

Alaska Gaming

TITLE 4 ALCOHOLIC BEVERAGES, CHAPTER 11. LICENSES DENIAL, SUSPENSION, OR REVOCATION OF LICENSES AND PERMITS

Sec. 04.11.370. Suspension and revocation of licenses and permits.

(a) A license or permit shall be suspended or revoked if the board finds

(1) misrepresentation of a material fact on an application made under this title or a regulation adopted under this title;

(2) continuation of the manufacture, sale, or service of alcoholic beverages by the licensee or permittee would be contrary to the best interests of the public;

(3) failure on the part of the licensee to correct a defect that constitutes a violation of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or other laws after receipt of notice issued by the board or its agent;

(4) conviction of a licensee of a violation of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010;

(5) conviction of an agent or employee of a licensee of a violation of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the board to have either knowingly allowed the violation or to have recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030 with the result that the agent or employee violates a law, regulation, or ordinance;

(6) failure of the licensee to comply with the public health, fire, or safety laws and regulations in the state;

(7) use of the licensed premises as a resort for illegal possessors or users of narcotics, prostitutes, or promoters of prostitution; in addition to any other legally competent evidence, the character of the premises may be proved by the general reputation of the premises in the community as a resort for illegal possessors or users of narcotics, prostitutes, or promoters of prostitution;

(8) occurrence of illegal gambling within the limits of the licensed premises;

(9) the licensee permitted a public offense involving moral turpitude to occur on the licensed premises;

(10) violation by a licensee of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010 ; or

(11) violation by an agent or employee of a licensee of a provision of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the board to have either knowingly allowed the violation or to have recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030 with the result that the agent or employee violates the law, condition or restriction, regulation, or ordinance.

(b) If the board finds that a licensee or permittee has been convicted of a violation of a criminal law related to gambling under AS 11.66.200 - 11.66.280, the board shall suspend the license or permit for a period of at least six months if the offense is the person's first conviction or violation and shall revoke the license or permit if the offense is the person's second or subsequent conviction or violation.

(c) If the board receives notice from the Department of Revenue that a licensee or permittee has violated a provision of AS 05.15 related to gambling, the board

(1) may suspend the license or permit; and

(2) shall suspend the license or permit for a period of at least 30 days if the offense is the person's second or subsequent violation of AS 05.15 related to gambling.

TITLE 4. ALCOHOLIC BEVERAGES, CHAPTER 16. REGULATION OF SALES AND DISTRIBUTION, ARTICLE 1. PROHIBITED ACTS

Sec. 04.16.175. Furnishing alcoholic beverages in aid of gambling enterprise.

(a) An agent or employee of a gambling enterprise may not furnish an alcoholic beverage to a player.

(b) In this section, "gambling enterprise" and "player" have the meanings given them in AS 11.66.280 .

Sec. 04.16.180. Penalties for violation.

(a) Except as provided in AS 04.11.015 , AS 04.16.025 , AS 04.16.050 (b), 04.16.051, 04.16.200 - 04.16.210, and AS 04.21.065 , a person who violates a provision of this title or a regulation adopted by the board is guilty, upon conviction, of a class A misdemeanor. Each violation is a separate offense.

(b) A suspension or revocation of a license ordered by the board under AS 04.11.370 (a)(4) and (5) shall be as follows:

(1) on first conviction the license of the premises involved may not be revoked, but may be suspended for not more than 45 days;

(2) on second conviction the license of the premises involved may not be revoked, but may be suspended for not more than 90 days;

(3) on third conviction the license of the premises involved may be suspended or revoked.

(c) In this section, the terms "second conviction" and "third conviction" include only convictions for violations that occur within five years of the first conviction. The terms refer to the cumulative number of convictions of a licensee of any combination of violations of the provisions of this title, regulations adopted under this title, or ordinances adopted under AS 04.21.010 . The terms "second conviction" and "third conviction" include a conviction of the agent or employee of a licensee of a violation of a law, regulation, or ordinance if the conviction constitutes a ground for suspension or revocation under AS 04.11.370(a)(5).

(d) This section does not affect the authority of the board to suspend or revoke a license when the board determines that continuance of activities under a license would not be in the best interests of the public.

**TITLE 5. AMUSEMENTS AND SPORTS, CHAPTER 15. GAMES OF CHANCE AND CONTESTS
OF SKILL,
ARTICLE 1. ADMINISTRATION
Sec. 05.15.060. Regulations.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 2. LICENSES AND PERMITS

Sec. 05.15.105. Persons prohibited from involvement; exceptions.

