator's license application

- (a) An applicant for an operator's license shall submit to the department
- (1) a completed original application on a form prescribed by the department, containing only accurate and complete information; and
 - (2) proof of liability insurance satisfactory to the department in the amounts specified in [15 AAC 160.210](#) for each location in which the applicant seeks to conduct an activity permitted under [AS 05.15](#).
- (b) The department may accept lienable property located in the state as a security posted under [AS 05.15.122\(b\)\(5\)](#) if
- (1) the applicant is unable to post another form of bond or security satisfactory to the department;
 - (2) repealed 11/10/96;
 - (3) the applicant's equity in the property
 - (A) is at least two times the amount specified in [AS 05.15.122\(b\)\(5\)](#), as shown in a current, written valuation appraisal from a certified real estate appraiser authorized under [AS 08.87](#), certifying that the property satisfies the conditions of this subparagraph; in this subparagraph, "valuation appraisal" has the meaning given in [AS 08.87.900](#); and
 - (B) and at all times remains at least two times the amounts specified in [AS 05.15.122\(b\)\(5\)](#); and
 - (4) for renewal applications filed on or after June 22, 2008, the applicant obtains a current, written valuation appraisal every five years from a certified real estate appraiser authorized under [AS 08.87](#), certifying that the property satisfies the conditions of (3) of this subsection; however, the department may require an annual valuation appraisal if the department has reason to believe that the property no longer has the value attributed to it by the most recent appraisal on file with the department; in this paragraph, "valuation appraisal" has the meaning given in [AS 08.87.900](#).
- (c) As used in [AS 05.15](#) and this chapter, a bond or security is "satisfactory to the department" if the bond or security
- (1) meets the requirements of [AS 05.15.167\(a\)](#);
 - (2) will be in effect for two years after the date the operator's license expires; and

(3) if a certificate of deposit, is in the name of the state in trust for the applicant and is accompanied by a completed assignment of negotiable instrument form prescribed by the department.

(d) An applicant for an operator's license shall retain a copy of the application for three years after the date that the application is submitted to the department.

(e) An applicant for an operator's license, that is not a municipality, shall accomplish the notice required under [AS 05.15.030\(a\)](#) by submitting one copy of the application described under [AS 05.15.122\(b\)](#) to the city or borough nearest to each location in which the applicant seeks to conduct an activity permitted under [AS 05.15](#). If the applicant proposes activity in an area served by both a city and a borough, the applicant may choose which of the two will receive notice of the application.

(f) If an applicant is a natural person and seeks reinstatement of an operator's license that has been revoked, the applicant must retake the test required by [AS 05.15.122\(b\)](#). If an applicant is a municipality or qualified organization and seeks reinstatement of an operator's license that has been revoked, the applicant must designate a municipal employee or member of the organization to retake the test required by [AS 05.15.122\(b\)](#), if the designated individual has taken the test before, or to take the test, if the designated individual has not taken the test before.

(g) A natural person applying for an operator's license, or an individual designated under [AS 05.15.122\(b\)](#) by a municipality or qualified organization, must be at least 21 years of age.

15 AAC 160.040. Pull-tab manufacturer's license application

An applicant for a pull-tab manufacturer's license under [AS 05.15.181](#) shall submit to the department

- (1) a completed original application on a form provided by the department; and
- (2) the fee required under [AS 05.15.181\(b\)](#).

15 AAC 160.050. Pull-tab distributor's license application

(a) An applicant for a pull-tab distributor's license under [AS 05.15.183](#) shall submit to the department

- (1) a completed original application on a form prescribed by the department; and
- (2) the fee required under [AS 05.15.183\(b\)](#).

(b) For a new application filed on or after June 22, 2008, an applicant for a distributor license must be at least 21 years of age.

15 AAC 160.060. Monte Carlo activity permit

Repealed.

15 AAC 160.070. Application amendments

(a) If information provided in an original or amended application for a permit, registration, or license changes, the applicant, permittee or licensee shall submit to the department an amended application that indicates the changed information, and request reissuance of the permit, registration, or license, as applicable.

(b) Until the department issues the new permit, registration, or license, the permittee or licensee may conduct only those activities allowed under the existing permit, registration, or license.

(c) Upon receipt of a reissued permit, registration, or license, the permittee, registered vendor, or licensee shall immediately destroy the existing permit, registration, or license, or return it to the department.

(d) Amended applications under (a) of this section must be filed with the department within 10 days after the change and on a form provided by the department.

(e) An applicant for a permit or license that amends its application under (a) of this section shall immediately provide each notice required under [AS 05.15.030](#).

15 AAC 160.075. Addresses

(a) A permittee, registered vendor, or licensee shall maintain a current mailing address on file with the department at all times. The current mailing address on file for a permittee, registered vendor, or licensee is the address of the permittee, registered vendor, or licensee for official communications, notifications, and service of legal process.

(b) A permittee, operator, or distributor shall maintain a current physical address on file with the department at all times for each location at which

- (1) bingo or pull-tab activities are conducted; or
- (2) gaming records are maintained.

15 AAC 160.080. Supplemental information

If the information submitted on the application required under this chapter is incomplete, inconsistent, or leads the department to reasonably believe that a violation of [AS 05.15](#) or this chapter has occurred or will occur, if the permit or license is issued, the department will, in its discretion, require the applicant to submit additional information to complete the investigation or to evaluate the application.

15 AAC 160.090. Departmental consideration of local government unit protest

The department will consider a protest by a local government unit under [AS 05.15.030\(a\)](#) if the protest is filed with the department within 15 calendar days from the date the department receives the application.

15 AAC 160.100. Fingerprints

(a) If in the course of an investigation under [AS 05.15](#) and this chapter the department determines that fingerprints are necessary to further the investigation, the department will, in its discretion, request a clear set of fingerprints from a member in charge or an alternate member in charge of a permittee, a licensee, a registered vendor, or their employees. A person shall submit the fingerprints on a form approved by the department within ten days of the request.

(b) The department will, in its discretion, submit fingerprints obtained under (a) of this section to the identification division of the Federal Bureau of Investigation and to the Department of Public Safety.

15 AAC 160.110. Issuance, renewal, or denial of permit or license

(a) Upon approval of an application and other materials required for a permit or license under [AS 05.15](#) and this chapter, the department will issue the permit or license. If the applicant does not meet the requirements for a permit or license under [AS 05.15](#) and this chapter, the department will deny the permit or license in a written notice to the applicant. The department may deny a permit or license for the same grounds for which it could be revoked or suspended under [AS 05.15](#) or this chapter.

(b) An applicant for a permit or license under [AS 05.15](#) may not conduct an activity permitted under [AS 05.15](#) until the permit or license has been issued by the department and is posted at the location of the activity in a manner that is clearly visible to the public.

(c) A permit or license under [AS 05.15](#) is valid for the calendar year for which it is issued unless it is suspended or revoked by the department.

(d) Repealed 9/3/2005.

(e) Repealed 11/10/96.

(f) If a permittee's or an operator's renewal application, annual filing fees, and completed tests required under [AS 05.15.112](#) and [05.15.122](#) are received by the division before December 15 of the year before the calendar year for which the permit or license is sought, and the renewal application is complete in all substantial respects, the department will issue to the permittee or operator a temporary permit or license effective January 1 through February 15 of the new permit or license year, unless the department has found the same grounds for which the permit or license could be

revoked or suspended under [AS 05.15](#) or this chapter. A temporary multiple-beneficiary permit will apply only to those member permittees that were members before the filing of the renewal application. The issuance of a temporary permit or license does not preclude the department from denying renewal or taking any other action relative to the suspension or revocation of a permit or license as may be authorized by statute or regulation.

(g) Repealed 9/3/2005.

(h) If a permit or license application, other than an application for renewal, is denied, the applicant may request an informal conference within 30 days after the mailing of the notice of denial. The applicant may request an informal conference by filing a brief statement why the person is aggrieved by the denial. After receipt of a request for informal conference, the department will apply the procedures of [15 AAC 05.020](#), to the extent consistent with this chapter. If the applicant files a request for informal conference, and if the informal conference decision upholds the denial, an aggrieved applicant may request a formal hearing under [15 AAC 160.910](#).

15 AAC 160.120. Transfer of license prohibited

A license issued under [AS 05.15](#) is not transferable.

15 AAC 160.140. Surrender of license upon suspension or revocation

If the department suspends or revokes a license, the licensee shall immediately surrender the license to the department upon notification of the suspension or revocation. A license is not valid beyond the effective date of the suspension or revocation, whether surrendered or not to the department, except if under appeal with the department.

15 AAC 160.150. Notification of change in name or legal status

Repealed.

15 AAC 160.160. No prorating of fees

The department will not prorate a permit fee or license fee or license fee paid under [AS 05.15](#).

15 AAC 160.170. Refund of fees

The department will refund a permit or license fee paid under [AS 05.15](#) if

- (1) the applicant notifies the department in writing within 10 calendar days from receipt of the application by the department that the application is being withdrawn; and
- (2) at the time of notification, the department has not issued the permit or license.

15 AAC 160.180. Deadline for permit or license renewal application

Repealed.

15 AAC 160.190. Operator's license required

(a) A person, municipality, or qualified organization that conducts gaming for a permittee must hold an operator's license under [AS 05.15.122](#), except as provided in (b) of this section.

(b) A person is not required to hold an operator's license to

- (1) work in gaming as an employee of a licensed operator or registered vendor;
- (2) work in gaming as an employee or a volunteer for a permittee, if the person does not work as a manager of gaming for more than one gaming entity in a calendar year, whether a permittee or multiple-beneficiary permittee;
- (3) sell pull-tabs as a registered vendor with an endorsement issued under [AS 05.15.188\(b\)](#); or
- (4) sell raffle, classics, dog mushers contest, or fish derby tickets on behalf of a permittee, if the person does not promote, pay expenses for, or otherwise conduct the raffle.

(c) A person is an employee of a permittee, operator, or registered vendor if

- (1) the person's compensation is subject to income tax withholding by the permittee, operator, or registered vendor under federal law;
- (2) the wages, indirect compensation, or gifts received by the person from the permittee, operator, or registered vendor are not directly related to the gross receipts or profitability of a specific gaming activity; and
- (3) the person has no financial interest in any property sold, leased, or rented to the permittee, operator, or registered vendor for use in conducting gaming activity.

15 AAC 160.200. Change of operator bond or security

If the department determines that the licensee's bond or security posted no longer meets the requirements of [AS 05.15.122](#), [AS 05.15.167](#), and this chapter, the department will require a licensee to change the form of bond or security posted to meet those requirements.

15 AAC 160.210. Minimum insurance coverage for operators

(a) For purposes of [AS 05.15.122\(b\)\(4\)](#), an operator's liability insurance is satisfactory to the department if it is in the amount of \$100,000 per person and \$300,000 per occurrence for each location where the operator conducts an activity permitted under [AS 05.15](#).

(b) An operator shall immediately notify the department in writing if the operator's insurance expires or is discontinued for any reason.

15 AAC 160.220. Contracts with permittees

(a) In addition to complying with [AS 05.15.115](#), a contract between an operator and an authorizing permittee must include

- (1) a termination clause that allows the permittee or operator to terminate the contract upon 30 days notice in writing;
- (2) to the extent known at the time the contract is executed, a detailed listing of the rental costs for
 - (A) facilities by location; and
 - (B) equipment by location;
- (3) the amount of the operator fee;
- (4) the name and address of the primary member in charge and alternate member in charge; and
- (5) the length of time the primary member in charge and the alternate member in charge have been,
 - (A) if a qualified organization, a member of the organization or the board of directors; or
 - (B) if a municipality, an employee of the municipality.

(b) A permittee or an operator shall submit a signed copy of the contract to the department at least 15 days before the planned commencement of gaming activities under [AS 05.15](#) and this chapter.

(c) If a permittee or an operator terminates a contract, the permittee and the operator shall each immediately notify the department in writing of the effective date of the termination of the contract. Upon approval by the department, if a permittee terminates a contract with an operator for non-use of the permit, and shows that the operator did not conduct activity under [AS 05.15](#) for the permittee in the current calendar year, the permittee's prize limits under [AS 05.15.180\(g\)](#) and [15 AAC 160.600\(a\)](#) are not reduced.

(d) Approval of a contract by the department under [AS 05.15.115](#) constitutes approval as to the form required under [AS 05.15.115](#) and this section only.

(e) Repealed 1/1/2003.

(f) An operator may not contract with a multiple-beneficiary permittee.

15 AAC 160.230. Operator rental and wage costs

An operator shall separately account for the cost of rental of premises and the cost of the wages of the operator's employees in reports filed under [AS 05.15.083](#) or 05.15.087.

15 AAC 160.240. Operator's daily summary of activity

An operator's daily summary of activity required under [AS 05.15.087](#)(a) must include a daily accounting of the

- (1) amount of gross receipts, the value of prizes awarded, and the expenses at each location for each gaming activity conducted during the day on behalf of the permittee;
- (2) gross receipts and the value of prizes awarded for each pull-tab series conducted during the day;
- (3) date that each pull-tab series conducted during the day was first put into play; and
- (4) serial number of each pull-tab series withdrawn from sale during the day.

15 AAC 160.250. Operator's monthly report to permittee

An operator's monthly report required under [AS 05.15.087](#)(a) must include a monthly accounting of the

- (1) amount of gross receipts;
- (2) value of prizes awarded;
- (3) total expenses;
- (4) expenses allowable under [AS 05.15.160](#)(a)(2)(B); and
- (5) net proceeds at each location for each gaming activity conducted during the month on behalf of the

authorizing permittee.

15 AAC 160.260. Operator expenses

Repealed.

15 AAC 160.270. Operator payment to permittee

- (a) An operator shall pay annually to an authorizing permittee at least

- (1) 30 percent of the adjusted gross income, as determined under [AS 05.15.128](#)(a)(1), from pull-tab activity conducted on behalf of the authorizing permittee; and
- (2) 10 percent of the adjusted gross income, as determined under [AS 05.15.128](#)(a)(1), from a gaming activity other than pull-tab activity conducted on behalf of the authorizing permittee.

(b) In determining the amount of the payments required under (a) of this section, net income or losses from one gaming activity conducted by an operator on behalf of a permittee may not be combined with a net income or losses from another gaming activity.

(c) In determining gross income, adjusted gross income, or net proceeds under [AS 05.15](#) and this chapter, losses from bad checks, uncollectible debts, or employee theft or fraud may not be charged by the operator to activities conducted under [AS 05.15](#) and this chapter to calculate payment due a permittee.

15 AAC 160.290. Operator reports to the department

(a) The quarterly report required under [AS 05.15.083](#)(a) must be on a form provided by the department and the report must include, for each authorizing permittee on whose behalf gaming activity was conducted during the quarter,

- (1) the amount of gross receipts for each gaming activity;
- (2) the value of prizes awarded for each gaming activity;
- (3) the total value of prizes including donations;
- (4) the amount of municipal, state, and federal taxes paid;
- (5) the adjusted gross income;
- (6) the expenses under [AS 05.15.160](#)(a);
- (7) the total net proceeds;
- (8) other information required by [AS 05.15.083](#)(a); and
- (9) additional information that the department determines to be necessary to determine the amount of

proceeds due the permittee.

(b) The annual report required under [AS 05.15.083](#)(b) must be on a form provided by the department. The report must include, for each authorizing permittee on whose behalf gaming activity was conducted during the year,

- (1) the amount of gross receipts for each gaming activity;
- (2) the value of prizes awarded for each gaming activity;
- (3) the expenses under [AS 05.15.160](#)(a);
- (4) the amount of net proceeds for each gaming activity;
- (5) other information required by [AS 05.15.083](#)(b); and
- (6) additional information that the department determines to be necessary to determine the amount of

proceeds due the permittee.

