



2013 SENATE BILL 628

February 21, 2014 - Introduced by Senators LEIBHAM, LAZICH and GUDEx, cosponsored by Representatives KUGLITSCH, TITTL, BALLWEG, BIES, KNODL, PETRYK, SKOWRONSKI, STRACHOTA and ENDSLEY. Referred to Committee on Workforce Development, Forestry, Mining, and Revenue.

1 **AN ACT to repeal** 563.04 (11), 563.04 (14), 563.905 (intro.), 563.93 (2), 563.93
2 (2m), 563.93 (4) (b), 563.93 (8), 563.935 (3), 563.935 (10) (intro.), 563.98 (1) (e),
3 563.98 (1c) and 563.98 (1m); **to renumber** 563.90; **to renumber and amend**
4 563.905 (1), 563.905 (2), 563.93 (1), 563.93 (1s), 563.93 (3), 563.93 (4) (a), 563.93
5 (4m), 563.93 (5), 563.93 (6), 563.93 (7), 563.93 (9), 563.935 (10) (a), 563.935 (10)
6 (b), 563.935 (10) (c) and 563.97; **to amend** 563.02 (1), 563.03 (4m), 563.03 (12m),
7 563.04 (2), 563.04 (3), 563.05 (2), 563.05 (3), 563.05 (4), 563.10, 563.91, 563.92
8 (2), 563.92 (4), 563.935 (1), 563.935 (4), 563.935 (6) (a), 563.94, 563.95, 563.98
9 (1) (intro.), 563.98 (1g) and 563.98 (2); **to repeal and recreate** 563.05 (title)
10 and 563.92 (1m); and **to create** 563.02 (1m), 563.03 (14w), 563.03 (17), 563.05
11 (4m), 563.925, 563.93 (2g) (intro.), (a), (b), (g) and (h), 563.93 (2r), 563.93 (3e),

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- 1 563.93 (3i), 563.93 (3m), 563.935 (1m), 563.97 (2) and 563.98 (1e) of the statutes;
2 **relating to:** the regulation of raffles.
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Analysis by the Legislative Reference Bureau

Under current law, a not-for-profit, religious, charitable, service, fraternal, or veterans organization that serves a geographic area that is limited to Wisconsin and that has existed for at least one year or is chartered by a state or national organization that has existed for at least three years may obtain a license to conduct raffles.

Under rules promulgated by the Department of Administration (DOA), an organization with a Class A raffle license may conduct single-event raffles or a calendar raffle. Current law defines a calendar raffle as a raffle for which a drawing is held and a prize awarded on each date specified in a calendar. This bill defines a single-event raffle to be a raffle for which one or more drawings from a single container are held and one or more prizes are awarded on one date and at one location. Under current law, an organization with a Class B raffle license may conduct raffles in which more than one drawing may be made from more than one container, each container is specific to a prize or group of prizes, and ticket purchasers place their tickets in the containers of their choice.

Under current law, a Class A licensee may charge up to \$100 for a raffle ticket and up to \$10 for each month covered by a calendar raffle. Under a Class B raffle, current law allows tickets to be sold for no more than \$10 each. This bill removes all limits on the prices of raffle tickets and calendars.

Under current law, an organization with a raffle license may conduct no more than 200 raffles in a 12-month period. This bill increases this maximum to 365 raffles.

Under current law, an organization with a Class B raffle license may sell tickets for a raffle drawing only on the day of the drawing. Under this bill, a Class B licensee may sell tickets before the day of a drawing if the tickets are not delivered to purchasers until the day of the drawing.

Under current law, a Class A licensee may sell raffle tickets up to 270 days before the day of a raffle drawing. This bill extends this period to one year.

Current law allows a Class A licensee to sell equal shares of a single ticket to one or more purchasers. This bill allows this only if certain requirements are met, including that not more than four shares of a single ticket be sold and that no discount be offered to the purchaser of more than one share of a ticket.