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

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

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

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

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

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

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

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

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

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

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

Sec. 05.15.128. Revocation of operator's license.

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

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

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

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

Sec. 05.15.140. Proof necessary to qualify for permit.

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

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

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

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

(c) [Repealed, Sec. 37 ch 70 SLA 1993].

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

Sec. 05.15.150. Limitation on use of proceeds.

(a) The authority to conduct the activity authorized by this chapter is contingent upon the dedication of the net proceeds of the charitable gaming activity to the awarding of prizes to contestants or participants and to political, educational, civic, public, charitable, patriotic, or religious uses in the state. "Political, educational, civic, public, charitable, patriotic, or religious uses" means uses benefiting persons either by bringing them under the influence of education or religion or relieving them from disease, suffering, or constraint, or by assisting them in establishing themselves in life, or by providing for the promotion of the welfare and well-being of the membership of the organization within their own community, or through aiding candidates for public office or groups that support candidates for public office, or by erecting or maintaining public buildings or works, or lessening the burden on government, but does not include

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

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

(3) [Effective January 1, 1997] the direct or indirect payment of any portion of the net proceeds of a charitable gaming activity, except the proceeds of a raffle and lottery,

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

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

(C) to a group, as that term is defined in AS 15.13.400 , or a political group, as that term is defined in AS 15.60, that seeks to influence the outcome of an election.

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

Sec. 05.15.160. Authorized expenses.

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

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

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

(A) an employee of the permittee; or

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 05.15.180. Limitations on authorized activity.

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

(b) With the exception of raffles, lotteries, bingo games, pull-tab games, race classics, rain classics, goose classics, mercury classics, deep freeze classics, dog mushers' contests, snow machine classics, mushing sweepstakes, canned salmon classics, salmon classics, and king salmon classics, an activity may not be licensed under this chapter unless it existed in the state in substantially the same form and was conducted in substantially the same manner before January 1, 1959. A snow machine classic may not be licensed under this chapter unless it has been in existence for at least five years before the licensing.

(c) [Repealed, Sec. 5 ch 105 SLA 1995].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 3. MISCELLANEOUS
Sec. 05.15.620. Local prohibition of charitable gaming.

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

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

(c) If a majority of the voters vote "yes" on the question set out in (a) or (b) of this section, the department shall be notified immediately after certification of the results of the election and thereafter the department may not issue a license, permit, or vendor registration authorizing

charitable gaming or pull-tab sales, as appropriate, within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of an established village. As necessary to implement the results of an election under (a) or (b) of this section, existing licenses, permits, and vendor registrations for charitable gaming or pull-tab sales within the boundaries of a municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of an established village are void 90 days after the results of the election are certified. A license or vendor registration that will expire during the 90 days after the results of a local option election under this section are certified is void as of the expiration date.

Sec. 05.15.625. Procedure for local option elections.

(a) The local governing body of a municipality, whenever a number of registered voters equal to at least 10 percent of the number of votes cast at the last regular municipal election petition the local governing body to do so, shall place upon a separate ballot at the next regular election or at a special election the question set out in AS 05.15.620 that is the subject of the petition. The local governing body shall conduct the election in accordance with the election ordinance of the municipality.

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

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

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

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

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

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

Sec. 05.15.640. Restrictions on use of broadcasting.

(a) A person may not use broadcasting to promote or conduct a charitable gaming activity under this chapter except that a person may use broadcasting to promote a fish derby or a type of classic or sweepstakes defined in AS 05.15.690 . In this subsection, "broadcasting" includes television and radio transmission by 2,500 megahertz, microwave video and audio programming, slow-scan television programming, and programming via satellite, cable, teletype, or facsimile transmission and distribution methods.

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

ARTICLE 4. GENERAL PROVISIONS

Sec. 05.15.690. Definitions.