15 AAC 160.300. Ownership of gaming items

(a) If an operator purchases a gaming item and charges it as an expense to an authorizing permittee, the gaming item becomes the property of the permittee at the time of purchase.

(b) If an operator ceases conducting gaming activity on behalf of an authorizing permittee, the operator shall immediately return all gaming items owned by the permittee to the permittee.

(c) As used in this section, "gaming item" includes pull-tabs, equipment, supplies, and other items purchased in connection with gaming activity.

15 AAC 160.310. Review of financial records

(a) The review of an operator's financial records required under [AS 05.15.165](#)(e) must be performed by a certified public accountant licensed under [AS 08.04](#). Multiple-beneficiary permittees authorized under [AS 05.15.145](#) are subject to the same reporting requirements as operators under this section.

(b) An operator or a multiple-beneficiary permittee shall have prepared financial statements that present financial position, results of operations and cash flows of the gaming operations, and notes to the financial statements in accordance with generally accepted accounting principles.

(c) In addition to the financial statements required by (b) of this section, information required in (d) and (e) of this section shall be presented in either the notes to the financial statements or as supplementary information as appropriate. Information presented as supplementary information shall be subjected to the inquiry and analytical procedures applied in the review of the basic financial statements.

- (d) Notes to the financial statements in (c) of this section must include the following disclosures:

- (1) method of calculating adjusted gross income;
- (2) inventory method concerning bingo and pull-tab supplies and opened and unopened series of pull-tabs.

- (e) Supplementary information in (c) of this section must include the following material:

(1) explanation of differences, if any, in methods of financial reporting and reports prepared for this state and the permittees, and reconciliation of any differences in the statement of operations and annual report required under [AS 05.15.083](#)(b);

(2) itemized schedule by the permittee showing gross receipts, prizes, taxes, adjusted gross income, payments of net proceeds, and authorized expenses excluding operator fees;

(3) itemized schedule of authorized game related expenses, if not itemized separately in the statement of operations, or in the schedule under (2) of this subsection.

15 AAC 160.320. Demand upon bond or security

Except if under appeal with the department, the department will make demand on a bond or security if an operator refuses to pay an amount due to the department, including taxes, fees, penalties, and interest, or if after demand by an authorizing permittee, an operator refuses to pay otherwise undisputed net proceeds due to the authorizing permittee, the department will make demand on the bond or security posted by the operator under [AS 05.15.122\(b\)\(5\)](#).

15 AAC 160.330. Release of bond or security

(a) If the department determines that the requirements of (b) of this section have been met and two years have passed since the final day the operator conducted gaming activity on behalf of an authorized permittee, the department will release the remainder of a bond or security posted under [AS 05.15.122\(b\)\(5\)](#) in the following situations:

- (1) the operator's license expired or was denied, suspended, or revoked;
- (2) the operator has requested in writing to the department to release the bond or security.

(b) Before the department releases a bond or security under (a) of this section, the department must first determine that

- (1) the operator has filed all reports due under [AS 05.15.083](#), 05.15.087, and 05.15.165(e) and has paid all amounts due the state under [AS 05.15](#); and
- (2) repealed 11/10/96;
- (3) a claim has not been filed in a court by a permittee against the bond.

(c) The department will, in its discretion, waive the two-year requirement in (a) of this section if each authorizing permittee covered by the bond or security certifies in writing that the permittee is not

- (1) due any net proceeds from the operator; and
- (2) aware of any violations of [AS 05.15](#) or this chapter by the operator that have not previously been reported to the department.

15 AAC 160.340. Vendor contracts

(a) If a permittee enters into a contract described under [AS 05.15.188](#), the permittee shall submit a copy of the contract to the department for inspection as allowed under [AS 05.15.188\(f\)](#).

- (b) In addition to the requirements under [AS 05.15.188](#), a contract between a permittee and a vendor must contain
- (1) the beverage dispensary license number or package store license number of the vendor;
 - (2) a means for determining the amount of compensation to be paid to the vendor under [AS 05.15.188\(i\)](#);
 - (3) a plan for disposing of the pull-tab series if the permittee or the vendor is prohibited from selling pull-tabs;

and

- (4) a method for handling receipts for prizes required under [AS 05.15.187\(i\)](#).

15 AAC 160.350. Registered vendor compensation

(a) A permittee may not pay, and a registered vendor may not accept permittee payment of, any expense incurred by the registered vendor that would cause the permittee to receive, in violation of [AS 05.15.188](#), less than 70 percent of the ideal net of a pull-tab game sold to the vendor. A permittee may not engage in a sales transaction under [AS 05.15](#) or this chapter with a person, whether licensed or not, who sells or provides gaming supplies or equipment to a third party, if the same sale made directly to the third party would result in a prohibited conflict of interest under [AS 05.15](#) or this chapter.

(b) A registered vendor may not participate in a purchase inducement program prohibited by [15 AAC 160.942](#) or accept, as a gift, as a loan, or for rent at less than fair market value, a pull-tab point-of-sale system or pull-tab dispensing device from a third party, or from a distributor who supplies pull-tab games for a permittee for which the registered vendor sells pull-tab games. A registered vendor may not purchase, rent, or otherwise receive a pull-tab point-of-sale system or pull-tab dispensing device from a permittee even if the registered vendor provides fair market value for the system or device.

(c) A permittee may sell pull-tabs in premises that otherwise qualify as a vendor location, without the business in that premises becoming a registered vendor, and without the permittee receiving the payment required under [AS 05.15.188\(i\)](#) for any pull-tab series that the permittee sells, if

- (1) the business is not paid or provided compensation other than lease payments;
- (2) the lease is executed in accordance with [15 AAC 160.935\(c\)](#);
- (3) lease payments do not exceed the amount calculated under [15 AAC 160.935\(c\)\(2\)](#);
- (4) the sale of pull-tabs is conducted in a space separate and distinct from any area where alcoholic beverages are stored or dispensed;
- (5) the sale of pull-tabs is conducted by employees or volunteers of the permittee; and
- (6) the department has issued a permit for that location.

15 AAC 160.360. Vendor sales areas

A vendor may sell pull-tabs only in an area of an establishment that excludes a person under the age of 21 years unless the person is accompanied by a parent, guardian, or spouse who has attained the age of 21 years.

15 AAC 160.361. Multiple-beneficiary permits

(a) A municipality or qualified organization must obtain a permit under [AS 05.15.020](#) before applying to become a member of a multiple-beneficiary permittee.

(b) A multiple-beneficiary permittee with fewer than six members may add an additional member by filing an amended application with the department, if the addition of the new member does not result in the multiple-beneficiary permit cumulatively having more than six members in a calendar year.

(c) An application for a multiple-beneficiary permit must include a copy of the joint venture agreement among the members, including the percentage of participation in gross receipts for each member.

(d) A multiple-beneficiary permittee shall allocate taxes, prizes, and expenses in the proportion that it allocates gross receipts among its members, but no member may be allocated a sales tax liability for sales that were not subject to a sales tax.

(e) A multiple-beneficiary permittee may allocate gross receipts, taxes, prizes or expenses to a new member only from the date that the department approves the addition of the new member.

(f) A multiple-beneficiary permittee may not allocate to an individual member permittee more than the annual prize limit for a municipality or qualified organization under [AS 05.15.180\(g\)](#) or [15 AAC 160.600\(a\)](#).

(g) A multiple-beneficiary permittee shall pay net proceeds to its member permittees on a quarterly basis no later than the end of the month following the end of each calendar quarter.

(h) A multiple-beneficiary permittee may not spend or otherwise dedicate net proceeds except to distribute the net proceeds to its member permittees.

(i) A multiple-beneficiary permittee or its member permittees may not sublease gaming facilities to another multiple-beneficiary permittee or its member permittees at a price higher than that paid by the multiple-beneficiary permittee.

(j) The results of an action taken against a multiple-beneficiary permittee shall apply to the individual permits of those members of the multiple-beneficiary permittee who were members at the time of the violation that was the subject of the action.

(k) The department shall notify the primary member in charge of a multiple-beneficiary permittee regarding a violation by one of its member permittees of [AS 05.15](#) or this chapter.

(l) Individual members of the multiple-beneficiary permittee shall jointly file the annual certified public accountant review required by [15 AAC 160.310\(a\)](#).

(m) Each member of a multiple-beneficiary permittee must be actively involved in the gaming activities conducted by the multiple-beneficiary permittee, including management oversight, policy setting, and authorization of expenditures.

(n) A multiple-beneficiary permittee may not contract with an operator.

15 AAC 160.363. Contributions, loans, and gifts

(a) For use in gaming, an entity that conducts gaming under a self-directed permit may

(1) make a capital contribution from a non-gaming source; and

(2) secure a loan or accept a gift that is not from a gaming source or from a person or entity that is not prohibited from participating in gaming under [AS 05.15.105](#).

(b) A member of a multiple-beneficiary permittee may make a capital contribution or loan from a non-gaming source to the multiple-beneficiary permittee.

(c) A multiple-beneficiary permittee may

(1) accept a capital contribution of non-gaming funds from a member;

(2) secure a loan or accept a gift that is not from a gaming source or from a person or entity that is not prohibited from participating in gaming under [AS 05.15.105](#).

(d) A multiple-beneficiary permittee must notify the department within 10 days after the receipt of a capital contribution from a non-gaming source. The notice must include the name of the contributor, the amount of the contribution, and the date of the contribution.

(e) Except for a loan from a financial institution or a similar entity engaged in the business of making loans, a loan in any amount

(1) must be set out in a written loan agreement provided to the department; and

(2) may not provide for interest in excess of five percentage points above the annual rate charged member banks for advances by the 12th Federal Reserve District on the day that the loan commitment is made.

(f) A permittee or multiple-beneficiary permittee shall notify the department within 10 days of the receipt of a gift, other than a donated prize with a value less than \$1,000, for use in gaming. The notice must include the name of the donor, a description of the gift, the amount or fair market value of the gift, and a statement signed and dated by the donor that the gift is irrevocable.

(g) The use of proceeds from a contribution, loan, or gift to purchase assets or to pay for gaming expenses does not change the accounting required by this chapter for gross receipts and expenses of gaming activities. The use of a contribution, gift, or loan to make the requirement for dedication of net proceeds has no effect in the determination of whether the limitation of [AS 05.15.160](#) on expenses or the limitation of [AS 05.15](#) and this chapter on prizes has been exceeded.

15 AAC 160.365. Manager of gaming

(a) A multiple-beneficiary permittee, and a permittee that engages in pull-tab sales or bingo under a self-directed permit, must designate the person who is its manager of gaming as defined in [15 AAC 160.995](#), and must notify the department within 10 days of a designation of a new manager of gaming.

(b) Unless the presumption is rebutted by other evidence, an employee of a multiple-beneficiary permittee or a permittee is presumed to be a manager of gaming if the employee is exempt from [AS 23.10.050](#) - 23.10.150 (Alaska Wage and Hour Act) under [AS 23.10.055\(9\)](#) for reasons other than being a salesman. A multiple-beneficiary permittee's or a permittee's designation of a person as its manager of gaming does not prevent the department from finding a different person to be the actual manager of gaming for the permittee.

(c) In determining who the manager of gaming is, the department will consider the totality of the circumstances, including the person's compensation from all gaming sources, and whether the person is an employee, makes policy, reports to the board of directors, reports to or interacts with the department, acts in a managerial or supervisory capacity, or supervises or evaluates employees who act in a managerial or supervisory capacity.

15 AAC 160.370. Pull-tab manufacture

(a) Subject to [AS 05.15](#), a pull-tab manufactured, sold, or distributed in the state must comply with the

(1) Standards on Pull-Tabs of the North American Gaming Regulators Association, as amended as of October 20, 1998 and adopted by reference; and

(2) Pull-Tab Record-Keeping and Reporting Standards of the North American Gaming Regulators Association, dated May 11, 1994 and adopted by reference.

(b) Except as provided under (a) of this section, a pull-tab manufactured, sold, or distributed in the state must

(1) be manufactured so that it is impossible to identify whether it is a winning or losing pull-tab until it has been played by a player as intended:

(2) be manufactured using at least a two-ply paper stock construction so that the pull-tab is opaque;

(3) have an individual serial number and the name of the manufacturer conspicuously printed on the face or cover of the pull-tab; and

(4) display to the player how to open the pull-tab to determine the winning symbols or numbers.

(c) Each pull-tab within a pull-tab series must

(1) be of the same length, width, and thickness, not varying by more than 3/64 of an inch in any dimension;

and

(2) be color coded if an individual serial number is repeated.

(d) A licensed pull-tab manufacturer shall establish its own method of game protection that allows the manufacturer and the department to determine, after the pull-tab has been played, the difference between an authentic winning pull-tab and a non-winning, altered, or forged pull-tab. The manufacturer shall submit to the department a letter explaining the method of game protection used and shall inform the department of any changes in its method of game protection.

15 AAC 160.380. Pull-tab series assembly, packaging, and flare cards

(a) A licensed pull-tab manufacturer shall assemble and package a pull-tab series so that a winning pull-tab or the approximate location of a winning pull-tab cannot be determined before the pull-tab has been played by a player.

(b) A winning pull-tab must be distributed randomly among all other pull-tabs in its series.

(c) A pull-tab series must be packaged and clearly marked on the outside with the name of the licensed pull-tab manufacturer, the pull-tab serial number, and the name of the pull-tab game.

(d) If a pull-tab series is packaged in more than one container, the entire series of individual pull-tabs must be thoroughly mixed and distributed evenly among the containers so that a winning pull-tab, the approximate location of a winning pull-tab, or a concentration of winning pull-tabs cannot be determined before the pull-tab has been played by a player.

(e) With each pull-tab series, and except as provided in (f) of this section, a pull-tab manufacturer shall include a flare card containing

(1) the name or registered trademark of the manufacturer;

(2) the name of the pull-tab series;

(3) the serial number of the pull-tab series;

(4) the number of pull-tabs in the series;

(5) the prize structure, including the number of winning pull-tabs in the series for each prize;

(6) the winning symbols or numbers for each prize in the series; and

(7) the price per pull-tab.

(f) A pull-tab manufacturer may have a seal card serve as a flare card in a pull-tab series, if the seal card meets the requirements of (e) of this section, [15 AAC 160.400](#), and [15 AAC 160.410](#) for a flare card.

15 AAC 160.390. Failure to comply.

The department will refuse to allow a pull-tab series to be manufactured, sold, or distributed in the state if the series does not comply with [AS 05.15](#) or this chapter, including the standards on pull-tabs of the North American Gaming Regulators Association, as amended from time to time.

15 AAC 160.400. State identification stamps

(a) The department will issue to a licensed pull-tab manufacturer a set of state identification stamps, imprinted with the same unique state identification number, to be used for identifying and tracking the sale and distribution of a series of pull-tabs.

(b) If a pull-tab series is available to the public for play, the accompanying flare card containing the state identification stamp must be displayed so that the flare card and state identification stamp are clearly visible to the gaming public. The flare card and state identification stamp must be displayed at all times while the pull-tab series is available to the public for play and must be removed when the series has been played out or removed from play for any reason.

15 AAC 160.410. Manufacturer distribution

(a) A licensed pull-tab manufacturer may distribute only those pull-tabs in this state that the manufacturer designed, constructed, assembled, and packaged.

(b) A licensed pull-tab manufacturer may not distribute a pull-tab series in this state to a licensed pull-tab distributor unless the manufacturer has

(1) affixed a state identification stamp on the face of the flare card accompanying the series of pull-tabs;

(2) included with the pull-tab series the remaining state identification labels from the set for use by the permittee, distributor, or operator, in accordance with other provisions of this chapter; and

(3) recorded the state identification number as required under this chapter.

(c) Repealed 6/22/2008.

(d) A licensed pull-tab manufacturer shall affix a packing slip outside of a shipment of pull-tabs to be shipped in this state. The packing slip must contain

(1) the name of the licensed pull-tab manufacturer;

(2) the pull-tab serial number;

(3) the date of packaging of the series;

(4) the name or identification of the person who packaged the shipment; and

(5) the state identification number.