Current law requires DOA to promulgate rules relating to the conduct of raffles. This bill removes that authority.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 563.02 (1) of the statutes is amended to read:

2 563.02 (1) All phases of the conduct of bingo and raffles, except bingo games
3 using free cards and donated prizes for which no payment of consideration is made
4 by participants, should be closely controlled by appropriate laws and rules, which
5 should be strictly and uniformly enforced throughout this state.

6 **SECTION 2.** 563.02 (1m) of the statutes is created to read:

7 563.02 (1m) All phases of the conduct of raffles should be closely controlled by
8 appropriate laws, which should be uniformly enforced throughout this state.

9 **SECTION 3.** 563.03 (4m) of the statutes is amended to read:

10 563.03 (4m) "Calendar raffle" means a raffle for which a drawing is held and
11 a prize awarded on each date specified in a calendar as a date upon which a prize will
12 be awarded.

13 **SECTION 4.** 563.03 (12m) of the statutes is amended to read:

14 563.03 (12m) "Raffle" means a game of chance in which tickets or calendars are
15 sold and ~~a drawing~~ one or more drawings for prizes is are held.

16 **SECTION 5.** 563.03 (14w) of the statutes is created to read:

17 563.03 (14w) "Single-event raffle" means a raffle for which one or more
18 drawings from a single container are held and one or more prizes are awarded on one
19 date and at one location.

20 **SECTION 6.** 563.03 (17) of the statutes is created to read:

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1 563.03 (17) "Ticket" means an instrument that entitles the purchaser to one
2 entry in a raffle other than a calendar raffle.

3 **SECTION 7.** 563.04 (2) of the statutes is amended to read:

4 563.04 (2) Conduct hearings on the suspension or revocation of a license for
5 violation of this chapter or any applicable rules promulgated under it.

6 **SECTION 8.** 563.04 (3) of the statutes is amended to read:

7 563.04 (3) Promulgate rules under ch. 227 relating to the issuance, renewal,
8 amendment, suspension, and revocation of bingo and raffle licenses and the conduct
9 of bingo under this chapter.

10 **SECTION 9.** 563.04 (11) of the statutes is repealed.

11 **SECTION 10.** 563.04 (14) of the statutes is repealed.

12 **SECTION 11.** 563.05 (title) of the statutes is repealed and recreated to read:

13 **563.05 (title) Departmental duties; powers; prohibitions.**

14 **SECTION 12.** 563.05 (2) of the statutes is amended to read:

15 563.05 (2) The department may promulgate rules requiring holders of licenses
16 issued under ~~this chapter~~ subch. III to post a notice in a conspicuous place where a
17 bingo occasion ~~or raffle drawing~~ is conducted describing the procedures for filing a
18 complaint against the holder.

19 **SECTION 13.** 563.05 (3) of the statutes is amended to read:

20 563.05 (3) The department may promulgate rules specifying the number of
21 business days within which the department must review and make a determination
22 on an application for a ~~permit, as defined in s. 227.116 (1g),~~ license that is issued
23 under ~~this chapter~~ subch. III.

24 **SECTION 14.** 563.05 (4) of the statutes is amended to read:

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1 563.05 (4) The department may promulgate rules ~~defining~~ relating to bingo
2 that establish procedures to be used by the department for receiving, filing, and
3 investigating complaints, for commencing disciplinary proceedings, and for
4 conducting hearings under this chapter.

5 **SECTION 15.** 563.05 (4m) of the statutes is created to read:

6 563.05 (4m) Notwithstanding s. 227.11, the department may not promulgate
7 or enforce any rule that interprets the provisions under subch. VIII or any other
8 provisions under this chapter that relate to raffles.