In this chapter

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

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

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

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

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

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

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

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

inclusive, and is limited to the deep freeze classic operated and administered by the Delta Chamber of Commerce;

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

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

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

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

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

(14) "established village" means an unincorporated community that is in
(A) the unorganized borough and that has 25 or more permanent residents; or
(B) an organized borough, has 25 or more permanent residents; and
(i) is on a road system and is located more than 50 miles outside the boundary limits of a unified municipality; or
(ii) is not on a road system and is located more than 15 miles outside the boundary limits of a unified municipality;

(15) "fishing derby association" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes, but does not include an organization formed or operated for gaming or gambling purposes;

(16) "fish derby" means a contest in which prizes are awarded for catching fish;

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

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

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

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

(B) by the Kenai Chamber of Commerce;

(20) "governing body" has the meaning given in AS 29.71.800 ;

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

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

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

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

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

(26) "managerial or supervisory capacity" means that the employee

- (A) is responsible for gaming receipts;
- (B) has the authority to hire employees or to dismiss or otherwise discipline them;
- (C) prepares financial reports required under this chapter;
- (D) is responsible for keeping the accounts for activities under this chapter;
- (E) is responsible for conducting activities under this chapter, including the arranging for locations at which those activities will occur; or
- (F) is a fund raiser or a consultant;

(27) "mercury classic" means a game of chance where a prize of money is awarded for the closest guess of the time the temperature reaches a certain degree and is limited to the mercury classic operated and administered by the Greater Fairbanks Chamber of Commerce or jointly, in the discretion of the Greater Fairbanks Chamber of Commerce, by the Greater Fairbanks Chamber of Commerce and the Fairbanks Convention and Visitors' Bureau;

(28) "mushing sweepstakes" means a game of chance where a prize of money is awarded for the closest

guess or guesses of at least three elements of uncertainty about a sled dog race that cannot be determined before the commencement of the race, and is limited to the Iditarod Sweepstakes operated and administered by the Iditarod Trail Committee;

(29) "net proceeds" means the gross receipts from an authorized activity less the fee described in AS 05.15.020 (b), the expenses authorized by AS 05.15.160 , and the prizes awarded at the activity;

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

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

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

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

(34) "political organization" means an organization or club organized under or formally affiliated with a political party as defined in AS 15.60.010;

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

(36) "qualified organization" means a bona fide civic or service organization or a bona fide religious, charitable, fraternal, veterans, labor, political, or educational organization, police or fire department and company, dog mushers' association, outboard motor association, or fishing derby or nonprofit trade association in the state, that operates without profits to its members and that has been in existence continually for a period of three years immediately before applying for the license or permit; the organization may be a firm, corporation, company, association, or partnership;

(37) "race classic" means a game of chance where prizes are awarded for the closest guess or guesses of the official winning times of a human race or races, and is limited to the Mt. Marathon Race Classic operated and administered by the Seward Chamber of Commerce Convention and Visitors' Bureau.

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

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

(40) "religious organization" means an organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship, and religious observances, or a society, not for pecuniary profit, of individuals

united for religious purposes at a definite place and that is recognized as a religious organization under the federal income tax laws and the selective service law;

(41) "salmon classic" means a game of chance, to be operated and administered by the
(A) United Fishermen of Alaska, in which a prize of money is awarded for the closest guess of the total number of salmon harvested commercially statewide, as determined by the Department of Fish and Game, during a certain period of time;
(B) Seward Chamber of Commerce Convention and Visitors' Bureau, in which prizes are awarded for the closest guess or guesses of the weight of the fish officially designated winner of the Seward Silver Salmon Derby Classic; or
(C) Sterling Area Senior Citizens, Inc., in which a prize of money is awarded for the closest guess of the total number of sockeye salmon crossing the counter operated by the Alaska Department of Fish and Game on the Kenai River as of a certain day and time;

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

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

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

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

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

(C) is an establishment holding a

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

(ii) package store license under AS 04.11.150 ;

(45) "veterans organization" means a civic, service, or charitable organization in the state, or a branch or lodge or chapter of a national or state organization in the state, not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States or persons who served in the Alaska Territorial Guard.

Sec. 05.15.695. Short title.

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

Sec. 05.15.995. [Renumbered as AS 05.15.695].

Repealed or Renumbered

TITLE 9. CODE OF CIVIL PROCEDURE
CHAPTER 50. ACTIONS WHERE STATE A PARTY
ARTICLE 2. ABATEMENT OF ILLEGAL USES OF PREMISES
Sec. 09.50.170. Abatement of places used for certain acts.