15 AAC 160.420. Distributor distribution

(a) A pull-tab series distributed in this state by a licensed pull-tab distributor must be accompanied by a written invoice. The invoice must include the

(1) name and form number of the series;

(2) pull-tab serial number;

(3) state identification stamp number;

(4) distribution date;

(5) name and permit number or license number of the permittee, operator, or distributor who purchased the series;

(6) amount charged for the series;

(7) face amount of any coins or currency included with the series; and

(8) amount of pull-tab tax required under [AS 05.15.184](#), except when an invoice is from one distributor to another distributor.

(b) A distributor may not distribute a pull-tab series unless the distributor has included with the pull-tab series the state identification stamps.

(c) A distributor must track the pull-tab games distributed and account for all pull-tab games purchased, sold, and in inventory. The inventory data maintained by the distributor must include the manufacturer's serial number, state identification stamp number, description, and form number. The distributor must explain any discrepancy or unaccounted pull-tab games.

15 AAC 160.430. Manufacturer's monthly report

The monthly report required under [AS 05.15.181](#)(e) must be submitted on a form provided by the department. The monthly report must include the following information for each pull-tab series distributed in this state by the licensed pull-tab manufacturer since the last required monthly report:

(1) the name and form number of the series;

(2) the pull-tab serial number;

(3) the state identification number;

(4) the name of the licensed pull-tab distributor to whom the series was distributed.

15 AAC 160.440. Distributor's monthly report

(a) The monthly report required under [AS 05.15.183](#)(d) must be submitted on a form provided by the department. The monthly report must include the following information for each pull-tab series distributed by the licensed pull-tab distributor since the last required monthly report:

(1) the name and form number of the series;

(2) the pull-tab serial number;

(3) the state identification number;

(4) the distribution date;

(5) the name of the manufacturer;

(6) the price per pull-tab;

(7) the pull-tab count;

(8) the expected gross pay out of prizes;

(9) the ideal net;

(10) the name of the permittee, operator, or licensed pull-tab distributor to whom the pull-tab series was distributed;

(11) repealed 1/1/2003;

(12) repealed 1/1/2003.

(b) A distributor shall maintain for three years immediately following the end of the calendar year of the sale a record of the price that the permittee or operator paid for each pull-tab series distributed. The distributor is not required to include this information in the monthly report made under [AS 05.15.183](#)(d), but must provide it to the department upon request.

15 AAC 160.450. Payment for pull-tabs

Within 30 days of actual delivery of a pull-tab series to a permittee, an operator on behalf of a permittee, or a receiving

pull-tab distributor, the permittee, operator, or receiving distributor shall pay to the distributing distributor the full purchase price by check made payable to the distributing distributor.

15 AAC 160.460. Pull-tab tax

(a) The pull-tab tax required under [AS 05.15.184](#) must be collected and paid to the department by the licensed pull-tab distributor that first distributes the pull-tab series to a permittee or an operator on behalf of a permittee.

(b) At the time the licensed pull-tab distributor files the monthly report required under [AS 05.15.183\(d\)](#), the distributor shall pay to the department the pull-tab tax required under [AS 05.15.184](#) that the distributor collected or should have collected since the date the distributor filed its last monthly report.

(c) The pull-tab tax required by [AS 05.15.184](#) shall be calculated on the ideal net of a pull-tab series, as established by the manufacturer, and exclusive of any additional prize that a permittee or operator may award for the last pull-tab sold in a series. A distributor may not add a prize to a pull-tab series for the last pull-tab sold from that series. Any prize awarded by a permittee or an operator for the last pull-tab sold, that is not included in the prize structure for the game as manufactured, when combined with the prize total for that pull-tab, if any, may not exceed the \$500 limit in [15 AAC 160.480\(a\)\(3\)](#), and any prize for the last pull-tab sold in a series must be reduced appropriately if the aggregate total would exceed \$500.

15 AAC 160.470. Pull-tab games

(a) The sales price for a pull-tab may not exceed \$2.

(b) A permittee, operator, or registered vendor may not sell a pull-tab that is marked, defaced, tampered with, in a condition that may deceive the gaming public, or in a condition that affects the chances of the gaming public winning or losing on that pull-tab. To protect the best interests of the public, a pull-tab series with a prize for the last pull-tab sold may not be combined with another series, even though the combination might be generally allowable under [AS 05.15.187\(c\)](#).

(c) Unless included in the definition of "cash prize" in [15 AAC 160.995](#), a

- (1) pull-tab prize of \$50 or more shall be paid only by cash or check; and
- (2) non-cash item may not be awarded as a prize in a pull-tab game.

(d) A pull-tab prize of less than \$50 may be traded for other pull-tabs, but must be accounted as a cash prize when preparing a report required under [AS 05.15](#) or this chapter.

(e) A pull-tab series conducted under one permit may not be

- (1) combined with a pull-tab series conducted under another permit; or
- (2) transferred to another permit.

(f) A mechanical or electronic device may not be used to select the symbols or numbers used to determine the winners of a pull-tab game.

(g) Pull-tabs may not be sold to the public from the original packing box or container unless the container has been designed for retail sales, and the pull-tabs have been properly mixed.

(h) A permittee, operator, or registered vendor shall verify the identity of the individual redeeming winning pull-tabs of \$50 or more.

(i) A permittee, operator, or registered vendor shall deface or punch all winning pull-tabs of \$50 or more immediately after redemption.

(j) To close a pull-tab series, a permittee or operator may

- (1) use pull-tabs from the series as door prizes;
- (2) sell pull-tabs from the series at a discount; or
- (3) offer a prize for the last pull-tab sold in the series.

(k) A permittee, operator, or registered vendor may not sell pull-tabs to an employee, an officer, a director, a member in charge, an alternate member in charge, a manager of gaming, a person who has access to pull-tab game information or accounting records, or a related party. For purposes of this subsection, a related party includes a direct relative or an affiliate of a person regulated by this chapter.

(l) A permittee, operator, or registered vendor may use a pull-tab dispensing device, with prior approval from the department, to dispense pull-tab games, but shall prohibit players from having direct access to the device.

(m) Unclaimed coins in a coin board must be awarded to the player who buys the last ticket to close out the game, and house rules must govern distribution of any prize behind an unclaimed coin that is awarded to the buyer of the last ticket. The winner of an unclaimed prize in a seal card must be determined from the players in the seal card game under house rules. Any prize or aggregation of prizes awarded under this subsection is subject to the limitation set out in [15 AAC 160.480\(a\)\(3\)](#).

(n) For purposes of [15 AAC 160.480\(a\)\(3\)](#), a coin in a coin board is valued at face value.

(o) A player may not have any contact with a pull-tab contained in a jar, container, or dispensing device until the permittee, operator, or registered vendor has sold and provided the pull-tab to the player.

15 AAC 160.480. Limitation on pull-tab sales

(a) A pull-tab may not be sold in this state if

- (1) the pull-tab series does not contain the entire prize structure;
- (2) the prize structure of the pull-tab series is available at more than one location; or
- (3) any prize or the prizes in aggregate on a single pull-tab in the pull-tab series exceed \$500.

(b) A person must be 21 years of age or older to sell, purchase, or play a pull-tab.

(c) A person may not knowingly sell a pull-tab to a drunken person, as defined in [AS 04.21.080](#).

(d) Repealed 11/10/96.

15 AAC 160.490. Withdrawal and destruction of pull-tab series

A pull-tab series must be withdrawn from sales if

(1) the permittee's prize award limitation, as identified in [AS 05.15.180\(g\)](#), has been reached for the calendar year; if the permittee is authorized to conduct pull-tab activities during the next calendar year, play of the withdrawn pull-tab series must be resumed when the new permit is received or at the beginning of the next calendar year, whichever is later;

(2) the operator stops conducting gaming activity under one permit and begins conducting gaming activity under another permit; if the operator resumes conducting gaming activities under the first permit, the withdrawn pull-tab must be returned to play immediately;

(3) the permittee terminates its contract with the operator; immediately following the date on which the permittee terminates its contract with the operator, the operator shall inventory the pull-tab series and return it, with the state identification stamps, to the permittee; if the permittee or the permittee's new operator resumes pull-tab activities, the withdrawn pull-tab series must be returned to play immediately;

(4) the pull-tabs are lost, stolen, or damaged, as long as the permittee or the operator submits the circumstances of the incident and subsequent withdrawal to the department in writing within ten days of the incident;

(5) the permittee discontinues pull-tab activity; all pull-tabs open for sale and in the possession of the permittee or the operator must be immediately withdrawn and destroyed under department supervision unless the department directs otherwise;

(6) the permittee's permit is suspended, revoked, or not renewed; all pull-tabs open for sale and still in the possession of the permittee or the operator must be immediately withdrawn and destroyed under department supervision unless the department directs otherwise;

(7) the department approves the withdrawal after receiving a written request from the permittee and determining that approval is necessary to protect the best interest of the public; the department will direct the permittee in handling the pull-tab series; or

(8) a manufacturing defect exists in the pull-tab series and the notice requirement under [AS 05.15.187\(d\)](#) is met within 10 days of discovery of the defect; the department will direct the disposition of the pull-tab series.

15 AAC 160.500. Alcohol access and employee play prohibited

(a) A bingo game may not be conducted under a permit in a room, enclosure, or outdoor area where alcoholic beverages are sold, served, or consumed during the process of the bingo game.

(b) A permittee or operator may adopt house rules that prohibit an employee from playing a game of bingo. The caller of a bingo game may not play a game of bingo conducted by the permittee at the location where the caller is working.

15 AAC 160.510. Bingo card sales

(a) A permittee or an operator shall establish the price for each bingo card, set of bingo cards, or packet of bingo cards before the start of sales for a bingo game or session. A bingo card, set of bingo cards, or packet of bingo cards may not be provided to a player for free, on credit, or at a discount, and the same price per card, whether paper or electronic, must be charged to all players.

(b) A bingo card must be sold at the location of the bingo game where it is to be played. The bingo card must be sold during or immediately before the session for which the bingo card is sold. A bingo card may not be sold if the sale allows a player an advantage over another player. The bingo card may only be played during the session for which the bingo card was sold.

(c) A permittee or operator may not reserve a bingo card or unit of electronic bingo paper for use by a particular player or group of players, and must provide bingo cards and electronic bingo paper to all interested players equally, for as long as bingo cards or units of electronic bingo paper are available, except a braille bingo card may be reserved for use by a player who has a vision impairment.

(d) A permittee or an operator that had annual gross receipts in bingo that exceeded \$300,000 during the previous calendar year may not use hard cards.

15 AAC 160.520. Bingo receipting requirements

(a) A permittee or an operator shall provide a bingo sales receipt to a player for the bingo card, set of bingo cards, or packet of bingo cards at the time of initial purchase and payment is received from a player. A permittee or an operator shall retain a copy of the receipt for three years from the date that the receipt was issued.

(b) A permittee or an operator that had annual gross receipts from bingo that exceed \$100,000 during the previous calendar year, or who expects to have gross receipts from bingo in excess of \$100,000 during the current calendar year, shall issue a sales receipt from a cash register. For purposes of calculating annual gross receipts under this subsection, an operator shall include gross receipts from bingo games conducted for all permittees who have authorized the operator to conduct bingo games on their behalf.

(c) Notwithstanding (b) of this section, a validated bingo sheet may serve in place of a cash register receipt for floor sales.

(d) A player must present the initial bingo sales receipt or validated bingo sheet for the bingo card, set of bingo cards, or packet of bingo cards being played to the permittee or operator in order to be awarded the prize for the bingo game.

15 AAC 160.530. Cash register receipts

(a) In providing a cash register receipt under [15 AAC 160.520\(b\)](#), a permittee or operator shall comply with the following:

(1) a consecutively-numbered receipt from a cash register must be given to the player; the receipt must include the

- (A) repealed 11/10/96;
- (B) date of sale;
- (C) amount of money paid;
- (D) name of the location;

(2) a cash register must have a consecutive four-digit customer receipt number that does not return to zero until at least 9,999 receipts have been printed;

(3) a cash register must have sufficient keys to record separately each type of sale and must provide a total for each type of sale recorded; a cash register must retain these totals between uses even if its power source is interrupted;

(4) repealed 11/10/96;

(5) if a cash register is used by the permittee or operator for purposes other than recording the receipts from bingo, the internal cash register tapes from the other purposes must be retained for the time period required under [15 AAC 160.870\(a\)](#).

(b) A permittee or an operator that had gross receipts from bingo that did not exceed \$100,000 during the previous calendar year, or that expects to have gross receipts that do not exceed \$100,000 during the current calendar year, may use a preprinted or handwritten receipt in lieu of the cash register receipt required under [15 AAC 160.520](#). In providing a preprinted or handwritten receipt, a permittee or an operator shall comply with the following:

(1) the receipt must be consecutively numbered;

(2) the receipt must be in duplicate; the original copy is to be given to the player and the duplicate is to be retained as a bingo record.

15 AAC 160.540. Consecutively-numbered ticket receipts

Repealed.

15 AAC 160.550. Consecutively-numbered disposable bingo card receipts

Repealed.

15 AAC 160.560. Disclosure of prizes and procedures

(a) Before bingo card sales begin, a permittee or an operator shall disclose to each player and conspicuously post upon the premises the price collected to play, the house procedures under which prizes may be won, and the list of prizes to be awarded.

(b) If a player wins a prize, the permittee or operator shall announce the number of winners claiming that prize and proceed with the schedule of bingo games.

(c) For each session of bingo conducted by a permittee or an operator, the permittee or operator shall provide to each player a schedule of bingo games to be played and the number and value of prizes to be awarded for each game.

(d) The house rules of the permittee or operator shall be posted in a conspicuous place upon the premises where the bingo game is conducted.

15 AAC 160.570. Bingo equipment

(a) "Bingo equipment" means equipment that is made or sold for use in bingo games permitted under [AS 05.15](#). Unless otherwise specified, "bingo equipment" includes a machine or other device from which balls are withdrawn to determine the letters and numbers to be called, the balls themselves, a bingo card, and other devices commonly used in

the direct operation of a bingo game.

(b) In conducting a bingo game, a permittee or operator shall use

(1) a device which mixes and allows for random withdrawing of balls to determine the letters and numbers to be called; the device must be constructed in a manner that

(A) allows players to view the mixing action of the balls; and

(B) prevents its operation from being interrupted so as to change the random placement of balls at the exit receptacle of the device, except as provided under [15 AAC 160.590\(k\)](#);

(2) a set of 75 balls bearing the numbers one through 75; balls one through 15 must bear the letter "B"; balls 16 through 30 must bear the letter "I"; balls 31 through 45 must bear the letter "N"; balls 46 through 60 must bear the letter "G"; balls 61 through 75 must bear the letter "O"; the balls must be the same size, weight, shape, and balance so that at all times during a bingo game each ball in the device has an equal opportunity of selection; the 75 balls must be available for inspection by the players before a bingo session begins to determine that all are present and meet the requirements of this section; and

(3) manufactured and preprinted bingo cards that have 25 spaces, the center of which may be a free space, arranged in five even columns headed with the letters "B," "I," "N," "G," and "O," respectively; each set of disposable bingo cards must be consecutively numbered from the first card to the last card, or from the first sheet of disposable bingo cards to the last sheet of disposable bingo cards; each bingo card or sheet of disposable bingo cards must have printed on its face both its individual card or sheet number and the series number assigned by the manufacturer to that set of cards;

(A) repealed 11/10/96;

(B) repealed 11/10/96.

(c) A permittee or operator may use a flashboard to display the numbers called. The flashboard must be visible to all players and must clearly indicate all numbers that have been called. If the flashboard malfunctions during a bingo session, it need not be repaired during that session, but it must be repaired before it is used in a later session.

