

Alaska State Senate



Senator Robin Taylor
District A

SPONSOR STATEMENT

Senate Bill 178
Establishing A State Lottery

Senate Bill 186
Electronic Gaming Machines

[Senate Bill 178](#) and [Senate Bill 186](#) were both introduced for one purpose and one purpose only -- to explore a new source of revenue for the State of Alaska.

SB 178 establishes a state lottery through the creation of a lottery corporation as a public corporation of the state. The bill provides for the membership, powers and employees, including an executive director of the corporation. It is this quasi-governmental entity that would set the rules and regulations for implementation of a state lottery.

SB 186 adds electronic gaming to current statutes. The main section of the bill (Section 20) authorizes permittees to conduct electronic gaming through registered vendors. The bill establishes minimum percentages that must be paid from the net machine income of each electronic gaming machine to the state, the permittee, the vendor and the municipality. The legislation also limits the number of machines for which a permittee may have endorsements for and the number a vendor may have and requires a minimum 80% payout.

In past years, similar bills have been introduced in both bodies of the Legislature. However, this year the issue takes on a new perspective as both the Governor and Legislature research ways to increase revenues. SB 178, the lottery bill, and SB 186, allowing electronic gaming machines, provide realistic revenue options for consideration.

According to the Department of Revenue, a state lottery such as powerball with multiple games and prizes is estimated to bring in approximately 5 - 10 million dollars annually. The expansion of pull-tabs and bingo to electronic gaming has the potential of generating 50 million dollars annually after prizes are awarded but before state operating expenses.

There are many elements of the gaming industry that must be thoroughly reviewed and discussed. Expanding gaming within the state is a choice that must be examined by individual legislators and their constituency. It is, however, an option that I believe should be included in the revenue generating discussions because it is an option of individual choice and is an optional expenditure rather than a mandated tax inflicted on all Alaskans.

SB 178 and SB 186 are the initial concepts to work from should the Senate decide to pursue the expansion of gaming on any level in Alaska. Finally, it is important to me as the sponsor to ensure Alaska's charities still reap the benefits of the proceeds.