(a) A person who erects, establishes, continues, maintains, uses, owns, or leases a building, structure, or other place used for one of the following activities is guilty of maintaining a nuisance, and the building, structure, or place, or the ground itself in or upon which or in any part of which the activity is conducted, permitted, carried on, continues, or exists, and its furniture, fixtures, and other contents, constitute a nuisance and may be enjoined and abated:

- (1) prostitution;
- (2) an illegal activity involving a place of prostitution; or
- (3) an illegal activity involving
 - (A) alcoholic beverages;
 - (B) a controlled substance;
 - (C) an imitation controlled substance; or
 - (D) gambling or promoting gambling.

(b) In this section, "illegal activity involving alcoholic beverages," "illegal activity involving a controlled substance," "illegal activity involving gambling or promoting gambling," "illegal activity involving an imitation controlled substance," "illegal activity involving a place of prostitution," and "prostitution" have the meanings given in AS 34.03.360.

TITLE 11. CRIMINAL LAW
CHAPTER 66. OFFENSES AGAINST PUBLIC HEALTH AND DECENCY
ARTICLE 2. GAMBLING OFFENSES
Sec. 11.66.200. Gambling.

- (a) A person commits the offense of gambling if the person engages in unlawful gambling.
- (b) It is an affirmative defense to a prosecution under this section that the defendant was a player in a social game.
- (c) Gambling is a violation for the first offense. Gambling is a class B misdemeanor for the second and each subsequent offense.

Sec. 11.66.210. Promoting gambling in the first degree.

- (a) A person commits the crime of promoting gambling in the first degree if the person promotes or profits from an unlawful gambling enterprise.
- (b) Promoting gambling in the first degree is a class C felony.

Sec. 11.66.220. Promoting gambling in the second degree.

- (a) A person commits the crime of promoting gambling in the second degree if the person promotes or profits from unlawful gambling.
- (b) Promoting gambling in the second degree is a class A misdemeanor.

Sec. 11.66.230. Possession of gambling records in the first degree.

(a) A person commits the crime of possession of gambling records in the first degree if, with knowledge of its contents or character, the person possesses a gambling record used or intended to be used in the operation or promotion of an unlawful gambling enterprise.

(b) Possession of gambling records in the first degree is a class C felony.

Sec. 11.66.240. Possession of gambling records in the second degree.

(a) A person commits the crime of possession of gambling records in the second degree if, with knowledge of its contents or character, the person possesses a gambling record.

(b) Possession of gambling records in the second degree is a class A misdemeanor.

Sec. 11.66.250. Affirmative defenses.

(a) It is an affirmative defense in a prosecution under AS 11.66.230 that the gambling record was possessed by the defendant solely as a player.

(b) It is an affirmative defense in a prosecution under AS 11.66.230 or 11.66.240 that the gambling record

(1) was not used or intended to be used by the defendant in the operation or promotion of unlawful gambling;

(2) was used or intended to be used by the defendant in a social game.

Sec. 11.66.260. Possession of a gambling device.

(a) A person commits the offense of possession of a gambling device if, with knowledge of the character of the device, the person manufactures, sells, transports, places, or possesses, or conducts or negotiates a transaction affecting or designed to affect ownership, custody, or use of, a gambling device knowing that the device is used or is to be used in unlawful gambling.

(b) It is an affirmative defense in a prosecution under this section that the gambling device possessed by the defendant was used or intended to be used only in a social game.

(c) Possession of a gambling device is a class A misdemeanor.

Sec. 11.66.270. Forfeiture.

If used in violation of AS 11.66.200 - 11.66.280, the following property shall be forfeited:

(1) a gambling device or gambling record;

(2) money, not found on the person, used as a bet or stake;

(3) money used as a bet or stake which is found on the person of one who conducts, finances, manages, supervises, directs, or owns all or part of an unlawful gambling enterprise.

Sec. 11.66.280. Definitions.

In AS 11.66.200 - 11.66.280, unless the context requires otherwise,

(1) "contest of chance" means a contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that the skill of the contestants may also be a factor;

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

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

(B) playing an amusement device that

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

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

(C) an activity authorized by the Department of Revenue under AS 05.15;

(3) "gambling device" means any device, machine, paraphernalia, or equipment that is used or usable in the playing phases of unlawful gambling, whether it consists of gambling between persons or gambling by a person involving the playing of a machine; "gambling device" does not include

(A) lottery tickets, policy slips, or other items used in the playing phases of lottery or policy schemes; or

(B) an amusement device as described in (2)(B) of this section;