(d) A permittee or operator may use a video camera and display for the benefit of the players and for bingo card winner verification.

(e) Electronic or computerized bingo devices are prohibited, except those devices that qualify as "electronic bingo paper" and have been approved for use by the department.

(f) Bingo cards that may be played without the calling of balls, sometimes known as "instant bingo," are prohibited.

(g) If two or more sets of disposable bingo cards share a common series number, only one set may be played at a time at a session.

15 AAC 160.580. Allowable number of bingo sessions and games

(a) A permittee who conducts bingo on its own behalf without the services of an operator may conduct up to 14 bingo sessions in a calendar month. An operator who conducts bingo games on behalf of a permittee may conduct up to 11 bingo sessions in a calendar month.

(b) The holders of a multiple-beneficiary permit under [AS 05.15.100\(d\)](#) may conduct a maximum of 14 bingo sessions per holder in a calendar month.

(c) A session of bingo may not exceed 35 bingo games.

(d) Bingo sessions are limited to four sessions within a 24-hour time frame.

(e) If more than a single bingo session is conducted within a 24-hour time frame, at least a one-hour break must be held between each bingo session being conducted.

15 AAC 160.590. Conduct of bingo games

(a) A permittee or operator may not conduct bingo activity

(1) with an intent to defraud, as defined in [AS 11.46.990](#); or

(2) in deception, as defined in [AS 11.81.900](#).

(b) If a permittee or operator does not provide braille bingo cards, a player who has a vision impairment may use a personal braille bingo card. The permittee or operator shall ensure that the personal braille bingo card is not identical to another bingo card in use. The permittee or operator may inspect and reject a personal braille bingo card that does not meet the requirements of this chapter.

(c) A permittee or operator shall call out the amount of a bingo game's prize immediately before the bingo game begins.

(d) Immediately before a bingo game begins, the permittee or operator shall call out and display the pattern of numbers required to be covered in order to win the bingo game's prize.

(e) If duplicate hard bingo cards are to be used in play, the permittee or operator shall conspicuously post that fact and notify all players.

(f) Following the drawing of a ball in a bingo game, the permittee or operator shall call out and display to the players the letter and number on the ball. If a flashboard is used, the corresponding letter and number on the flashboard must be lighted.

(g) Once drawn, a ball may not be returned to the receptacle until after the conclusion of the bingo game.

(h) The winner of a bingo game is the first player to complete the particular arrangement of numbers on a bingo card based on balls called.

(i) If a player declares a winning arrangement of numbers, the player shall submit the bingo card for verification to the permittee or operator and to at least one neutral player. A neutral player is a player who is not a direct relative of the declaring player and who does not have a prohibited financial interest with the permittee or operator.

(j) If more than one player declares a winning arrangement of numbers on the call of the same ball, the bingo game prize shall be divided equally among the verified winning players.

(k) If a player declares a winning arrangement of numbers, the permittee or operator shall draw a ball from the receptacle. If the declaring player's arrangement is not verified, the permittee or operator shall resume the game by calling the ball drawn under this subsection.

(l) Once a permittee or operator begins to call a drawn ball, the permittee or operator shall complete the call. If a player achieved bingo based upon the previous ball called, the player shall share the prize for the bingo game with a player, if any, who achieves bingo on the subsequent ball called.

(m) Once all declaring players' arrangements are verified, the permittee or operator shall award the prize for the bingo game to that player or players.

(n) All prizes must be awarded by the end of a bingo session. All merchandise offered as prizes to bingo players must be paid for by the permittee or operator without lien or interest of others before the merchandise is offered as a prize.

15 AAC 160.600. Bingo prize limitations

(a) A permittee that conducts bingo activity on its own behalf may award a maximum of \$840,000 in bingo prizes in a calendar year. The holders of a multiple-beneficiary permit under [AS 05.15.100\(d\)](#) may award a maximum in bingo prizes each year of \$840,000 times the number of holders of the permit.

(b) A permittee that contracts with an operator to conduct bingo activity on the permittee's behalf may award a maximum of \$660,000 in bingo prizes in a calendar year. Upon approval from the department, if a permittee terminates a contract with an operator for non-use of the permit and shows that the operator did not conduct activity under [AS 05.15](#) for the permittee in the current calendar year, the permittee's full annual prize amount under (a) of this section is not reduced.

(c) The annual prize payout for bingo conducted under a permit issued under [AS 05.15](#) may not exceed 85 percent

of the gross receipts from bingo activity. The prize payout and gross receipts for bingo activity must be separately calculated by each permittee on a calendar year basis.

(d) A free bingo card may not be given as a bingo game prize.

(e) For purposes of this section,

(1) "prize payout" means the value of prizes awarded for bingo activity;

(2) "bingo activity" does not include the sale of ink refills, daubers, food, beverages, or similar items not directly connected to the play of bingo.

15 AAC 160.610. Bingo prize receipting requirements

(a) A permittee or an operator shall obtain a bingo game prize receipt at the time the prize is won and retain the receipt as required under [15 AAC 160.870\(a\)](#).

(b) Bingo game prize receipts must be consecutively numbered.

(c) A bingo game prize receipt must include

(1) the location, the name of the permittee, and, if applicable, the operator;

(2) the date the receipt was issued;

(3) the bingo game number;

(4) the printed name of each prize winner;

(5) a description of the prize or a copy of the invoice issued when the prize was purchased; and

(6) the signature of each prize winner.

(d) Repealed 11/10/96.

15 AAC 160.620. Bingo prize limits

The total value of cash and merchandise prizes awarded for a bingo game may not exceed \$1,000. The total value of cash and merchandise prizes awarded during a session of bingo may not exceed \$5,000. The value of a merchandise prize, including a donated prize, is the fair market value of the merchandise.

15 AAC 160.625. Bingo session records

(a) At the conclusion of each bingo session, a permittee or an operator shall prepare a

(1) bingo session report that includes

(A) the amount of the beginning till;

(B) gross sales from bingo cards, sets of bingo cards, and packets of bingo cards;

(C) other sales;

(D) cash prizes and non-cash prizes paid out;

(E) adjustments for voids, overrings, returns, and other similar items;

(F) the amount of the deposit to be made to the bank account under [15 AAC 160.820](#);

(G) the amount of the ending till; and

(H) a record of all prizes paid out; and

(2) copy of the session schedule that reflects the

(A) name and type of each bingo game conducted; and

(B) prize awards for each game; and

(3) floor sale tally sheet that includes the

(A) number of bingo cards, set of bingo cards, or packet of bingo cards sold during the session;

(B) number of bingo cards, set of bingo cards, or packet of bingo cards not sold during the session;

(C) sales price of each bingo card, set of bingo cards, or packet of bingo cards; and

(D) total amount of money collected by the floor seller during the session.

(b) A permittee or an operator subject to the receipting requirements under [15 AAC 160.520\(a\)](#) must attach an internal cash register tape to the session report. The register tape must include total sales, total payouts, voids, overrings, returns, and other similar items.

15 AAC 160.630. Bingo employee identification tags

A permittee or an operator shall provide an identification name tag for each employee involved in conducting bingo activity. The employee's name on the identification tag must be clearly printed and easily read by the gaming public. The permittee or operator shall ensure the employee wears the tag at all times when the employee works at the bingo game location.

15 AAC 160.640. Raffle tickets

(a) Raffle tickets must be consecutively numbered and must have a numbered, detachable stub for purposes of the drawing at the conclusion of raffle ticket sales.

(b) A raffle ticket must provide the following information on its face:

(1) the date and location of the drawing;

(2) the name of the permittee and the permit number;

(3) if applicable, the name of the operator and the operator's license number;

(4) the price of the raffle ticket;

(5) whether the player must be present at the drawing to be eligible for a prize;

(6) the ticket number.

(c) A permittee or operator conducting a raffle shall disclose the raffle procedures, prizes, and the price collected from a player either on a pamphlet or similar document given to a player at the time of sale, or on the face of the raffle ticket.

(d) The detachable stub on a raffle ticket must provide the following information on its face:

(1) the permit number;

(2) if applicable, the operator's license number;

(3) adequate space for a player to write the player's name, mailing address, and telephone number;

(4) the ticket number.

(e) Repealed 9/3/2005.

15 AAC 160.650. Raffle drawings

(a) At a raffle drawing, the permittee or operator shall post a copy of the permit and a copy of the operator's license, if applicable, in a manner that is clearly visible to the gaming public.

(b) Before a raffle drawing, the permittee or operator shall place the detachable stubs of all raffle tickets sold into a receptacle that is designed so that each stub placed within it has an equal opportunity of being drawn.

(c) The permittee or operator shall draw the detachable stub in a manner that is clearly visible to the gaming public.

(d) A raffle drawing must determine a winning detachable stub for each prize offered.

(e) A raffle drawing must occur at the date and location scheduled, which must be no later than the end of the calendar year following the calendar year in which the first ticket for the raffle was sold. If a raffle drawing cannot be held at the date and location scheduled for a reason that is beyond the control of the permittee or operator, the permittee or operator shall

(1) immediately notify the department in writing of the reason;

(2) reschedule the date and location of the raffle drawing, only if the entire raffle is completed no later than the end of the calendar year following the calendar year in which the first ticket for the raffle was sold; and

(3) if a player must be present at the raffle drawing to be eligible for a prize, notify each player in writing of the date and location of the rescheduled drawing.

(f) If a permittee or operator elects to terminate a raffle after a raffle ticket is sold but before the raffle drawing, or does not hold the raffle drawing within the time allowed under this section, the permittee or operator shall

(1) notify the department in writing before the scheduled date of the drawing of the reason for the termination; and

(2) refund the price of each ticket sold to each player not later than 20 days after the scheduled date of the drawing.

(g) If a permittee or operator awards a raffle cash prize of \$50 or more, the winner shall acknowledge receipt of the prize by completing and signing a raffle prize form that includes the winner's name and address.

(h) A permittee or operator shall make every reasonable effort to award a raffle prize. If, after not more than 45 days following a raffle drawing, a raffle prize is not awarded, the permittee or operator shall conduct a drawing from the non-winning detachable stubs to determine a new winning detachable stub. The person named on that detachable stub shall be awarded the unawarded raffle prize.

(i) If a permittee or operator changes one or more prizes in a raffle after one or more tickets have been sold, the permittee or operator must either

(1) terminate the raffle and refund the ticket price to each ticket holder; or

(2) notify each ticket holder before the raffle is held and offer the ticket holder a refund.

15 AAC 160.652. Special-draw raffles

(a) A special-draw raffle is an activity in which the winner is determined by means other than drawing from a container. Permittees may conduct, without prior approval of the department, a rubber ducky raffle where the duckies are placed into a moving body of water all at once by a loader or other means and prizes are awarded based on the order in which rubber duckies cross the finish line. Permittees must obtain prior written approval of the department to conduct any other special draw contest. The department will not approve a special draw raffle unless it meets the standards set out in (b) of this section.

(b) The department will approve an application for a special-draw raffle only if

(1) the special-draw method of selecting the winner of the raffle involves random chance not subject to influence by the person conducting the raffle;

(2) participants are not able to place bets on the outcome of the special draw;

(3) only one prize is awarded for each special draw;

(4) the special-draw does not involve a casino-gaming device such as a number wheel, dice, or cards; and

(5) the proposed raffle is not contrary to the public interest.

(c) The department will not approve a special-draw contest if participants participate in the game by placing a token on one of a series of numbers or colors and the winner is selected by throwing a dart at a spinning wheel on which the same numbers or colors have been painted.

(d) The price of a raffle ticket may not exceed \$100.

15 AAC 160.656. Raffle variations

(a) The provisions of [15 AAC 160.640\(b\)](#) - (d) do not apply to the following raffle variations if they are conducted at a single event, at a single time and gaming location, with all players present:

(1) a bucket or basket raffle;

(2) a raffle with a merchandise prize;

(3) a split-the-pot raffle.

(b) A permittee may conduct a calendar raffle. If the winning tickets are to be returned to the ticket pool for drawings on subsequent dates in the raffle, this provision must be included in the house rules.

(c) With adequate notice to raffle ticket purchasers, a permittee may conduct a progressive raffle. A sign-in book, a descriptive poster at the point of sale, and serialized dual roll tickets may be used to satisfy the requirements of [15 AAC 160.640\(b\)](#) - (d). House rules must provide for player eligibility and rules of play. One year from the start of a progressive raffle, if there has been no winner, the permittee must draw until there is a winner, at which time the permittee may start a new progressive raffle. Prizes may not exceed 85 percent of gross receipts.

(d) Any raffle format not described by [15 AAC 160.640](#), [15 AAC 160.652](#), or this section must be approved by the department under [AS 05.15](#) and this chapter before the raffle may be conducted.

(e) House rules describing the rules and procedures governing a raffle under this section must be prominently posted before the sale of tickets starts.

15 AAC 160.660. Ownership of raffle prizes

A raffle prize must be owned by the permittee or operator without lien or other adverse interest before the raffle drawing.

15 AAC 160.670. Raffle record

(a) A permittee or operator conducting a raffle shall keep a record of

(1) the number of raffle tickets printed;

(2) the number of raffle tickets sold;

(3) the number of unsold raffle tickets;

(4) the price collected for a raffle ticket;

(5) the raffle prizes;

(6) the date and location of the raffle drawing;

(7) the raffle prizes claimed;

(8) the name, address, telephone number, and prize won for each prize winner; and

(9) the disposition of unclaimed raffle prizes.

(b) The record described in (a) of this section must be retained by the permittee or operator for a period of three years from the date of the raffle drawing.

15 AAC 160.671. Dispensing raffle and lottery tickets by vending machine

(a) To use a vending machine to sell raffle or lottery tickets, the permittee or operator must receive prior approval from the department.

(b) Before the department will approve the use of a vending machine under this section,

(1) the permittee or operator must certify, in writing, that the operation of the vending machine is compliant with the applicable requirements of [AS 05.15](#) and this chapter;

(2) the permittee or operator must post a copy of the permit and a copy of the operator's license, if applicable, in a manner that is clearly visible to the gaming public;

(3) the name and permit number of the qualified organization that benefits from the proceeds of the vending machine must appear conspicuously on the vending machine or on a video screen display on the vending machine; and

(4) the name, telephone number, and address of the person responsible for servicing the vending machine must appear conspicuously on the vending machine or on a video screen display on the vending machine.

(c) In this section, "vending machine" means a machine, object, or instrument designed to sell and dispense a raffle or lottery ticket.

15 AAC 160.675. Animal classics permit application

- (a) An applicant for an animal classic permit is subject to the permit application requirements of [15 AAC 160.020](#).
- (b) In addition, unless currently on file with the department, an applicant for an animal classic permit shall submit the following:
- (1) documents demonstrating the applicant was in existence before November 1, 2002;
 - (2) documents demonstrating the applicant conducted an animal classic before November 1, 2002.
- (c) The department may consider documents such as newspaper articles, newspaper or other printed advertisements, state permits or records, municipal permits or records, accounting records, and receipts for expenses of operating an animal classic as proof the applicant conducted an animal classic before November 1, 2002.

15 AAC 160.676. Animal classics

- (a) Animal classics are subject to the following general standards:
- (1) a permittee may conduct an animal classic with only one wheel or grid at any given time;
 - (2) an operator may conduct an animal classic with only one wheel or grid per location at any given time;
 - (3) an animal classic must be conducted in the same manner as it was before November 2002, except as necessary to comply with requirements of this section;
 - (4) animal classic players and workers must be 19 years old or older.
- (b) In addition to the requirements in (a) of this section, an animal classic that is a rat race is subject to the following:
- (1) the odds of winning may not exceed 38 to 1;
 - (2) the odds of winning must be posted in a manner that is clearly visible to the gaming public;
 - (3) individual bets on each numbered or colored hole a rat, hamster, gerbil, or other rodent might enter may not exceed \$2 per numbered or colored hole;
 - (4) an individual betting on more than one numbered or colored hole in any single round of betting may not place an aggregate amount of bets exceeding \$10.
- (c) In addition to the requirements in (a) of this section, an animal classic that is a chicken contest may not use a grid that exceeds 24 squares by 48 squares.
- (d) If a permittee or an operator awards an animal classic prize of \$50 or more, including the fair market value of a merchandise prize, the permittee or operator shall ensure the winner acknowledges receipt of the prize by completing and signing a receipt that includes the winner's name and mailing address.