9 **SECTION 16.** 563.10 of the statutes is amended to read:

10 **563.10 Rules governing commingling of receipts restricted.**
11 Notwithstanding ~~ss. 227.11 (2), 227.24 (1) (a) and 563.04 (3),~~ the The department
12 may not promulgate any emergency rule relating to the commingling of bingo and
13 raffle receipts ~~unless it can clearly establish that commingling will occur without~~
14 ~~such rule and that the rule will effectively prevent commingling.~~ The department
15 shall set forth any such finding in its proposed rule. ~~If upon review under s. 227.40,~~
16 ~~the court finds that the finding of fact upon which any emergency rule relating to~~
17 ~~such commingling is based is unsupported by clear and convincing evidence, the rule~~
18 ~~is invalid.~~

19 **SECTION 17.** 563.90 of the statutes is renumbered 563.90 (1).

20 **SECTION 18.** 563.905 (intro.) of the statutes is repealed.

21 **SECTION 19.** 563.905 (1) of the statutes is renumbered 563.90 (2) and amended
22 to read:

23 563.90 (2) ~~“Local organization” means an organization~~ Local organizations
24 that may conduct raffles include only those organizations whose activities are

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1 limited to this state, to a specific geographical area within this state, or to a specific
2 geographical area that is partly within this state and partly within another state.

3 **SECTION 20.** 563.905 (2) of the statutes is renumbered 563.90 (3), and 563.90
4 (3) (intro.), as renumbered, is amended to read:

5 563.90 (3) (intro.) “~~Service organization~~” includes Service organizations that
6 may conduct raffles include all of the following:

7 **SECTION 21.** 563.91 of the statutes is amended to read:

8 **563.91 Limit.** No qualified organization under s. 563.90 may conduct more
9 than ~~200~~ 365 raffles or more than one calendar raffle during a year. A single-event
10 raffle or a raffle conducted under a Class B license is one raffle for purposes of this
11 section.

12 **SECTION 22.** 563.92 (1m) of the statutes is repealed and recreated to read:

13 563.92 (1m) (a) The department may issue a Class A license or a Class B license
14 to any qualified organization that applies.

15 (b) Under a Class A license, an organization may do all of the following:

- 16 1. Conduct single-event raffles or a calendar raffle.
- 17 2. Sell some or all tickets on days other than the same day as the drawing.
- 18 3. Sell equal shares of a single ticket to one or more purchasers.

19 (c) Under a Class B license, an organization may do all of the following:

20 1. Conduct raffles for which all of the following apply:

21 2. Sell tickets in either of the following ways:

22 a. On the same day as the drawing.

23 b. On more than one day if the organization distributes tickets to purchasers
24 only at the event at which the drawing will take place.

25 **SECTION 23.** 563.92 (2) of the statutes is amended to read:

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1 563.92 (2) The fee for a raffle license shall be \$25 and shall be remitted with
2 the application. A raffle license shall be valid for 12 months and may be renewed as
3 provided in s. 563.98 (1g). The department shall issue the license within 30 days
4 after the filing of ~~an~~ a complete application if the applicant qualifies under s. 563.90
5 and has not exceeded the limits of s. 563.91. The department shall notify the
6 applicant if the raffle license application is incomplete within 15 days after it is filed
7 or the application shall be considered complete. A complete license application that
8 is not denied within 30 days after its filing shall be considered approved. All moneys
9 received by the department under this subsection shall be credited to the
10 appropriation account under s. 20.505 (8) (j).

11 **SECTION 24.** 563.92 (4) of the statutes is amended to read:

12 563.92 (4) ~~Proceedings to~~ The department may conduct proceedings to suspend
13 or revoke ~~a~~ an organization's license to conduct raffles ~~shall be initiated by the~~
14 ~~department pursuant to the rules promulgated under s. 563.05 (4) for failing to~~
15 comply with the requirements of this subchapter.

16 **SECTION 25.** 563.925 of the statutes is created to read:

17 **563.925 Liability.** (1) With respect to a raffle conducted under a Class A
18 license, the department shall not be held responsible or liable in any dispute
19 regarding the ownership or sale of a share of a ticket under s. 563.93 (3i).

20 (2) The department and the organization conducting a raffle under a Class B
21 license shall not be held responsible or liable in any dispute regarding the ownership
22 of a ticket if the purchaser of the ticket gives the ticket to another person to claim a
23 prize on behalf of the purchaser under s. 563.935 (6) (a).

