

15 AAC 160.020(a)(1) is amended to read:

(1) a completed original application on a form **prescribed** [PROVIDED] by the department;

15 AAC 160.020(a)(5) is amended to read:

(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** [CHARITABLE ORGANIZATION AS DEFINED AT AS 05.15.690(6) OR ANOTHER QUALIFIED ORGANIZATION THAT IS AUTHORIZED TO CONDUCT AN ACTIVITY UNDER AS 05.15];

15 AAC 160.020(a)(6) is amended to read:

(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;**

15 AAC 160.020(b)(1) is amended to read:

(1) a completed original application on a renewal form **prescribed** [PROVIDED] by the department;

15 AAC 160.020(e) is amended to read:

(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** [TWO COPIES] of the application submitted under (a)(1) or (b)(1) of this section to **the** [EACH] city or borough nearest to **each** [THE] 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.** (Eff. 7/30/94,

Register 131; am 11/10/96, Register 140; am 1/1/2003, Register 164; am 9/3/2005, Register 175; am 6/22/2008, Register 186)

Authority:	AS 05.15.020	AS 05.15.060	AS 05.15.120
	AS 05.15.030	AS 05.15.095	AS 05.15.140
	AS 05.15.040	AS 05.15.100	

15 AAC 160.030(a)(1) is amended to read:

(1) a completed original application on a form **prescribed** [PROVIDED] by the department, **containing only accurate and complete information;** and

15 AAC 160.030(b) is amended to read:

(b) The department may [WILL, IN ITS DISCRETION,] accept lienable property located in the state as a security posted under AS 05.15.122(b)(5) if [THE]

(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 amounts 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) 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 [THAT AMOUNT].

15 AAC 160.030(c)(3) is amended to read:

(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** [PROVIDED] by the department.

15 AAC 160.030(e) is amended to read:

(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** [TWO COPIES] of the application described under AS 05.15.122(b) to **the** [EACH] city or borough nearest to **each** [THE] 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 is amended by adding new subsections to read:

(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.

(Eff. 7/30/94, Register 131; am 11/10/96, Register 140; am 6/22/2008, Register 186)

Authority: AS 05.15.030 AS 05.15.100 AS 05.15.165
AS 05.15.095

15 AAC 160.050(1) is amended to read:

(1) a completed original application on a form **prescribed** [PROVIDED] by the department; and

15 AAC 160.050 is amended by adding a new subsection to read:

(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. (Eff. 7/30/94, Register 131; am 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.183

15 AAC 160.350 is repealed and readopted to read:

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. (Eff. 7/30/94, Register

131; am 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.188

The lead-in language of 15 AAC 160.380(e) is amended to read:

(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

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15 AAC 160.380 is amended by adding a new subsection to read:

(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. (Eff. 7/30/94, Register 131; am 6/22/2008, Register 186)

Authority:	AS 05.15.060	AS 05.15.183	AS 05.15.187
	AS 05.15.181	AS 05.15.185	AS 05.15.188

15 AAC 160.410(b)(2) is amended to read:

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

15 AAC 160.410(c) is repealed:

(c) Repealed 6/22/2008.

(Eff. 7/30/94, Register 131; am 6/22/2008, Register 186)

Authority:	AS 05.15.060	AS 05.15.181	AS 05.15.185
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15 AAC 160.470(b) is amended to read:

(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).

15 AAC 160.470(c) is amended to read:

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

(1) [A CASH] 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.

15 AAC 160.470(d) is amended to read:

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

15 AAC 160.470 is amended by adding new subsections to read:

(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. (Eff. 7/30/94, Register 131; am 1/1/2003, Register 164; am 9/3/2005, Register 175; am 6/22/2008, Register 186)

Authority: AS 05.15.060 **AS 05.15.170** AS 05.15.187

15 AAC 160.510(a) is amended to read:

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.**

15 AAC 160.510(b) is amended to read:

(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.

15 AAC 160.510(c) is amended to read:

(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.