15 AAC 160.680. Dog mushers' contests

- (a) A mushers' contest must be based on an event involving sleds drawn by dog teams over a course laid out by a dog musher's association.
- (b) A prize awarded in a dog mushers' contest must be awarded as set out in house rules established by the permittee or operator conducting the contest.
- (c) If a permittee or operator awards a dog mushers' contest cash prize of \$50 or more, the permittee or operator shall provide the winner with a receipt and shall complete the dog mushers' contest prize form provided by the department.

15 AAC 160.690. Fish derbies

- (a) A prize awarded in a fish derby must be awarded as set out in house rules established by the permittee or operator conducting the fish derby.
- (b) A fish derby association may award a door prize from a drawing
- (1) of all tickets sold for the derby; or
 - (2) for each fish entered in the derby.
- (c) If a permittee or operator awards a fish derby cash prize of \$50 or more, including the fair market value of a merchandise prize, the permittee or operator shall ensure that the winner acknowledges receipt of the prize by completing and signing a receipt that is prescribed by the department.

15 AAC 160.700. Ice classics

- (a) If the department determines that a material conflict exists between the Kenai Rotary Club and the Soldotna Rotary Club in the joint operation and administration of the Kenai River Ice Classic, then the club whose application is first received by the department will receive the permit to conduct the activity, if all other provisions of [AS 05.15](#) and this chapter are met.
- (b) A permittee or operator conducting an ice classic shall immediately notify the department if the permittee or operator is disqualified by a government agency from conducting activity in the state. Upon such disqualification, the department will suspend the permit or operator's license and no further activity permitted under [AS 05.15](#) may be conducted by the permittee or operator until the permit or operator's license is reinstated by the department.
- (c) If the permittee or operator awards an ice classic cash prize of \$50 or more, the permittee or operator shall ensure that the winner acknowledges receipt of the prize by completing and signing a receipt that is prescribed by the department.

15 AAC 160.705. Big bull moose derbies

- (a) A prize awarded in a big bull moose derby must be awarded as set out in house rules established by the permittee or operator conducting the big bull moose derby. A big bull moose derby may involve
- (1) a legal hunt for moose by hunters;
 - (2) one or more drawings in which all hunters who participate in a derby conducted under (1) of this subsection are entered; house rules must state the prize amount and drawing schedule for each drawing; and
 - (3) an event in which participants try to guess the size of the winning antlers in the derby conducted under (1) of this subsection; participants in that event need not be hunters who are entered in the derby.
- (b) Tickets sold for an event under (a) of this section must include the name and the permit number of the permittee and, if applicable, the name and license number of the operator. House rules must be available to ticket buyers at the time of purchase and must be posted at the time and place of a drawing under (a)(2) of this section or determination of a winner under (a)(1) or (3) of this section.
- (c) An employee of the Department of Fish and Game may not participate as a player in an event under (a) of this section.
- (d) If a permittee or an operator awards a big bull moose derby prize of \$50 or more, including the fair market value of a merchandise prize, the permittee or operator shall ensure that the winner acknowledges receipt of the prize by completing and signing a receipt that is prescribed by the department.

15 AAC 160.710. Salmon classics and king salmon classics

- (a) An employee of the Department of Fish and Game may not participate as a player in a salmon classic or king salmon classic.
- (b) A permittee or operator conducting a salmon classic or king salmon classic shall immediately notify the department if the permittee or operator is disqualified by a government agency from conducting activity in the state. Upon such disqualification, the department will suspend the permit or operator's license and no further activity permitted under [AS 05.15](#) may be conducted by the permittee or operator unless the permit or operator's license is reinstated by the department.

(c) If a permittee or operator awards a salmon classic cash prize or king salmon classic cash prize of \$50 or more, the permittee or operator shall provide the winner with a receipt and shall complete the salmon classic prize form or king salmon classic prize form provided by the department.

15 AAC 160.715. Calcutta pools

(a) A separate permit must be obtained for each Calcutta pool. The application must specify the physical address or location of the intended Calcutta pool.

(b) A Calcutta pool auction must take place at a single event.

(c) A bidder in a Calcutta pool auction must be physically present at the auction of participants or contestants in the event that is the subject of the Calcutta pool and must personally make all bids. An auction bid may not be placed by proxy or by any other means of indirect communication.

(d) A permittee shall include the report for each Calcutta pool required under [AS 05.15.080\(c\)](#) with the quarterly report filed with the department under [AS 05.15.080\(a\)](#) or, if a report is not required for that quarter, with the annual report filed with the department under [AS 05.15.080\(b\)](#).

(e) If a permittee awards a Calcutta pool prize with a value of \$50 or more, the permittee shall ensure that the winner acknowledges receipt of the prize by completing and signing a prize receipt form that includes the winner's name, address, and telephone number.

(f) A person involved in the conduct of a Calcutta pool must be an employee, volunteer, or member of the permittee that conducts the Calcutta pool, and must be 18 years of age or older.

(g) House rules must clearly explain how a Calcutta pool will be conducted, must specify who may participate as a bidder, and must be conspicuously posted where the Calcutta pool is held.

(h) A permittee or qualified organization that conducts an event on which a Calcutta pool could be conducted may not authorize another permittee to conduct a Calcutta pool on that event, even if the permittee or qualified organization does not conduct a Calcutta pool on the event itself.

(i) A permittee authorized to conduct a Calcutta pool on an event run by a person who does not qualify for a permit must submit a copy of the agreement to conduct a Calcutta pool to the department with an original or amended application.

(j) A permittee may not pay any portion of the net proceeds from a Calcutta pool to the person who authorizes the permittee to conduct a Calcutta pool, and may not pay for the right to conduct a Calcutta pool.

15 AAC 160.717. Crane classics

(a) A prize awarded in a crane classic must be awarded as set out in house rules established by the permittee or operator conducting the crane classic. These rules must be conspicuously posted wherever tickets for the classic are sold.

(b) If a permittee or operator awards a crane classic prize with a value of \$50 or more, the permittee or operator shall ensure that the winner acknowledges receipt of the prize by completing and signing a prize receipt form that includes the winner's name, address, and telephone number.

(c) Tickets sold for a crane classic must include the name and the permit number of the permittee and, if applicable, the name and the license number of the operator.

15 AAC 160.720. Monte Carlo events

Repealed.

15 AAC 160.730. Monte Carlo house procedures

Repealed.

15 AAC 160.740. Personnel and accounting for Monte Carlo events

Repealed.

15 AAC 160.750. Monte Carlo blackjack

Repealed.

15 AAC 160.760. New Year's Eve Monte Carlo events

Repealed.

15 AAC 160.770. Change in Monte Carlo events

Repealed.

15 AAC 160.780. Advertising expenses

The total amount of advertising expenses for a gaming activity permitted under [AS 05.15](#) may not exceed five percent of the permittee's adjusted gross income from gaming activities.

(1) repealed 11/10/96;

(2) repealed 11/10/96.

15 AAC 160.790. Depreciation

(a) Except as provided in (b) of this section, a permittee shall depreciate assets used to conduct an activity permitted under [AS 05.15](#), using the straight-line method over a period of five, 10, or 30 years. A permittee shall use a

(1) five-year depreciation period for all personal property and computer software used in gaming activity;

(2) 10-year depreciation period for an improvement that the permittee owns and uses in a gaming activity to leased real property; if the permittee does not own the improvements, no depreciation may be claimed under this section; and

(3) 30-year depreciation period for real property that the permittee owns and uses in gaming activity.

(b) In lieu of depreciation, a permittee may expense the entire cost of an asset described in (a)(1) of this section in the year of purchase if expenses remain within the limits of [AS 05.15.160](#).

15 AAC 160.800. Promotional items

(a) A permittee, operator, or licensed pull-tab distributor may receive or distribute a free promotional item, if the promotional item has little intrinsic value and no monetary exchange value.

(b) An item with a discount that would reduce the item's price substantially below fair market value is not a promotional item for purposes of this section, and will be considered a gift under [15 AAC 160.350](#) and [15 AAC 160.954](#).

15 AAC 160.810. Net proceeds

(a) A permittee or an operator may not pay a person for services rendered to conduct gaming activities or pay gaming prizes or expenses from the net proceeds.

(b) A permittee shall keep a detailed record of disbursements from the net proceeds for three years after the record was made.

(c) A permittee that dedicates net proceeds to a scholarship for education may only award the scholarship to a resident of the state or to a person who will use the scholarship in the state.

(d) Repealed 11/10/96.

(e) Repealed 11/10/96.

(f) A permittee that dedicates or otherwise transfers net proceeds to another organization must take steps to ensure that the net proceeds are spent in accordance with [AS 05.15.150](#).

15 AAC 160.820. Bank account

(a) A permittee or an operator shall deposit money collected from gaming activities, less cash prizes actually paid, in a bank account with check-writing privileges in the name of the permittee or operator. Deposits for each bingo session or any other authorized activity under [AS 05.15](#) shall be made within three calendar days of the close of the bingo session or within three calendar days of the conduct of any other authorized activity under [AS 05.15](#). The bank account must be separate from an account used for other money of the permittee or operator. After December 31, 2006, the bank account must include the word "gaming" in the name or title that appears on checks and statements, but existing checks may be used until December 31, 2007.

(b) A disbursement from a permittee bank account described under (a) of this section must be made by a check that is signed by two authorized members of the permittee who are natural persons and residents of the state, except for electronic payment, through the department's website, of the annual fee under [AS 05.15.020\(c\)\(2\)](#) - (4), the additional fee under [AS 05.15.020\(b\)](#), or interest or penalty under [AS 05.15.095\(c\)](#) or (d).

(c) A check drawn on a bank account described under (a) of this section

- (1) repealed 11/10/96;
- (2) may not be drawn to "cash" or to a fictitious payee; and
- (3) may not be signed in advance or with a signature stamp.

(d) Interest income earned on the bank account required by (a) of this section is subject to the provisions of [AS 05.15.150](#).

(e) Notwithstanding (a) of this section, a permittee desiring a longer period in which to deposit money from an authorized activity must first apply to the department for special permission. If the permittee establishes, to the department's satisfaction, that circumstances beyond the permittee's control justify the extension, the department will grant the request.

(f) A permittee may not accept or cash a third-party personal check from a player for the purchase of bingo cards or pull-tabs, or for participation in any other gaming activity conducted under [AS 05.15](#) and this chapter.

15 AAC 160.822. Net proceeds held for more than one year

(a) A permittee that receives permission from the department under [AS 05.15.150\(b\)](#) to hold net proceeds for a period longer than one year must

- (1) account for the net proceeds and earnings each year when the permittee files its annual financial statement;
- (2) spend the net proceeds and earnings within the time period specified in its application under [AS 05.15.150\(b\)](#) and approved by the department;
- (3) notify the department of
 - (A) any change in circumstances or intention from the original application;
 - (B) when and how the net proceeds and earnings are spent; and
- (4) receive additional approval from the department before implementing a new plan for the distribution of net proceeds and earnings.

(b) Until it spends the net proceeds and earnings, the permittee must retain the net proceeds and earnings in its bank account required by [15 AAC 160.820\(a\)](#). Notwithstanding [15 AAC 160.820\(a\)](#), the permittee may deposit the net proceeds and earnings into another account in the permittee's name that is insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Insurance Fund and is separate from an account used for other money of the permittee.

(c) If the department finds the immediate dedication of the net proceeds and earnings to be necessary to protect the best interests of the public, the department may rescind permission to hold net proceeds for more than one year and require dedication of the net proceeds and earnings.

(d) Notwithstanding the approval given by the department under (a) of this section, the net proceeds and earnings being held for longer than one year are subject to the dissolution clause required under [15 AAC 160.020](#).

(e) Net proceeds received by a permittee as a donation from another permittee are subject to the requirements of [AS 05.15.150](#) and this section.

15 AAC 160.830. Method of accounting

(a) A permittee or licensee shall use accounting principles that conform to generally accepted accounting principles (GAAP) as modified by [AS 05.15](#) and this chapter.

(b) The accounting for a gaming activity must include all gross receipts and expenses attributable to the conduct of the gaming activity. All gaming gross receipts and expenses must be matched to each gaming

- (1) permit; and
- (2) activity.

(c) Gross receipts and expenses from gaming activities other than bingo and pull-tabs may be reported using either the cash or modified cash method of accounting.

(d) Even though a permittee or licensee uses a different accounting method for tax, financial, or other purposes, the permittee or licensee must use the other comprehensive basis of accounting method for the accounting of revenue and expenses of charitable gaming that is required by [AS 05.15](#) and this chapter.

(e) A permittee may not pay the expenses of gaming conducted on its behalf by an operator. A member of a multiple-beneficiary permittee may not pay the expenses of gaming conducted by the multiple-beneficiary permittee.

(f) Expenses incurred in connection with gaming activities, except for prizes paid by cash or merchandise awarded as prizes, must be paid by a check drawn on the bank account described under [15 AAC 160.820\(a\)](#).

(g) A permittee that receives a refund from a landlord, contractor, or supplier for goods or services purchased, or rental or lease expenses incurred during a calendar year, may reduce the amount of gaming expenses by the amount of the refund for that calendar year. A cash refund of expenses paid before the year-end must be received before January 31 of the year following the year to which the refund applies. A signed statement from the landlord, contractor, or supplier of the goods or services must be submitted to the department by January 31. The statement must disclose the amount of the refund and confirm that the price of goods or services in subsequent years will not be increased to recover the refund and that there is no agreement or expectation for repayment or offset of the refund.

(h) A permittee may request in writing an extension of the January 31 deadline for receiving the refund only if the extension does not prevent the timely filing of an annual report. An extension under this subsection is not the basis for issuance of a permit or a temporary permit.

(i) Gross receipts and expenses not reported as a result of a change to the accrual method of accounting under (a) of this section will not be considered by the department in determining compliance with [AS 05.15.160\(c\)](#) and (d) in the year immediately before the change.

(j) A permittee may report pull-tab inventory based on the number of sealed pull-tab series in the permittee's possession.

15 AAC 160.835. Net proceeds and unauthorized expenses

(a) Unauthorized expenses include both expenses that are

- (1) not authorized by [AS 05.15](#) or this chapter; and
- (2) otherwise authorized but that exceed the total annual amount of authorized expenses allowed under [AS 05.15.160](#).

(b) An operator and a multiple-beneficiary permittee must distribute to a permittee all net proceeds of gaming activity. Except as provided in [15 AAC 160.830\(g\)](#), a permittee or licensee may not incur expenses that result in net

proceeds being less than 10 percent of adjusted gross income on an annual basis from gaming activity other than pull-tabs, and 30 percent of adjusted gross income on an annual basis from pull-tab activity.

(c) A permittee that is the victim of a theft or embezzlement that will result in a recovery of a known amount from a bond or court-ordered restitution confirmed by the insurer or court before the date of the annual report due under [AS 05.15.080\(b\)](#) or [AS 05.15.145\(d\)](#) shall

(1) record the payment due under the bond or restitution as a gaming asset;

(2) offset the amount of the theft or embezzlement loss with a credit in the amount of the recovery from the bond or restitution; and

(3) deposit amounts collected from the recovery from the bond or restitution into the bank account required by [15 AAC 160.820](#) and disburse the amounts within 30 days as a deferred payment of net proceeds to the permittees originally affected by the theft or embezzlement.