24 **SECTION 26.** 563.93 (1) of the statutes is renumbered 563.93 (1m), and 563.93
25 (1m) (intro.), (e) and (f), as renumbered, are amended to read:

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1 563.93 **(1m)** (intro.) All ~~raffle~~ tickets and all calendars shall be identical in form
2 and include:

3 (e) The date, time, and place of the each drawing ~~or drawings~~.

4 (f) A list of each prize to be awarded ~~which that~~ has a retail fair market value
5 of \$~~500~~ \$1,000 or more.

6 **SECTION 27.** 563.93 (1s) of the statutes is renumbered 563.93 (2g) (e) and
7 amended to read:

8 563.93 **(2g)** (e) ~~Each raffle ticket and each calendar sold by an organization~~
9 ~~shall include a separate~~ Print an identification number, ~~printed on both the~~
10 purchaser's and the organization's portion of the ticket or calendar, The tickets or
11 calendars shall be numbered consecutively in relation to the other tickets or
12 calendars for the same drawing.

13 **SECTION 28.** 563.93 (2) of the statutes is repealed.

14 **SECTION 29.** 563.93 (2g) (intro.), (a), (b), (g) and (h) of the statutes are created
15 to read:

16 563.93 **(2g)** (intro.) An organization that conducts a raffle under a Class A raffle
17 license shall do all of the following:

18 (a) Prominently display, at each place where tickets may be purchased, a notice
19 describing any state or federal law that imposes an age restriction on who may
20 possess a prize that will be awarded in the raffle.

21 (b) Make a good faith effort to award all of the prizes offered for a raffle. If the
22 organization is unable to award a prize, it may hold the prize and use it for future
23 fund-raising purposes.

24 (g) Place the organization's portion of the ticket or calendar in the drawing
25 container prior to the time of the drawing.

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1 (h) Retain the organization's portion of each ticket or calendar sold for one year
2 after the date on which the drawing is held and provide any of these portions to the
3 department upon request.

4 **SECTION 30.** 563.93 (2m) of the statutes is repealed.

5 **SECTION 31.** 563.93 (2r) of the statutes is created to read:

6 563.93 (2r) An organization that conducts a calendar raffle shall do all of the
7 following:

8 (a) Print identical drawing dates and identical prize amounts for each drawing
9 on every calendar sold.

10 (b) After holding a drawing, replace the winning tickets into the container to
11 allow the purchasers the chance to win again in subsequent drawings.

12 **SECTION 32.** 563.93 (3) of the statutes is renumbered 563.93 (1e) and amended
13 to read:

14 563.93 (1e) No person may sell a raffle ticket or calendar unless authorized by
15 an organization with a Class A license.

16 **SECTION 33.** 563.93 (3e) of the statutes is created to read:

17 563.93 (3e) An organization that conducts a raffle under a Class A raffle license
18 may not do any of the following:

19 (a) Permit another organization or individual to use its license to conduct a
20 raffle.

21 (b) Resell a ticket or calendar.

22 **SECTION 34.** 563.93 (3i) of the statutes is created to read:

23 563.93 (3i) An organization conducting a raffle under a Class A license may not
24 sell equal shares of a ticket unless all of the following apply:

25 (a) The organization does not sell more than 4 equal shares of one ticket.

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1 (b) The organization does not offer a price discount to the purchaser of more
2 than one share of a ticket.

3 (c) Each share of a ticket is identical in form to other shares and includes the
4 organization's portion and the purchaser's portion.

5 (d) Each purchaser's portion of a share of a ticket includes all of the information
6 required under subs. (1m) (a), (b), (c), (e), and (f) and (2g) (e).

7 (e) Each organization's portion of a share of a ticket includes the ticket
8 identification number, an identification letter for each share of the ticket, and a place
9 for the purchaser to enter the purchaser's name and address next to the share
10 identification letter.

11 (f) Each prize is in the form of cash or a number of items that is equally divisible
12 by the maximum allowable number of shares of a ticket.