(4) "gambling enterprise" means a gambling business that

(A) includes five or more persons who conduct, finance, manage, supervise, direct, or own all or part of the business;

(B) has been or remains in substantially continuous operation for a period in excess of 30 days or has a gross income of \$2,000 or more in any single day; and

(C) is not a municipality or a qualified organization under AS 05.15.690, except that, for purposes of this paragraph, no application for a license under AS 05.15 is required to be considered a qualified organization;

(5) "gambling record" means any writing or paper of a kind commonly used in the operation or promotion of unlawful gambling and includes lottery tickets, policy slips, or other writings or papers used in the playing phases of lottery or policy schemes;

(6) "player" means a person who engages in gambling solely as a contestant or bettor, believing that the risk of losing and the chances of winning are the same for all participants except for the advantages of skill and luck, without receiving or becoming entitled to receive any profit from gambling other than personal gambling winnings and without otherwise rendering any material assistance to the establishment, conduct, or operation of the particular gambling activity, except that, for purposes of this paragraph, a person who gambles at a social game on equal terms with the other participants does not "otherwise render material assistance" to the

establishment, conduct, or operation by performing, without fee or remuneration, acts directed towards the arrangement or facilitation of the game, such as inviting persons to play, permitting the use of premises for the game, or supplying cards or other equipment used in the game;

(7) "profits from gambling" means that a person, acting other than as a player, accepts or receives money or other property under an agreement or understanding with another person by which the person participates or is to participate in the proceeds of gambling;

(8) "promoting gambling" means that a person, acting other than as a player, engages in conduct that materially aids any form of gambling; conduct of this nature includes

(A) conduct directed toward the

(i) creation or establishment of the particular gambling activity or acquisition or maintenance of premises, paraphernalia, equipment, or apparatus used in the gambling;

(ii) conduct of the playing phases of gambling; or

(iii) arrangement of the financial or recording phase of gambling or toward any other phase of its operation; or

(B) having control or right of control over premises that are used with the defendant's knowledge for purposes of gambling and permitting the gambling to occur or continue without making an effort to prevent its occurrence or continuation;

(9) "social game" means gambling in a home where no house player, house bank, or house odds exist and where there is no house income from the operation of the game;

(10) "something of value" means any money or property; any token, object, or article exchangeable for money or property; and any form of credit or promise directly or indirectly contemplating transfer of money or property or of an interest in money or property or involving extension of a service, entertainment, or privilege of playing at a game or scheme without charge;

(11) "unlawful" means not specifically authorized by law.

TITLE 16. FISH AND GAME
CHAPTER 05. FISH AND GAME CODE
ARTICLE 4. LICENSING OF COMMERCIAL FISHING CREWMEMBERS AND VESSELS
Sec. 16.05.662. Fishing derbies.

(a) The commissioner may issue without cost a permit to a fishing derby association that has complied with the provisions of AS 05.15.100 - 05.15.180 to sell or offer for sale sport caught fish obtained as a direct result of a fishing derby.

(b) In this section "fishing derby association" means a civic, service, or charitable organization in the state, not for pecuniary profit, whose primary purpose is to promote interest in fishing for recreational purposes and which has been in existence for five years before applying for a permit under (a) of this section, but does not include an organization formed or operated for gaming or gambling purposes.

TITLE 21. INSURANCE
CHAPTER 42. THE INSURANCE CONTRACT
Sec. 21.42.070. Insurance without interest, or of wager, is void.

(a) A stipulation in a policy of insurance of property for the payment of loss without regard to absence of an insurable interest in the property on

the part of the insured, or that the policy shall be received as proof of the interest, is void.

(b) A policy executed by way of gaming or wagering is void.

TITLE 34. PROPERTY
CHAPTER 03. UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT
ARTICLE 4. TENANT OBLIGATIONS
Sec. 34.03.120. Tenant obligations.

(a) The tenant

(1) shall keep that part of the premises occupied and used by the tenant as clean and safe as the condition of the premises permit;

(2) shall dispose all ashes, rubbish, garbage, and other waste from the dwelling unit in a clean and safe manner;

(3) shall keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits;

(4) shall use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, kitchen, and other facilities and appliances including elevators in the premises;

(5) may not deliberately or negligently destroy, deface, damage, impair, or remove a part of the premises or knowingly permit any person to do so;

(6) may not unreasonably disturb, or permit others on the premises with the tenant's consent to unreasonably disturb, a neighbor's peaceful enjoyment of the premises;

(7) shall maintain smoke detection devices as required under AS 18.70.095; and

(8) may not, except in an emergency when the landlord cannot be contacted after reasonable effort to do so, change the locks on doors of the premises without first securing the written agreement of the landlord and, immediately after changing the locks, providing the landlord a set of keys to all doors for which locks have been changed; in an emergency, the tenant may change the locks and shall, within five days, provide the landlord a set of keys to all doors for which locks have been changed and written notice of the change.