(d) For purposes of [15 AAC 160.880\(a\)\(20\)](#), the deferred payments under (c) of this section shall be treated as a timely distribution of net proceeds to a permittee.

(e) Notwithstanding (a)(1) and (2) of this section, all expenses incurred in activity under [AS 05.15](#) and this chapter must be included in reports filed under [AS 05.15.080](#), [05.15.083](#), and [05.15.087](#).

[15 AAC 160.840. Permittee quarterly report](#)

(a) The quarterly report required under [AS 05.15.080\(a\)](#) must be on a form provided by the department and must include all information requested on the form.

(b) A permittee that utilizes a multiple-beneficiary permit shall file a quarterly report separate from the quarterly report filed by the multiple-beneficiary permittee.

[15 AAC 160.850. Permittee annual report](#)

(a) The annual report required under [AS 05.15.080\(b\)](#) must be on a form provided by the department and must include all information requested on the form.

(b) A permittee that contracts with an operator to conduct gaming activities shall include on the annual report required under [AS 05.15.080\(b\)](#) the total amount of gross receipts and the total amount of net proceeds that the permittee received from the operator from gaming activities.

(c) A permittee that utilizes a multiple-beneficiary permit to conduct gaming activities shall include on the annual report required under [AS 05.15.080\(b\)](#) the total amount of gross receipts and the total amount of net proceeds that the permittee received from the activities conducted under the multiple-beneficiary permit.

[15 AAC 160.860. Grace periods for reports and annual review of financial records](#)

(a) The department may grant to a permittee or licensee one 30-day grace period to file a report or annual review of financial records required under [AS 05.15](#) or this chapter. The department will not grant more than one grace period for the report or annual review of financial records.

(b) Except for good cause shown, a request for a grace period must be filed with the department in writing on or before the due date for the report or annual review of financial records. The report or annual review of financial records must include a complete statement of the reason for the request. For the purposes of this subsection, "good cause" means a reason outside of the control of the permittee or licensee as determined by the department in its discretion.

(c) If the department grants a grace period under this section, then during the grace period, the department will not

(1) deny, suspend, or revoke the permittee's permit or the licensee's license for failing to file the report or annual review of financial records by the due date; or

(2) consider the corresponding report delinquent under [AS 05.15.095\(b\)](#).

(d) If the department grants a grace period under this section, the permittee or licensee shall attach a copy of the department's grace period letter to the corresponding report or annual review of financial records when the report or annual review of financial records is filed.

(e) The department will not grant a grace period to pay a fee or tax required under [AS 05.15](#) or this chapter.

[15 AAC 160.870. Retention of records](#)

(a) Unless otherwise provided in [AS 05.15](#) or this chapter, a permittee or an operator shall retain all records and supporting documents pertaining to gaming activities authorized under [AS 05.15](#) for three years from the later of the due date or filing date of the annual report on which the income, deduction, payment of, or use of net proceeds is claimed.

(b) A manufacturer or distributor shall maintain all records and supporting documents pertaining to gaming activities authorized under [AS 05.15](#) for three years from the later of the due date or filing date of the last monthly report for the calendar year in which the record or document was made.

[15 AAC 160.880. Suspension or revocation of a permit, license or registration](#)

(a) The department may suspend or revoke a permit, license, or registration under [AS 05.15](#) if the permittee, licensee, or registered vendor

(1) knowingly makes a false statement or knowingly submits false information in order to obtain a permit, license, or registration or on a report required under [AS 05.15](#) or this chapter;

(2) fails to provide the information, documentation, or fees required in the application or reporting process under [AS 05.15](#) or this chapter;

(3) fails to meet or maintain the necessary qualifications for a permit, license, or registration under [AS 05.15](#) or this chapter;

(4) fails to pay to the department a tax, fee, penalty, or interest payment required under [AS 05.15](#) or this chapter;

(5) alters, or allows to be altered, a permit, license, or registration issued under [AS 05.15](#);

(6) allows another person to use a permit, license, or registration issued under [AS 05.15](#), except when a permittee contracts with a licensed operator or registered vendor as authorized under [AS 05.15](#) or this chapter;

(7) violates or negligently allows an employee to violate a provision of [AS 05.15](#) or this chapter;

(8) fails to file timely a report or supplemental information required by [AS 05.15](#) or this chapter;

(9) fails to prepare and retain books and records to substantiate a report required under [AS 05.15](#) or this chapter;

(10) fails to provide promptly for inspection information or documentation requested by an authorizing permittee or the department, if the information or documentation is necessary to substantiate a report, tax, or payment required under [AS 05.15](#) or this chapter;

(11) fails to remit the pull-tab tax to a pull-tab distributor as required under [AS 05.15.184](#) or [15 AAC 160.460](#);

(12) has a prohibited conflict of interest in a gaming activity;

(13) knowingly allows a person who has a prohibited conflict of interest to conduct or be responsible for conducting a gaming activity;

(14) uses, or allows the use of, net proceeds derived from a gaming activity for a purpose other than those allowed under [AS 05.15](#) or this chapter;

(15) conducts a gaming activity with an intent to defraud as defined in [AS 11.46.990](#) or in deception as defined in [AS 11.81.900](#);

(16) denies the department access to premises where a gaming activity is conducted;

(17) uses a person other than a licensed operator, an employee, a volunteer, a registered vendor, or a person identified under [15 AAC 160.190\(b\)](#) to conduct a gaming activity on behalf of the permittee;

- (18) fails to notify the department as required under [AS 05.15](#) or this chapter;
- (19) conducts, or allows others to conduct, a gaming activity, including gambling as proscribed under [AS 11.66](#), for which the permittee, licensee, or registered vendor is not authorized under [AS 05.15](#) or this chapter on premises where an activity subject to [AS 05.15](#) or this chapter is conducted;
- (20) fails to distribute to a permittee the net proceeds or other payments required by [AS 05.15](#) and this chapter;
- (21) is convicted of a felony or crime involving theft or dishonesty, or a violation of gambling laws;
- (22) participates in a transaction, or a series of transactions, that results in the permittee receiving, in violation of [AS 05.15.188](#), less than 70 percent of ideal net in a pull-tab series; or
- (23) engages in a transaction that violates [15 AAC 160.942](#).
- (b) The department will issue a notice of suspension or revocation to a permittee, licensee, or registered vendor in writing. In the notice, the department will include the grounds for the intended suspension or revocation, the legal authority for the intended action, and statement of the opportunity to request an informal conference within 30 days after the mailing of the notice. Within 30 days after the department mails the notice, the permittee, licensee, or registered vendor may request an informal conference by filing a brief statement why the person is aggrieved by the intended suspension or revocation. If the permittee, licensee or registered vendor fails to file a request for informal conference, the noticed suspension or revocation is effective 30 days after the date of mailing to the permittee, licensee, or registered vendor. After receipt of a request for informal conference, the department will apply the procedures of [15 AAC 05.020](#), to the extent consistent with this chapter. In an informal conference decision, the department will affirm, overrule, or modify a suspension or revocation. If the permittee, licensee, or registered vendor files a request for informal conference, and if the informal conference decision upholds the suspension or revocation as noticed or modified, the upheld suspension or revocation is effective 15 days after the written informal conference decision is mailed. A permittee, licensee, or registered vendor aggrieved by the result of an informal conference decision may request a formal hearing under [15 AAC 160.910](#). Notwithstanding the filing of a request for formal administrative hearing, a person or entity may not engage in conduct regulated by [AS 05.15](#) or this chapter beyond the effective date of the suspension or revocation unless the suspension or revocation has been administratively or judicially stayed.
- (c) Upon suspension or revocation of a permit, license, or registration, or upon agreement requiring a temporary or permanent closure of a gaming location, the department shall post a notice of the action on the premises.

15 AAC 160.885. Immediate revocation

- (a) The department may immediately revoke a permit, license, or registration issued under [AS 05.15](#) and this chapter if
- (1) a permittee or licensee fails to comply with the requirements of [AS 05.15](#) and this chapter for the distribution of net proceeds or limitations on expenses;
 - (2) a permittee or licensee fails to file timely a report required by [AS 05.15](#) or this chapter;
 - (3) a permittee is not a municipality or qualified organization;
 - (4) a permittee pays gaming taxes, prizes, or expenses with net proceeds; or
 - (5) a registered vendor fails to pay to a permittee the statutorily required percentage of the ideal net upon delivery of a pull-tab series to the registered vendor.
- (b) The department will use the following procedures when immediately revoking a permit, license, or registration:
- (1) the department will send to the permittee, licensee, or registered vendor a written notice of intent to revoke immediately; the notice must allege a violation of one or more of the provisions listed in (a) of this section and cite the evidence on which the department relied to determine that the violation had occurred;
 - (2) the department will provide copies of all documentary evidence on which it relied in reaching its determination;
 - (3) the notice of intent to revoke immediately shall provide the permittee, licensee, or registered vendor a period of time to show cause why the department should not immediately revoke the permit, license, or registration; the time allowed must be not less than five days nor more than 20 days from the day that the permittee, licensee, or registered vendor receives the notice; the permittee, licensee, or registered vendor may submit evidence as part of its response;
 - (4) if the permittee, licensee, or registered vendor does not file a response to the notice of intent to revoke immediately, the revocation becomes effective after expiration of the period of time allowed for response in the notice;
 - (5) if the permittee, licensee, or registered vendor files a response to the department's notice of intent to revoke immediately, an appeals officer within the tax division of the department who did not participate in the preparation of the original notice shall review the allegations, evidence, and response; the appeals officer shall issue a written decision that either affirms or overrules the immediate revocation; the appeals officer may affirm for the reasons expressed in the notice or for any reason supported by the record; if affirmed, the immediate revocation becomes effective five days after the date of the decision issued by the appeals officer; if the record does not support a determination that the permittee, licensee, or registered vendor violated [AS 05.15](#) or this chapter as alleged, or if the appeals officer determines that immediate revocation is not warranted, the appeals officer shall overrule the immediate revocation;
 - (6) regardless of whether the permittee, licensee, or registered vendor files a response to the notice of intent to revoke immediately, the permittee, licensee, or registered vendor has 15 days from the date that the immediate revocation becomes effective to appeal the revocation to a formal hearing under [15 AAC 160.910](#); notwithstanding the filing of an appeal, the permittee, licensee, or registered vendor may not engage in an activity requiring a permit, license, or registration beyond the effective date of the department's action unless the revocation has been administratively or judicially stayed.

15 AAC 160.886. Renewal of a permit, license, or registration

- (a) The department may deny an application for renewal of a permit, license, or registration on the same grounds for which the permit, license, or registration could be revoked or suspended under [AS 05.15](#) or this chapter.
- (b) If it appears to the department that a permittee, licensee, or registered vendor may not be in compliance with the requirements of [AS 05.15](#) or this chapter for the year preceding the year for which a renewal of a permit, license, or registration is or may be sought, the department may require that an applicant or prospective applicant submit supplemental information before the department acts on any renewal application.
- (c) The department shall use the following procedures before denying an application for renewal of a permit, license, or registration:
- (1) the department will send the permittee, licensee, or registered vendor a written notice of intent to deny the application for renewal; the notice must state the grounds for denial and cite the evidence on which the department relied to reach this conclusion;
 - (2) the department will provide copies of all documentary evidence on which it relied in reaching its determination;
 - (3) the notice of intent to deny renewal must provide a period of time for the permittee, licensee, or registered vendor to respond to the department's reasons for denial; the time allowed must be not less than five days nor more than 20 days from the day the permittee, licensee, or registered vendor receives the notice; the permittee, licensee, or registered vendor may submit evidence to the department as part of its response;
 - (4) if the permittee, licensee, or registered vendor does not file a response to the notice of intent to deny renewal, the denial becomes effective on the later of January 1 of the year for which renewal is sought or the expiration of any temporary permit or license issued to the applicant;

(5) if the permittee, licensee, or registered vendor files a response to the department's notice of intent to deny renewal, the department will provide for a review of the allegations, evidence, and response by an appeals officer in the tax division of the department who did not participate in the preparation of the original notice; the appeals officer will issue a written decision that either affirms or overrules the denial; the appeals officer may affirm for the reasons expressed in the original denial or for any reason supported by the record; if the record does not support a conclusion that the permittee, licensee, or registered vendor violated [AS 05.15](#) or this chapter as alleged, or if the appeals officer determines that denial of renewal is not warranted, the appeals officer shall overrule the denial; if affirmed, the denial becomes effective on the later of January 1 of the year for which renewal is sought or the expiration of any temporary permit or license issued to the applicant;

(6) regardless of whether the permittee, licensee, or registered vendor files a response to the notice of intent to deny renewal, the permittee, licensee, or registered vendor has 15 days from the date the denial becomes effective to appeal the denial to a formal hearing under [15 AAC 160.910](#); notwithstanding the filing of an appeal, the permittee, licensee, or registered vendor may not engage in an activity requiring a permit, license, or registration beyond the effective date of the department's action unless the denial has been administratively or judicially stayed.

(d) Nothing in this section limits the ability of the department to revoke or immediately revoke a permit, license, or registration that has been renewed.

15 AAC 160.890. Disposition of money upon suspension or revocation

Upon suspension or revocation of a permit, operator's license, or registration, the permittee, operator, or vendor may only withdraw gaming money

- (1) to pay for authorized expenses that were accrued before the suspension or revocation; or
- (2) for dedication of net proceeds in a manner consistent with those stated on the permit application.

15 AAC 160.900. Notice of criminal conviction

An applicant, permittee, licensee, or vendor, who is convicted of a violation described under [AS 05.15.105](#) or who, in connection with gaming activity, knowingly employs a person who is convicted of a violation described under [AS 05.15.105](#) shall immediately notify the department in writing of the conviction.

15 AAC 160.910. Request for formal administrative hearing

(a) A person, municipality, qualified organization, applicant, permittee, registered vendor, or licensee may file a request for a formal hearing to obtain administrative review of an informal conference decision by the department that

- (1) denies, suspends, or revokes the applicant's, permittee's, registered vendor's, or licensee's permit, license, or registration under [AS 05.15](#);
- (2) upholds assessment of a tax, interest, or penalty against the permittee, registered vendor, or licensee under [AS 05.15](#) or this chapter;
- (3) requires the person, qualified organization, or municipality to obtain a permit, license, or registration under [AS 05.15](#); or
- (4) orders the registered vendor or licensee to pay a refund required by [AS 05.15](#) or this chapter.

(b) A written request for a formal administrative hearing must be filed with the department within 15 days after the date the appealed action by the department becomes effective. For purposes of this section, a written request is considered filed on the date that it is delivered to the department in Juneau, or, if delivered by the United States mail, the date of the postmark.

(c) Within 15 days after receiving the request, the department will forward the request, along with a copy of the underlying department decision and the record on which the department relied to support the decision, to the Department of Administration, Office of Administrative Hearings.

(d) Notwithstanding the filing of a request for formal administrative hearing, a person or entity may not engage in conduct regulated by [AS 05.15](#) or this chapter if the department has denied, suspended, or revoked the person's or entity's permit, license, or registration, unless the denial, suspension, or revocation has been administratively or judicially stayed.

(e) The administrative law judge will issue a stay upon a determination that the party seeking the stay is likely to prevail on the merits. The administrative law judge may conduct a hearing to determine the need for a stay and may impose reasonable additional requirements upon a party seeking a stay, as determined necessary to further the public interest.

15 AAC 160.920. Administrative appeals

Repealed.

15 AAC 160.930. Permit, license, or registration required

A person may not conduct an activity for which a permit, license, or registration is required under [AS 05.15](#) unless the appropriate permit, license, or registration has been issued to the person by the department.

15 AAC 160.932. Interpretation

The department will strictly interpret [AS 05.15](#) and this chapter to protect the interests of the public, municipalities, and qualified organizations.