13 (g) The organization directly delivers to each holder of a share of a winning
14 ticket his or her share of the prize.

15 **SECTION 35.** 563.93 (3m) of the statutes is created to read:

16 563.93 (3m) An organization that conducts a calendar raffle may not do any
17 of the following:

18 (a) Sell any calendars after holding the first drawing.

19 (b) Change the dates of any drawings or the amounts of any prizes designated
20 on the calendar after the first calendar is sold.

21 **SECTION 36.** 563.93 (4) (a) of the statutes is renumbered 563.93 (3e) (c) and
22 amended to read:

23 563.93 (3e) (c) ~~Except as provided in par. (b),~~ Offer tickets for a proposed raffle
24 may not be offered for sale more than 270 days one year before the raffle drawing.

25 **SECTION 37.** 563.93 (4) (b) of the statutes is repealed.

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1 **SECTION 38.** 563.93 (4m) of the statutes is renumbered 563.93 (2g) (c) and
2 amended to read:

3 563.93 **(2g)** (c) ~~The organization that conducts a raffle under a Class A license~~
4 ~~shall provide~~ Provide the purchaser of a raffle ticket or calendar with the purchaser's
5 portion of the ticket or calendar at the time of purchase or at any time before the raffle
6 drawing, ~~but need not provide it to the purchaser at the time of purchase.~~

7 **SECTION 39.** 563.93 (5) of the statutes is renumbered 563.93 (2g) (d) and
8 amended to read:

9 563.93 **(2g)** (d) ~~All~~ Hold all raffle drawings shall be held in public.

10 **SECTION 40.** 563.93 (6) of the statutes is renumbered 563.93 (3e) (d) and
11 amended to read:

12 563.93 **(3e)** (d) ~~All prizes shall be awarded. The~~ Require the purchaser of a
13 ticket or calendar ~~need not~~ to be present at the drawing to win a prize.

14 **SECTION 41.** 563.93 (7) of the statutes is renumbered 563.93 (2g) (f) and
15 amended to read:

16 563.93 **(2g)** (f) ~~If a raffle drawing is canceled, the organization shall refund~~
17 Refund the raffle drawing receipts to the ticket or calendar purchasers if a raffle
18 drawing is canceled. The organization may not deduct from the refund a handling
19 charge or other amount relating to the expense incurred in the sale of a ticket or
20 calendar. The organization may not reclaim any prize awarded in a drawing that has
21 already been held at the time a calendar raffle is canceled.

22 **SECTION 42.** 563.93 (8) of the statutes is repealed.

23 **SECTION 43.** 563.93 (9) of the statutes is renumbered 563.93 (3i) (h) and
24 amended to read:

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1 563.93 (3i) (h) ~~If a person who holds a Class A license sells equal shares of a~~
2 ~~single ticket to one or more purchasers, the person shall, prior~~ The organization
3 ~~purchases, prior to the a raffle drawing for which the shares were~~ of tickets have been
4 ~~sold, purchase any unsold shares of the ticket that have not~~ tickets of which one or
5 ~~more shares have been sold.~~

6 **SECTION 44.** 563.935 (1) of the statutes is amended to read:

7 563.935 (1) All raffle tickets shall be identical in form.

8 **SECTION 45.** 563.935 (1m) of the statutes is created to read:

9 563.935 (1m) If state or federal law places an age restriction on who may
10 possess any prize that will be awarded for a raffle, the organization conducting the
11 raffle shall prominently display a notice describing the restriction at each place
12 where tickets may be purchased.

13 **SECTION 46.** 563.935 (3) of the statutes is repealed.

14 **SECTION 47.** 563.935 (4) of the statutes is amended to read:

15 563.935 (4) No person may sell a raffle ticket unless authorized by an
16 organization with a Class B license.