(Eff. 7/30/94, Register 131; am 11/10/96, Register 140; am 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.100

15 AAC 160.640(b) is amended by adding a new paragraph to read:

(6) the ticket number.

15 AAC 160.640(d) is amended by adding a new paragraph to read:

(4) the ticket number.

(Eff. 7/30/94, Register 131; am 9/3/2005, Register 175; am 6/22/2008, Register 186)

Authority: AS 05.15.060

AS 05.15.100

15 AAC 160.800 is amended to read:

15 AAC 160.800. Promotional items. A permittee, [OR] 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 [PAID FOR AND SUPPLIED BY A MANUFACTURER OR DISTRIBUTOR OF GAMING SUPPLIES].

15 AAC 160.800 is amended by adding a new subsection to read:

(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. (Eff. 7/30/94, Register 131; am 6/22/2008, Register 186)

Authority: AS 05.15.060

15 AAC 160.820 is amended by adding new subsections to read:

(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. (Eff. 7/30/94, Register 131; am 11/10/96, Register 140; am 1/1/2003, Register 164; am 9/3/2005, Register 175; am 11/05/2006, Register 180; am 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.100

15 AAC 160.880(a) is amended by adding new paragraphs to read:

(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.

(Eff. 7/30/94, Register 131; am 1/1/2003, Register 164; am 9/3/2005, Register 175; am 6/22/2008, Register 186)

Authority:	AS 05.15.010	AS 05.15.128	AS 05.15.184
	AS 05.15.050	AS 05.15.140	[AS 05.15.190]
	AS 05.15.060	AS 05.15.170	<u>AS 05.15.690</u>
	AS 05.15.105		

15 AAC 160 is amended by adding a new section to read:

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. (Eff. 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.105

15 AAC 160 is amended by adding a new section to read:

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. (Eff. 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.100 AS 05.15.187

The lead-in language of 15 AAC 160.954(b)(2) is amended to read:

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

...

15 AAC 160.954(b)(6)(A) is amended to read:

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

15 AAC 160.954(b) is amended by adding new paragraphs to read:

(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.

15 AAC 160.954(c) is amended by adding a new paragraph to read:

(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.

(Eff. 11/10/96, Register 140; am 1/1/2003, Register 164; am 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.140 **AS 05.15.188**

15 AAC 160.970(c) is amended to read:

(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** [OR] 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.

15 AAC 160.970(d) is amended to read:

(d) **The [A] member in charge, and the alternate member in charge in the absence of the member in charge,**

(1) are [IS] the principal points [POINT] of contact between the permittee and the department, particularly in the investigation of complaints and the review or audit of reports;

(2) are [. THE MEMBER IN CHARGE IS] 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.

15 AAC 160.970(e) is amended to read:

(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** [A] 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).

15 AAC 160.970 is amended by adding a new subsection to read:

(f) A member in charge or an alternate member in charge must be at least 21 years of age. (Eff. 7/30/94, Register 131; am 9/3/2005, Register 175; am 6/22/2008, Register 186)

Authority: AS 05.15.060 AS 05.15.112

15 AAC 160.995(10) is amended to read:

(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) ["GIFT"] 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;

15 AAC 160.995(26) is amended to read:

(26) "animal classic" has the meaning given in **AS 05.15.690**

[AS 05.15.690(46)];

15 AAC 160.995 is amended by adding new paragraphs to read:

(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. (Eff. 7/30/94, Register 131; am 11/10/96, Register 140; am 1/1/2003, Register 164; am 12/18/2004, Register 172; am 9/3/2005; Register 175; am 6/22/2008, Register 186)

Authority:	AS 05.15.020	AS 05.15.130	AS 05.15.181
	AS 05.15.060	AS 05.15.160	AS 05.15.183

Register 186, July 2008

REVENUE

AS 05.15.112

AS 05.15.165

AS 05.15.184

AS 05.15.122

AS 05.15.180

AS 05.15.690