(b) The tenant may not knowingly engage at the premises in prostitution, an illegal activity involving a place of prostitution, an illegal activity involving alcoholic beverages, an illegal activity involving gambling or promoting gambling, an illegal activity involving a controlled substance, or an illegal activity involving an imitation controlled substance, or knowingly permit others in the premises to engage in one or more of those activities at the rental premises.

ARTICLE 9. GENERAL PROVISIONS
Sec. 34.03.360. Definitions.

In this chapter

(1) "abandonment" means that the tenant has left the dwelling unit and the tenant's personal belongings in it and has been absent for a continuous period of seven days or longer without giving notice under AS 34.03.150 and has defaulted in the payment of rent;

(2) "building and housing codes" include any law, ordinance, or governmental regulation concerning fitness for habitation, or the construction, maintenance, operation, occupancy, use, or appearance of a premise or dwelling unit;

(3) "dwelling unit" means a structure or a part of a structure that issued as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household, and includes mobile homes, and if located in a mobile home park, the lot or space upon which a mobile home is placed;

(4) "fair rental value" means the average rental rate in the community for available dwelling units of similar size and features;

(5) "good faith" means honesty in fact in the conduct of the transaction concerned;

(6) "illegal activity involving alcoholic beverages" means a person's delivery of an alcoholic beverage in violation of AS 04.11.010 (b) in an area where the results of a local option election have, under AS 04.11.491, prohibited the Alcoholic Beverage Control Board from issuing, renewing, or transferring a liquor license or permit under AS 04;

(7) "illegal activity involving a controlled substance" means a violation of AS 11.71.010 (a), 11.71.020(a), 11.71.030(a)(1) or (2), or 11.71.040(a)(1), (2), or (5);

(8) "illegal activity involving gambling or promoting gambling" means a violation of

(A) AS 11.66.200 , other than a social game as that term is defined by AS 11.66.280 (9); and

(B) AS 11.66.210 or 11.66.220;

(9) "illegal activity involving an imitation controlled substance" means a violation of AS 11.73.010 - 11.73.030;

(10) "illegal activity involving a place of prostitution" means a violation of AS 11.66.120 (a)(1) or 11.66.130(a)(1) or (4);

(11) "landlord" means the owner, lessor, or sublessor of the dwelling unit or the building of which it is a part, and it also means a manager of the premises who fails to disclose as required by AS 34.03.080 ;

(12) "organization" includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, and any other legal entity;

(13) "owner" means one or more persons, jointly or severally, in whom is vested all or part of the legal title to property or all or part of the beneficial ownership of property and a right to present use of the premises; the term includes a mortgagee in possession;

(14) "premises" means a dwelling unit and the structure of which it is a part and facilities and appurtenances in it and grounds, areas, and facilities held out for the use of tenants generally or whose use is promised to the tenant;

(15) "prepaid rent" means that amount of money demanded by the landlord at the initiation of the tenancy for the purpose of ensuring that rent will be paid, but does not include the first month's rent or money received as security for damage;

(16) "prostitution" means an act in violation of AS 11.66.100 ;

(17) "rent" means the uniform periodic payment due the landlord, however denominated;

(18) "rental agreement" means all agreements, written or oral, and valid rules and regulations adopted under AS 34.03.130 embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises;

(19) "sanitary facility" means a flush toilet and proper drainage for all toilets, sinks, basins, bathtubs, and showers;

(20) "single family residence" means a structure maintained and used as a single dwelling unit;

(21) "tenant" means a person entitled under a rental agreement to occupy a dwelling unit to the exclusion of others;

(22) "undeveloped rural area" means an area where public sewer or water services are not available.

CHAPTER 05. AGRICULTURAL AND PERSONAL PROPERTY
ARTICLE 3. ILLEGAL ACTIVITIES IN PREMISES NOT SUBJECT TO UNIFORM
RESIDENTIAL LANDLORD AND TENANT ACT

Sec. 34.05.100. Tenant responsibilities in premises not subject to AS 34.03.