15 AAC 160.934. Criminal history checks

(a) On an application or an amended application filed with the department on or after June 22, 2008, the following individuals must agree to submit to a criminal history check by the department for conviction of any offense that would bar them from involvement in activity regulated under [AS 05.15](#) or this chapter:

- (1) a natural person applying for an operator's license;
- (2) a member in charge;
- (3) an alternate member in charge;
- (4) a manager of gaming.

(b) Upon request from the department, the following individuals must agree to submit to a criminal history check by the department for conviction of any offense that would bar them from involvement in activity regulated under [AS 05.15](#) or this chapter:

- (1) a registered vendor;
- (2) a manager, a supervisor, a fund raiser, or a consultant for an operator or a registered vendor.

(c) If the department has reason to believe that an individual may have a conviction for an offense that would bar the individual from involvement in activity regulated under [AS 05.15](#) or this chapter, the department may request the individual to submit to criminal history checks in addition to those required by (a) and (b) of this section. As part of the review under this subsection, the department may require the individual to provide a set of fingerprint cards.

(d) In this section,

- (1) "criminal justice information" has the meaning given in [AS 12.62.900](#);
- (2) "government unit" has the meaning given in [13 AAC 68.905](#);
- (3) "proof of identity" means personal descriptors required either on a form prescribed by the department or in a format approved by the department; "proof of identity" includes one or more of the following:

(A) a set of fingerprint cards;

(B) two pieces of identification presented in person by the individual to the department, one of which must be a valid picture identification issued by a government unit;

(C) a signed statement attesting, under penalty for unsworn falsification in violation of [AS 11.56.210](#), that the personal descriptors accurately describe the individual signing the statement;

(4) "submit to a criminal history check" means to provide the department with

(A) proof of identity; and

(B) a written consent, on a form prescribed by the department, to determine what criminal justice information exists concerning the individual giving the consent.

15 AAC 160.935. Primary gaming location

(a) An operator may not conduct any retail or other business activity at a primary gaming location without the permittee's written consent.

(b) A primary gaming location must have a separate entrance and must be constructed and marked to alert the public that gaming activity occurs inside unless the location is a kiosk.

(c) A permittee may lease a premise to conduct an activity permitted under [AS 05.15](#) in premises other than a primary gaming location if

(1) the permittee and lessor execute a written lease agreement;

(2) the lease payments will not exceed 20 percent of the ideal net of the pull-tab activity conducted in the premises if the premises otherwise qualifies as a vendor location;

(3) the activity is conducted in a separate and distinct area of the premises;

(4) the activity is conducted by an employee, a volunteer, or a member of the permittee;

(5) the lessor does not participate as a player in the activity; and

(6) an employee of the lessor does not participate as a player in the activity;

(7) repealed 11/10/96;

(8) repealed 11/10/96.

(d) A permittee may not lease more than five premises under (c) of this section at any one time.

(e) A permittee shall provide to the department a copy of any lease agreement for any property used for gaming purposes under [AS 05.15](#), including agreements between the permittee and the lessor, sublease agreements between the permittee and a sublessor, and lease agreements between the sublessor and its lessor.

15 AAC 160.936. Operator location in facility where alcohol is served or sold

An operator may lease a premise to conduct an activity under [AS 05.15](#) that would otherwise qualify as a vendor location if

(1) the operator and the lessor of the premises enter into a written lease;

(2) the activity is conducted in a separate area of the premises;

(3) the activity is conducted by a person under control of the operator not employed by the lessor of the premises; and

(4) the lessor and the lessor's employees do not participate as players in the activity.

15 AAC 160.938. Permittee activity restriction

A permittee or an operator may not employ house players or extend credit to players.

15 AAC 160.940. Copy of procedures, statutes, and regulations on premises

(a) A permittee, operator, or vendor shall post the house procedures on the premises where an activity permitted under [AS 05.15](#) is being conducted. The posting must be in a manner that is clearly visible to the gaming public.

(b) A permittee, operator, or vendor shall obtain and maintain a current copy of [AS 05.15](#) and this chapter on the premises where an activity permitted under [AS 05.15](#) is being conducted. The copy must be available for inspection by a person upon request.

15 AAC 160.942. Purchase inducement programs

(a) A permittee, operator, registered vendor, licensed pull-tab distributor, or employee of a permittee, operator, registered vendor, or licensed pull-tab distributor may not offer or participate in a purchase inducement program, either directly or indirectly through a third party.

(b) A purchase inducement program includes

(1) a transaction or series of transactions in which a distributor of items or services, regardless of whether those items or services are related to gaming, offers additional items or services of more than negligible value without charge or at discounted prices, as an inducement to purchase items or services from the distributor, or in exchange for an agreement, arrangement, commitment, or other assurance to purchase items or services from the distributor, regardless of whether the offer is subject to a minimum purchase requirement or requires an agreement to purchase exclusively from one person; and

(2) a program in which a purchaser may earn items or services of more than negligible value, or may earn points that may be redeemed for those items or services.

(c) A purchase inducement program does not include a discount in the purchase price of items or services that a distributor may offer, if the discount

(1) directly reduces the invoiced amount due for the items or services purchased; and

(2) does not include an agreement, arrangement, commitment, or other assurance to purchase items or services at the time of the transaction or in the future.

(d) A licensed pull-tab distributor shall provide to a permittee or operator an invoice

(1) on which each of the following items or services that the licensed pull-tab distributor sells or provides is separately listed on the invoice, with the original retail price and the final price, net of all discounts, if any:

(A) pull-tab games;

(B) bingo paper;

(C) pull-tab jars;

(D) mechanical pull-tab dispensing devices;

(E) electronic pull-tab dispensing devices;

(F) bingo daubers;

(G) blowers for bingo;

(H) flashboards for bingo;

(I) television monitoring systems or system components for bingo;

(J) electronic bingo paper;

(K) bingo or pull-tab point-of-sale systems;

(L) any other item of gaming equipment;

(M) any other item or service, regardless of whether the item or service is related to gaming; and

(2) that includes on the front of each page of the invoice the following notice, in bold print at least one-eighth inch high: "Purchase inducement programs, other than monetary discounts, are prohibited by regulation, and participation in them is cause to suspend, revoke, or deny a license or permit under [AS 05.15](#)."

(e) If a permittee or operator purchases or receives items or services from a distributor other than a licensed pull-tab distributor, the permittee or operator shall obtain from that distributor an invoice that

(1) separately lists the original retail price and the final price, net of all discounts, for each item purchased; and

(2) includes the notice required under (d)(2) of this section.

(f) A permittee, operator, or registered vendor may purchase, lease, or use only a pull-tab point-of-sale system or

pull-tab dispensing device that accepts data for all pull-tab games sold in the state by licensed pull-tab distributors.

(g) A registered vendor

(1) may not purchase, lease, or accept a pull-tab point-of-sale system or pull-tab dispensing device from a permittee; and

(2) shall retain proof of purchase of a pull-tab point-of-sale system or pull-tab dispensing device for as long as the registered vendor owns the equipment.

(h) In this section, "negligible value" means a modest intrinsic value and no exchange value.

15 AAC 160.945. Conduct of gaming on the airwaves

(a) An activity permitted under [AS 05.15.100\(a\)](#) may be conducted on the airwaves by a noncommercial broadcasting station or network of stations if the station or network

(1) conducts the activity under a permit issued to the station or network by the department under [AS 05.15.100\(a\)](#); and

(2) has not contracted with an operator to conduct the activity on the airwaves.

(b) [Annulled; see editor's note.] For purposes of [AS 05.15.640](#), the term "broadcasting" includes use of the internet.

(c) Permittees and licensees that use the internet as provided in this section shall take reasonable measures, including web sites protected by the use of passwords, to ensure that persons or entities that do not hold permits or licenses under [AS 05.15](#) do not have access to such web sites. The promotion or the conduct of gaming activities does not include use by permittees and licensees of

(1) electronic mail and facsimile machines to communicate among themselves; or

(2) web sites to buy and sell gaming supplies, including pull-tabs.

(d) Nothing in this section relieves a permittee or licensee of paying gaming expenses by check as required by [15 AAC 160.830\(f\)](#).

15 AAC 160.950. Advertisements

An advertisement for an activity permitted under [AS 05.15](#) must conspicuously display or announce the name of the permittee, the permit number under which the activity is to be conducted and, if applicable, the name and license number of the operator.

15 AAC 160.954. Conflicts of interest

(a) Charitable gaming must be conducted with high standards of integrity in a manner that assures the gaming public that the gaming is free from corruption and criminal influence. A person regulated under this chapter must avoid relationships that could support an inference of a conflict of interest or self-dealing, and may not have a prohibited conflict of interest in a gaming activity.

(b) A person regulated under this chapter has a prohibited conflict of interest if the person or a related party is involved in any of the following activities:

(1) a gaming transaction with a related party, unless the transaction is allowed under (c) of this section;

(2) giving or receiving a loan, or gifts with a total fair market value of more than \$100 per year, from

(A) an operator, distributor, registered vendor, or manufacturer to a permittee, or to an employee of a permittee who acts in a managerial or supervisory capacity; or

(B) a permittee to an operator, distributor, registered vendor, or manufacturer;

(3) leasing or subleasing by a distributor of facilities used in the conduct of gaming after January 1, 2004;

(4) employing, contracting with, or allowing a person to act as a manager of gaming if the person acts as a manager of gaming for more than one permittee in a calendar year;

(5) employing, contracting with, or allowing a person to act in a managerial or supervisory capacity for a permittee if the person is or acts as a distributor, operator, or manufacturer;

(6) allowing a person to participate as a player in pull-tab activity conducted by or for the permittee if

(A) the person or a related party has access to pull-tab information or accounting records; or

(B) the person is prohibited from play in a gaming activity by [AS 05.15.187\(h\)](#);

(7) a gaming transaction between the person and a third party, regardless of whether the third party is regulated under [AS 05.15](#) or this chapter, in which

(A) the item or service being conveyed between the person and the third party is subsequently sold or provided to another person regulated under this chapter; and

(B) the gaming transaction, if conducted directly between the person and another person regulated under this chapter, without the third party's involvement, would result in a prohibited conflict of interest under [AS 05.15](#) and this chapter;

(8) an activity that violates [15 AAC 160.942](#).

(c) The following transactions involving a related party are not prohibited conflicts of interest:

(1) a contract of employment with a direct relative, if the wage or salary paid is comparable to that paid for similar employees in gaming regulated under [AS 05.15](#);

(2) a lease of a gaming location by an operator under [15 AAC 160.936](#);

(3) a lease of a gaming location by a multiple-beneficiary permittee from a member permittee or permittees, if the multiple-beneficiary permittee biennially obtains an appraisal from a certified real estate appraiser authorized under [AS 08.87](#), certifying that the lease amount is not in excess of market value for general commercial space in the community;

(4) a transaction with a direct relative in a remote community for which the person regulated under this chapter

proves

(A) no alternative party could practicably provide the good or service procured;

(B) the price paid for the good or service was no greater than that paid by others for the same good or service;

(5) a gaming transaction occurring before January 1, 2004, between an operator and a distributor who is the operator's spousal equivalent;

(6) a contribution, loan, or gift under [15 AAC 160.363](#);

(7) the sale of a raffle ticket by a person regulated under this chapter to a related party;

(8) participation by a person regulated under this chapter in any activity permitted under [AS 05.15](#) or this chapter, other than pull-tabs, who is not barred by [15 AAC 160.500\(b\)](#), by house rules, or by the minimum age requirements in [AS 05.15.180](#) or this chapter, and who is not involved with selection of a winner in the activity.

(d) It is a prohibited conflict of interest for

(1) a person to be or act as both an operator and a distributor; or

(2) a registered vendor to employ or have a contract other than a gaming contract with a permittee with whom the registered vendor has a gaming contract.

(e) For purposes of this section,

(1) a related party includes a direct relative or an affiliate of a person regulated by this chapter; and

(2) a gaming transaction includes a transaction that results in an "authorized expense" described under [15 AAC 160.995\(3\)](#).

(f) A person regulated under this chapter includes the entity that receives a license, permit, or registration, and an official representative of the entity. An official representative of a person regulated under this chapter includes, if applicable, the person's

(1) primary and alternate members in charge of a permittee, including the primary and alternate members in

charge of the member permittees of a multiple-beneficiary permit;

- (2) manager of gaming for a permittee;
- (3) officers;
- (4) board of directors;
- (5) partners; and
- (6) affiliates.

15 AAC 160.955. Prohibited financial interests for permittees

Repealed.

15 AAC 160.956. Prohibited financial interests for operators

Repealed.

15 AAC 160.957. Prohibited financial interests for multiple-beneficiary permittees

Repealed.

15 AAC 160.958. Prohibited financial interests for distributors

Repealed.

15 AAC 160.959. Prohibited financial interests for manufacturers

Repealed.

15 AAC 160.960. Interest on delinquent fees

Interest on a delinquent fee under [AS 05.15](#) or this chapter begins accruing on the date the fee is due to the department. The interest is calculated at the rate set under [AS 43.05.225](#).

15 AAC 160.963. Activity banned during delinquency

(a) A permittee or operator may not conduct an activity under [AS 05.15](#) or this chapter, or a distributor may not sell pull-tabs, during a period in which a financial report, annual report or monthly pull-tab report is delinquent.

(b) Upon notice from the department, a permittee or operator may not conduct an activity under [AS 05.15](#) or this chapter, or a distributor may not sell pull-tabs, during a period in which a tax, fee, penalty, or interest due to the department from the permittee, operator, or distributor, is delinquent.

(c) Upon notice from the department, a distributor may not sell pull-tabs or other gaming supplies to a permittee or an operator during a period in which a report, tax, fee, penalty, or interest due to the department from a permittee or operator is delinquent, until the department informs the distributor that the report or amount due has been filed or paid.

(d) With agreement from the department for extended payment of an undisputed fee, tax, penalty, or interest, a permittee or licensee may continue to conduct gaming activity pending final payment.

15 AAC 160.965. Request for waiver of penalty

(a) A permittee or licensee may request the department to waive a penalty due the department under [AS 05.15.095\(d\)](#) for reasonable cause. A waiver request must be made in writing to the department and must provide a detailed explanation of the reasons said to justify the waiver.

(b) Reasons constituting reasonable cause under [AS 05.15.095\(d\)](#) include

- (1) war, riot, rebellion, act of God, or other disaster that rendered it impossible for the permittee or licensee to pay the fee or that made the delay in paying the fee unavoidable; and
- (2) an act or omission by a third party that was beyond the control of the permittee or licensee and made delay in paying the fee unavoidable.

15 AAC 160.970. Member in charge restriction

(a) A member in charge or alternate member in charge of a permittee may not be an operator, employee of an operator, registered vendor, or employee of a registered vendor that conducts gaming activity for the permittee.

(b) A member in charge or alternate member in charge must be a natural person. A change in a member in charge or alternate member in charge must be reported to the department on an amended application under [15 AAC 160.070](#).

(c) A member in charge or an alternate member in charge who is designated on a permit application must have been an active member of the permittee, on the board of directors of the permittee, or an employee of the permittee for at least six months before the date of the permit application.

(d) The member in charge, and the alternate member in charge in the absence of the member in charge,

- (1) are the principal points of contact between the permittee and the department, particularly in the investigation of complaints and the review or audit of reports;
- (2) are responsible for ensuring that gaming activity, including oversight of the manager of gaming, if any, is properly conducted, that gaming activity is properly recorded and reported, and that requested information and records are provided to the department in a timely manner; and
- (3) shall make an effort to ensure that adequate internal controls are used on activities conducted under [AS 05.15](#) and this chapter, and that net proceeds are properly used.