17 **SECTION 48.** 563.935 (6) (a) of the statutes is amended to read:

18 563.935 (6) (a) Except as provided in par. (b), the purchaser of a ticket must be
19 present at the drawing to win a prize, unless the purchaser gives the ticket to another
20 person who may claim the prize on behalf of the purchaser, but only if that other
21 person is present at the drawing. ~~If the purchaser of the ticket gives the ticket to~~
22 ~~another person to claim a prize on behalf of the purchaser, the organization~~
23 ~~conducting the raffle and the department shall not be held responsible or liable in~~
24 ~~any dispute regarding the ownership of the ticket.~~

25 **SECTION 49.** 563.935 (10) (intro.) of the statutes is repealed.

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1 **SECTION 50.** 563.935 (10) (a) of the statutes is renumbered 563.92 (1m) (c) 1.

2 a. and amended to read:

3 563.92 (1m) (c) 1. a. ~~More than one drawing is~~ One or more drawings are held
4 and one or more than one prize is prizes are awarded on the same date and at the
5 same location.

6 **SECTION 51.** 563.935 (10) (b) of the statutes is renumbered 563.92 (1m) (c) 1.

7 b. and amended to read:

8 563.92 (1m) (c) 1. b. ~~Drawings~~ A drawing for each prize or group of prizes ~~are~~
9 is made from a container specific to each prize or group of prizes.

10 **SECTION 52.** 563.935 (10) (c) of the statutes is renumbered 563.92 (1m) (c) 1.

11 c. and amended to read:

12 563.92 (1m) (c) 1. c. The ~~raffle~~ ticket purchaser places his or her ticket in the
13 container of his or her choice.

14 **SECTION 53.** 563.94 of the statutes is amended to read:

15 **563.94 Profits.** All profits from raffles shall be used by the organization
16 conducting the raffles to further the organization's purpose for existence and no
17 salaries, fees or profit shall be paid to any other organization or individual in
18 connection with the operation of a raffle. This section does not prohibit the printing
19 of ~~raffle~~ tickets or calendars or the purchase of equipment or prizes for a raffle.

20 **SECTION 54.** 563.95 of the statutes is amended to read:

21 **563.95 Denial of application; hearing.** Within 30 days after receiving
22 written notification of a denial by the department of a license to conduct a raffle, an
23 applicant may demand in writing a hearing before the department upon the
24 applicant's qualifications and the merit of the application. ~~At the hearing, the~~
25 ~~burden of proof shall be on the applicant to establish eligibility for a license.~~ If, after

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1 the hearing, the department enters an order denying the application, the order shall
2 set forth in detail the reasons for the denial. Upon entry of such an order or upon
3 expiration of the 30-day period during which a hearing may be demanded, the
4 applicant's license fee shall be refunded. If the department approves the application,
5 the department shall issue the license within 14 days after approval.

6 **SECTION 55.** 563.97 of the statutes is renumbered 563.97 (1) and amended to
7 read:

8 563.97 (1) Each organization licensed to conduct raffles shall maintain a list
9 of the names and addresses of all persons winning prizes with a ~~retail~~ fair market
10 value of ~~\$100~~ \$600 or more, and the prizes won, for at least 12 months after each
11 raffle is conducted. The list shall be available at reasonable times for public
12 examination and shall be provided to the department upon request.

13 **SECTION 56.** 563.97 (2) of the statutes is created to read:

14 563.97 (2) An organization licensed to conduct raffles shall keep an electronic
15 or paper copy of its license that is available for any person to inspect upon request
16 at the event during which a drawing is held.

17 **SECTION 57.** 563.98 (1) (intro.) of the statutes is amended to read:

18 563.98 (1) (intro.) Each organization licensed under this subchapter shall, on
19 or before the last day of the 12th month beginning after the date on which the license
20 is issued and on or before that same date in each subsequent year, prepare and make
21 available for inspection a report containing the following information in writing to
22 ~~the department~~ regarding the raffles ~~which~~ that it has conducted during the previous
23 12 months:

24 **SECTION 58.** 563.98 (1) (e) of the statutes is repealed.

25 **SECTION 59.** 563.98 (1c) of the statutes is repealed.