(a) In rented premises other than premises to which the provisions of AS 34.03 apply, the tenant may not knowingly engage at the premises in prostitution, an illegal activity involving a place of prostitution, an illegal activity involving alcoholic beverages, an illegal activity involving gambling or promoting gambling, an illegal activity involving a controlled substance, or an illegal activity involving an imitation controlled substance, or knowingly permit others in the premises to engage in one or more of those activities at the rental premises.

(b) If there is noncompliance with (a) of this section, a person may seek relief under AS 09.50.170 - 09.50.240.

(c) An order of abatement entered by a court under AS 09.50.210 against premises under this section terminates a rental agreement on the premises subject to the order of abatement.

(d) In this section,

(1) "illegal activity involving alcoholic beverages," "illegal activity involving a controlled substance," "illegal activity involving an imitation controlled substance," "illegal activity involving gambling or promoting gambling," "illegal activity involving a place of prostitution," and "prostitution" have the meanings given in AS 34.03.360;

(2) "premises" means a structure or the structure of which it is a part, and facilities and appurtenances in it, and grounds, areas, and facilities held out for the use of persons entitled to possession under an agreement that relates to its use.

TITLE 43. REVENUE AND TAXATION
CHAPTER 35. COIN-OPERATED DEVICES AND PUNCHBOARDS
ARTICLE 1. COIN-OPERATED AMUSEMENT AND GAMING DEVICES
Sec. 43.35.010. Amount of tax.

(a) A person who maintains for use, or permits the use of on premises under the person's control, a coin-operated device class 1, class 2, or class 3 shall first pay a tax as follows:

(1) \$48 a year for each coin-operated device class 1;

(2) \$120 a year for each coin-operated device class 2;

(3) \$240 a year for each coin-operated device class 3;

(b) No additional tax is levied where a device within a given classification is replaced by another of the same classification.

(c) The tax imposed by this section is reduced by one-twelfth for the entirety of each month that elapses from the first day of the year to the date upon which the device is placed in operation. For the purpose of AS 43.35.010 - 43.35.090 a remaining portion of a month is considered as one full month.

Sec. 43.35.020. Administration.

(a) Tax payments specified in AS 43.35.010 shall be made to the commissioner before the installation for operation of a device taxable under AS 43.35.010 , except that the tax shall be prorated for a taxable device installed after January 31 in a given year from the beginning of the month within which the device is installed through the remainder of the calendar year. The receipt of the commissioner for payment shall be kept for inspection in the manner required under regulations adopted by the commissioner.

(b) If the ownership of the taxable device changes, the receipt shall be transferred by the commissioner to the new owner or operator upon payment of a transfer fee of \$5. The fee shall be deposited in the general fund. Application for the transfer of the receipt shall be made within 30 days after the change of ownership. Tax on a device on which earlier taxes have been paid and which is in operation at the close of the preceding calendar year shall be paid before February 1 of the year in which the tax is due.

Sec. 43.35.030. Distributor fees.

A distributor of coin-operated equipment shall

(1) pay an annual permit fee of \$50 to the department, to be deposited by it in the general fund; and

(2) file an affidavit that the distributor is a citizen of the United States, a bona fide resident of the state for at least one year, and has never been convicted of a felony; in the case of a corporation an affidavit is required from each stockholder and employee of the corporation.

Sec. 43.35.040. Operation by a minor.

(a) An operator or other person who has charge of a device covered by AS 43.35.010 - 43.35.090, except a music machine or a coin-operated device class 1,

(1) may not permit a person under 18 years of age to operate the device; and

(2) shall place a conspicuous notice of this prohibition on each device, in accordance with standards fixed by the commissioner.

(b) A machine, except a music machine, may not be placed, used, located, or operated within a radius of 100 yards of a school building.

Sec. 43.35.050. Distribution of tax.

One-half of the proceeds of the gross revenue from the tax under AS 43.35.010 - 43.35.090, excluding distributors' fees, penalties, and the amount determined to have been spent by the state in its collection, shall be refunded to organized boroughs and cities of the first, second, and third classes by action of the legislature in the proportion that the revenue was earned within them, and the balance shall be retained by the state and deposited in the general fund.

Sec. 43.35.060. Orders and regulations.