(e) For a permittee to conduct an activity under [AS 05.15](#) or this chapter, the member in charge or alternate member in charge must be actively carrying out the responsibilities of a member in charge. A permittee must maintain active plans to replace a member in charge or alternate member in charge who resigns or is no longer able to serve as member in charge or alternate member in charge. If a permittee does not have a natural person actively carrying out the responsibilities of a member in charge, the permit is suspended until the department receives an amended application identifying a member in charge and the new member in charge has passed the test required by [AS 05.15.112\(a\)](#).

(f) a member in charge or an alternate member in charge must be at least 21 years of age

15 AAC 160.975. Permittee and operator tests

(a) The department will not issue a permit to a municipality, qualified organization, or multiple-beneficiary permittee until the applicant's member in charge and alternate member in charge have passed the test required under [AS 05.15.112\(a\)](#).

(b) The department will not issue an operator's license to a person, municipality, or qualified organization until the person, the designated employee of the municipality, or the designated member of the organization has passed the test required under [AS 05.15.122\(b\)\(6\)](#).

(c) For applications for permits for calendar years after 2005, a manager of gaming for a multiple-beneficiary permittee, or for a permittee that engages in bingo or pull-tab sales under its own permit, must pass the test required of a member in charge under [AS 05.15.112\(a\)](#).

(d) A prospective member in charge, prospective alternate member in charge, prospective manager of gaming, or applicant for an operator license who fails to pass the test required under [AS 05.15.112\(a\)](#) or [AS 05.15.122\(b\)\(6\)](#) must arrange with the department for retesting. The department may require additional study time before rescheduling the test for the person being tested.

(e) The department may require operators, members in charge, alternate members in charge, and managers of gaming to retest, if the department finds that changes in [AS 05.15](#) or this chapter are sufficiently extensive to warrant it.

15 AAC 160.980. Inspection of premises, books, and records

(a) Premises used to conduct an activity permitted under [AS 05.15](#) must be open to inspection by the department

whenever an activity is conducted at the premises or any other reasonable time. During an inspection, the department may

- (1) count the money on hand or received from gaming activity while the activity is conducted;
- (2) repealed 1/1/2003;
- (3) repealed 1/1/2003;
- (4) inspect the books and records of the permittee, licensee, registered vendor, employee, or other person that

directly participates in the conduct of the activity; or

- (5) inspect the premises as reasonably necessary to enforce [AS 05.15](#) and this chapter.

(b) An operator or a permittee shall, within a reasonable amount of time, provide the permittee or the department the following books and records upon request:

- (1) general and subsidiary ledgers;
- (2) bank statements and bank reconciliations;
- (3) records of all accounts into which gaming receipts have been deposited or transferred;
- (4) repealed 11/10/96;
- (5) income tax returns as they relate to gaming activities under [AS 05.15](#);
- (6) Alaska Department of Labor and Workforce Development records;
- (7) reports filed under [AS 05.15.083](#) or 05.15.087;
- (8) other books and records requested by the permittee necessary to determine the amount of proceeds due the permittee;

(9) other books and records requested by the department in furtherance of the purposes of [AS 05.15](#) or this chapter.

(c) A book or record made available for inspection under [AS 05.15](#) or this chapter must be readily available to the department at a location in the state. The department will, in its discretion, require a book or record, or a copy of a book or record, to be forwarded to the department for inspection.

(d) Unless the department consents in writing to a different deadline, a permittee, licensee, or registered vendor shall provide to the department books, records, information, or other documents requested by the department within fourteen days of receipt of the request.

15 AAC 160.985. Advisory notices and notices of violation

(a) The department may issue an advisory notice to a permittee, licensee, or registered vendor if an incident occurs or a defect is identified that could result in a violation of [AS 05.15](#) or this chapter. An advisory notice may not constitute grounds for administrative or court action against a permittee, licensee, or registered vendor, but may constitute grounds for issuance of a notice of violation if the incident or defect continues uncorrected. A copy of an advisory notice will be filed only in the enforcement file of a permittee, licensee, or registered vendor.

(b) The department may issue a notice of violation to a permittee, licensee, or registered vendor if the department has reason to believe that a violation of [AS 05.15](#) or this chapter has occurred or might occur.

(c) The department will place a notice of violation and any written response in the permanent record of the department for the permittee, licensee, or registered vendor to whom the notice was issued.

15 AAC 160.990. Proof of activity

In fulfilling its duties under [AS 05.15.180](#)(b), the department will presume that an activity did not exist and was not conducted before January 1, 1959. A permittee or operator may overcome this presumption by submitting documentation such as newspaper articles, records, and other proof that establishes that the activity did exist and was conducted as required under [AS 05.15.180](#)(b).

15 AAC 160.992. Reinstatement of persons prohibited from involvement

(a) Disqualification of a person under [AS 05.15.105](#) terminates 10 years after the person's conviction for a crime that is at the time of conviction for the violation of a law of this state or, if of another jurisdiction, would if committed in this state be a Class B felony other than extortion, a Class C felony, or an unclassified felony described outside [AS 11](#), and that is not a crime of dishonesty or theft or a violation of gambling laws.

(b) Disqualification of a person for a conviction for the violation of a law of this or another jurisdiction that is a crime of dishonesty or theft or is a violation of gambling laws, that is not an unclassified felony described in [AS 11](#), a Class A felony, or the crime of extortion, terminates 10 years after the date of conviction if the department determines that the

- (1) person is of good moral character, honesty, and integrity; and
- (2) person's involvement in charitable gaming is not against the public interest.

(c) A person disqualified under (a) of this section must make application to participate in charitable gaming. The application, which may be submitted up to six months before the anticipated 10th anniversary of the conviction, shall be made by letter accompanied by a copy of the document evidencing the conviction and the date of conviction. The department will notify the person when the department considers the person no longer to be disqualified and the date on which the person may become involved in charitable gaming.

(d) A person disqualified under (b) of this section must make application to the department on a form to be provided by the department for authorization to become involved in charitable gaming. Application may be submitted up to six months before the anticipated 10th anniversary of the conviction. The department will notify the person when it no longer considers the person to be disqualified and the date on which the person may become involved in charitable gaming. At the time of application the person must provide the following items:

- (1) a copy of the document evidencing the conviction and the date of conviction;
- (2) letters from at least three persons unrelated to the applicant, such as clergy, professionals in the field of psychology or psychiatry, or law enforcement officials, recommending that the applicant be permitted to participate in charitable gaming, indicating their opinions as to the character, honesty, and integrity of the applicant, the basis for their opinions, and the length of time the applicant has been known to them;
- (3) a letter from an official of the permittee indicating how the applicant is to be involved in charitable gaming and why the applicant's involvement will not be against the public interest; if more than one permittee is involved, such as when the applicant intends to act as an operator, a vendor, a distributor, or a managerial or supervisory employee of any of these entities, the applicant must produce letters from at least two permittees who will be served by the licensee, containing the same information as from a single permittee.

(e) A crime of dishonesty is a crime in which a material element involves lying, cheating, deception, or fraud, and includes a crime listed in [AS 11.46.500](#) - 11.46.990 or, if committed in another jurisdiction, a crime that is substantially similar.

(f) A crime of theft is larceny, robbery, burglary, forgery, and all other crimes listed in [AS 11.46.100](#) - 11.46.290 or, if committed in another jurisdiction, a crime that is substantially similar.

(g) A violation of gambling law involves a violation of [AS 11.66.200](#) - 11.66.280 or, if committed in another jurisdiction, a crime that is substantially similar.

(h) Conviction for an unclassified felony, a Class A felony, or the crime of extortion, or, if committed in another jurisdiction, a crime that is substantially similar is a bar to participation in charitable gaming and the disqualification may not be terminated.

15 AAC 160.995. Definitions

As used in [AS 05.15](#) and this chapter, unless the context requires otherwise,

- (1) "advisory notice" means an informal notice by the department to a multiple-beneficiary permittee or other

permittee, licensee, or registered vendor that a complaint has been filed with the department or that the department has reason to believe that a violation of [AS 05.15](#) or this chapter has occurred;

(2) "affiliate" means a separate legal entity that controls, is controlled by, or is under common control with the person, whether the control is exercised by ownership or contract; "affiliate" includes a parent, subsidiary, or other business with at least 10 percent ownership by the person and related parties;

(3) "authorized expenses" means costs that are reasonable, ordinary, and necessary to the conducting of an activity permitted under [AS 05.15](#); "authorized expenses"

(A) includes

(i) the depreciation and maintenance of equipment used exclusively in an activity permitted under

[AS 05.15](#);

(ii) the printing of raffle tickets;

(iii) advertising;

(iv) utilities, maintenance, property taxes, insurance, and depreciation of the portion of a building, together with improvements, owned by the holder of the permit that is used for gaming activity;

(v) the lease or rental of property and facilities;

(vi) postage;

(vii) freight;

(viii) accounting services;

(ix) employee wages and payroll taxes;

(x) pull-tab taxes under [AS 05.15.184](#);

(xi) janitorial services for the premises;

(xii) food for player consumption on the premises provided free of charge;

(xiii) legal and consulting services, if directly related to the conduct of an activity authorized under [AS 05.15](#) or this chapter;

(xiv) door prizes;

(xv) interest on allowable loans; and

(xvi) other amounts allowed by generally accepted accounting principles as modified by [AS 05.15](#)

and this chapter;

(B) does not include

(i) gifts to members and players;

(ii) membership fees;

(iii) vehicle cost and expenses;

(iv) fees not directly related to the conduct of the authorized activity;

(v) entertainment;

(vi) tobacco products and alcoholic beverages;

(vii) transportation of players;

(viii) child care or babysitting;

(ix) promotional items;

(x) lobbying expenses;

(xi) for purposes of [AS 05.15.165\(b\)](#), the amount of otherwise authorized expenses that exceed the limitations provided in [AS 05.15.160\(c\)](#) and (d);

(xii) an amount paid for expenses other than goods and services directly connected to the conduct of the gaming activities if a legal obligation does not exist to make payment;

(xiii) general administrative or other overhead not related to gaming;

(xiv) per diem or stipends to members, including board members and officers, to attend

organizational meetings in their own communities; and

(xv) other expenditures not directly connected to the gaming activities.

(4) "cash prizes" include

(A) currency and coinage of the United States or a foreign country;

(B) gold, silver, and other precious metals;

(C) negotiable instruments including checks, money orders, stocks, bonds, and other securities; and

(D) gift certificates redeemable for cash;

(5) "direct relative" means the individual's spouse or spousal equivalent, parent, mother-in-law, father-in-law, brother-in-law, sister-in-law, brother, sister, child, or stepchild;

(6) "door prize" means a prize awarded in a drawing for which no consideration is provided by any of the participants;

(7) "electronic bingo paper" means an electronic device that replicates a traditional bingo card as described in [15 AAC 160.570\(b\)\(3\)](#) and that is not capable of being connected to a random number generator, or of being played without the direct participation of a player in a bingo game;

(8) "financial interest" for a person means the person or the person's direct relative has an ownership interest in, or receives a financial benefit from an asset; for purposes of this chapter, a person has a financial interest in a corporation if the person or the person's direct relative owns 10 percent or more of the outstanding stock, or is an officer or director, of a corporation that owns or receives benefit from an asset;

(9) "flare card" means a printed card or sheet that is provided by a pull-tab manufacturer with a pull-tab game;

(10) "gift"

(A) means a voluntary transfer of something of value for which no consideration is received;

(B) includes an item given as a promotion or inducement;

(C) does not include a donation provided to a charitable organization to be used by that organization to support its charitable mission, if the donation has no effect on gaming and is not for the benefit of an official representative of the organization;

(11) "hard card" means a reusable bingo card;

(12) "ideal gross receipts" means the amount of receipts that would be received if each pull-tab in a series was sold at face value;

(13) "licensee" means a person that holds a valid operator's license under [AS 05.15.122](#), pull-tab manufacturer's license under [AS 05.15.181](#), or pull-tab distributor's license under [AS 05.15.183](#);

(14) "manager of gaming" means the person responsible for the conduct of gaming by a permittee or multiple-beneficiary permit;

(15) "non-gaming source" means a source of income from activities not regulated by [AS 05.15](#) or this chapter;

(16) "nonprofit trade association" means an association of merchants, craftsmen, or businesses in a particular trade or industry that is organized for the promotion of the common interest of the trade or industry and that operates without profit to its members;

(17) "notice of violation" means a written notice by the department to a permittee, licensee, or registered vendor that a violation of [AS 05.15](#) or this chapter has occurred or may occur;

(18) "outboard motor association" means an association that operates without profit to its members and is organized primarily to promote power-boat racing and use of power boats;

(19) "permit" means a permit issued by the department under [AS 05.15.020](#) or a multiple-beneficiary permit under [AS 05.15.100\(d\)](#);

(20) "permittee" means an entity or group of entities holding a permit;

- (21) "primary gaming location" means a location used primarily for the conduct of a gaming activity;
- (22) "prohibited financial interest" means a prohibited conflict of interest under this chapter;
- (23) "self-directed permit" means a qualified organization or municipality that conducts an authorized activity under its own permit;
- (24) "spousal equivalent" means a person who is cohabiting with another person in a relationship that is like a marriage but that is not a legal marriage;
- (25) "validated bingo sheet" means a date-stamped bingo sheet or bingo card;
- (26) "animal classic" has the meaning given in [AS 05.15.690](#);
- (27) "chicken contest" means a game of chance in which prizes are awarded for the correct guess concerning an activity involving chicken manure and
- (A) a numbered grid; or
 - (B) a lettered grid;
- (28) "rat race" means a game of chance in which prizes are awarded for the correct guess of which numbered or colored hole on a wheel a rat, hamster, gerbil, or other rodent enters as the wheel is slowly rotated;
- (29) "bucket or basket raffle" means a raffle in which
- (A) a bucket or basket is placed in front of each of two or more prizes;
 - (B) a player buys dual roll tickets, with the option of placing one of each ticket pair in the bucket or basket of choice for drawing for the indicated prize; and
 - (C) the player may receive tickets only at the event, even if the ticket price is paid in advance;
- (30) "calendar raffle" means a raffle in which a player buys a calendar with an attached raffle ticket stub, and where the player submits the stub for deposit in a drawing container, with drawings to be conducted on multiple dates, as stated in the schedule provided with the calendar;
- (31) "progressive raffle" means a raffle in which
- (A) the drawing is made from a pool consisting of the entire list of members of the permittee organization;
 - (B) if the person whose member number is drawn purchased a ticket for that particular drawing, that person wins the raffle prize amount, consisting of the prize money accumulated since the last winning member number was drawn; and
 - (C) if the person drawn did not purchase a ticket for that particular drawing, there is no winner for that drawing and the prize is added to the prize to be awarded at the next regular drawing in the progressive raffle;
- (32) "split-the-pot raffle" means a raffle where the prize is 50 percent of the gross receipts raised in selling tickets;
- (33) "coin board" means a game board with legal tender or commemorative coins that is played in conjunction with a pull-tab game, in which some pull-tabs are designated in advance as winners of
- (A) one of the coins; and
 - (B) the item or amount of cash described in the space on the board behind the coin awarded to the winner;
- (34) "point-of-sale system" means a computerized system that is used in conjunction with the sale of bingo cards, electronic bingo paper, or pull-tabs to generate sales records and data, and to enhance sales security and cash control;
- (35) "pull-tab dispensing device" means a mechanical or electronic device that dispenses pull-tab games, may be connected to a cash register or a point-of-sale system, and cannot accept money or other forms of payment for the pull-tabs dispensed;
- (36) "seal card" means a board or placard that is played in conjunction with a pull-tab game and that contains one or more seals that, when removed or opened, reveal designated winning numbers, letters, or symbols;
- (37) "supervisor" means a person who directs subordinate employees, under the authority of the employer, in the conduct of activities under [AS 05.15](#) and this chapter.
- (38) "house rules" means the rules and procedures established by a permittee, operator, or registered vendor that guide the conduct of an activity under [AS 05.15](#) and this chapter by a permittee, operator, or registered vendor.