The commissioner may issue orders and adopt regulations necessary to carry out AS 43.35.010 - 43.35.090.

Sec. 43.35.070. Gambling not legalized.

AS 43.35.010 - 43.35.090 do not legalize gambling or the possession of a gambling device.

Sec. 43.35.080. Penalties. [Repealed, Sec. 46 ch 113 SLA 1980. For current law, see AS 43.05.220 and 43.05.290].

Repealed or Renumbered

Sec. 43.35.090. Definitions.

In AS 43.35.010 - 43.35.090

(1) "coin-operated device class 1" means an entertainment or amusement device or amusement apparatus that operates by means of insertion of a coin, token, or other similar object, except a coin-operated radio, that does not involve an element of chance;

(2) "coin-operated device class 2" means a pinball machine, including a bingo type coin-operated device, horse race machine or other apparatus or device that operates by means of insertion of a coin, token, or similar object and that, by embodying the elements of chance or skill, awards free plays and that contains a device for releasing free plays and a meter for registering or recording the plays so released, or with a provision for multiple coin insertion for increasing the odds; class 2 does not include bona fide vending machines in which gaming or amusement features are not incorporated;

(3) "coin-operated device class 3" means a slot machine or other apparatus or device that operates by means of insertion of a coin, token, or similar object and that, by strict dependence upon the element of chance, may deliver or may entitle the person playing or operating the machine to receive cash, premiums, merchandise, or tokens; a device or apparatus otherwise falling within the classification of (2) of this section, though not strictly dependent upon the element of chance, is taxed according to the rate applicable to slot machines if the device or apparatus itself delivers cash directly to the person playing or operating it;

(4) "distributor" means a person who directly provides or furnishes a coin-operated device for operation on premises not owned by the person and not under the jurisdiction or control of the person.

Sec. 43.35.100. License tax.

A distributor who distributes a punchboard in the state shall pay the following license tax before the punchboard is sold to the retail trade:

- (1) \$2 for each board of 2,000 holes, or less;
- (2) \$4 for each 1,000 holes or fraction in each board with more than 2,000 holes.

Sec. 43.35.110. Regulations and orders.

The department may issue orders and adopt regulations necessary to carry out AS 43.35.100 - 43.35.150.

Sec. 43.35.120. Manner of paying tax.

The tax shall be paid by purchasing stamps from the office of the department. The stamps shall be affixed to the punchboard before it is placed in use, and the operator of the punchboard shall endorse upon the stamp the serial number of the punchboard.

Sec. 43.35.130. Refund to local governments.

The department shall refund 75 per cent of the tax collected from sales of punchboards in an organized borough or city of the first, second, or third class to the local government. The balance shall be deposited in the general fund.

Sec. 43.35.140. Gambling not legalized.

AS 43.35.100 - 43.35.150 do not legalize gambling.

Sec. 43.35.150. Violations and penalties.

(a) A person may not

(1) distribute in the state a punchboard for which the license tax provided in AS 43.35.100 - 43.35.150 is not paid; or

(2) maintain for use, or permit the use of, in a place or premises occupied by the person a punchboard upon which the license stamp is not affixed.

(b) A person violating a provision of AS 43.35.100 - 43.35.150 is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500.

CHAPTER 70. ALASKA BUSINESS LICENSE ACT

Sec. 43.70.110. Definitions.

In this chapter, unless the context otherwise requires,

(1) "business" includes all activities or acts, personal, professional, or corporate, engaged in or caused to be engaged in, or following or engaging in a trade, profession, or business, including receipts from advertising services, rental of personal or real property, construction, processing, or manufacturing, but excluding fisheries businesses, fishermen, liquor licenses, insurance businesses, mining, and coin-operated amusement and gaming

machines, calling or vocation, with the object of financial or pecuniary gain, profit or benefit, either direct or indirect, and not exempting subactivities producing marketable commodities or services used or consumed in the main business activity, each of which subactivities shall be considered business; the giving or supplying of services as an employee and the furnishing of property, services, substances, or things, by a person who does not represent to be regularly engaging in those transactions, does not constitute business under the meaning of this chapter;

(2) "commissioner" means the commissioner of commerce and economic development;

(3) "department" means the Department of Commerce and Economic Development;

(4) "person" includes an individual, firm, partnership, joint adventure, association, corporation, estate trust, business trust, receiver, or any group or combination acting as a unit.