

**2003 DRAFTING REQUEST**

**Bill**

Received: **02/26/2003**

Received By: **jkuesel**

Wanted: **As time permits**

Identical to LRB:

For: **Stephen Freese (608) 266-7502**

By/Representing: **Rob Richard**

This file may be shown to any legislator: **NO**

Drafter: **jkuesel**

May Contact:

Addl. Drafters:

Subject: **Elections - campaign finance**

Extra Copies: **RAC - 1**

Submit via email: **YES**

Requester's email: **Rep.Freese@legis.state.wi.us**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Political contributions derived from proceeds of gambling operations

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**Instructions:**

Per 99 AB-410.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkuesel 03/03/2003	csicilia 03/03/2003		_____			Crime
/1			pgreensl 03/03/2003	_____	sbasford 03/03/2003	lemery 03/03/2003	

FE Sent For:

<END>

↳ Not  
Needed

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1? / 1	jkuesel 3/3	1 cjs 3/3 03	3/3 PS	3/3 PS			

FE Sent For:

<END>

**Kuesel, Jeffery**

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**From:** Richard, Rob  
**Sent:** Tuesday, February 25, 2003 12:12 PM  
**To:** Kuesel, Jeffery

Jeff:

Please redraft 1999 AB 410 (Walker) for Rep. Freese.

Thank you!

Rob

## Kuesel, Jeffery

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**From:** Richard, Rob  
**Sent:** Thursday, February 27, 2003 5:11 PM  
**To:** Kuesel, Jeffery

Jeff:

I'm sorry but there's been a slight change in what we want with regard to the prohibition on gaming proceeds going to candidates for public office.

From the analysis of 1999 AB 410, here's what we want to accomplish:

"This bill prohibits any person, including any committee or group, from accepting a political contribution derived from gaming proceeds from any person or entity, including anyone or any entity licensed by any state to operate a gaming facility or operation."

Gaming should include racetracks, casinos and lottery.

Jeff, this is a priority for next week as well. Thank you!

Rob

2003

1999-2000 LEGISLATURE

LRB-03671T

JTK: [signature]

- 2154/1

WANTED MON 3/3 - 2 PM

ejs: [signature]

1999 ASSEMBLY BILL 410

July 15, 1999 - Introduced by Representatives WALKER, LADWIG, GLINDRUM, URBAN, KLUSMAN, MILLER, HANDRICK, DUFF, F. LASEE, OWENS, FREESE, HUEBSCH, TOWNSEND, KELSO and GROTHMAN, cosponsored by Senators RISSEK, HUELSMAN, FARROW and DARLING. Referred to Committee on Campaigns and Elections.

Gen cat

1 AN ACT to amend 11.61 (1) (b) and 11.61 (1) (b); and to create 11.41 and 11.60

1

2 ~~(3c) of the statutes, relating to: acceptance of political contributions~~  
3 ~~derived from the net proceeds of gambling operations~~  
~~owners, operators or managers of casinos or racetracks and providing penalties.~~

2

3

Analysis by the Legislative Reference Bureau

made by any person that is derived

This bill prohibits any person, including any committee or group, from accepting a political contribution ~~made by any person who owns, operates or manages a casino or racetrack in any state, or who is licensed by any state to operate or manage a casino or racetrack. If a corporation owns, operates or manages a casino or racetrack, the prohibition applies to contributions made by the officers and directors of the corporation or by any individual owner of the corporation if the individual owns a 10% or greater interest in the corporation. If an Indian tribe owns, operates or manages a casino or racetrack, the prohibition applies only to contributions made by the officers and members of the governing body of the tribe~~

in whole or in part from the net proceeds of a gambling operation

Violators are subject to a forfeiture (civil penalty) of not more than treble the amount of any contribution accepted in violation of the provision. Intentional violators may be fined not more than \$1,000 or imprisoned for not more than ~~6~~ six months, or both, if an unlawful contribution is \$100 or less, and may be fined not more than \$10,000 or imprisoned for not more than ~~3~~ three years, or both, if an unlawful contribution is more than \$100. After December 30, 1999, the maximum term of imprisonment for intentionally accepting an unlawful contribution of more than \$100 is increased to 4 years and 6 months.

three

and 6 months

six

ASSEMBLY BILL 410

Currently, there is no such prohibition, except that if a corporation owns, operates or manages a casino or racetrack, the acceptance of contributions made from the corporate treasury is currently prohibited.

~~CRIME~~

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

SECTION 1. 11.41 of the statutes is created to read:

11.41 Acceptance of contributions <sup>derived</sup> from ~~owners, operators or managers of casinos and racetracks~~ <sup>Proceeds of gambling operations.</sup> (1) In this section:

(a) "Casino" means a location where casino gambling is authorized to be conducted under an applicable state law or a compact negotiated under 25 USC 2710.

(b) "Casino gambling" means one or more of the games described in s. 565.01 (6m) (b) 2. to 9., or any game that is similar to a game described in s. 565.01 (6m) (b) 2. to 9.

(f)(c) "Pari-mutuel" means a wagering system in which all persons who wager on any animal which finishes in any position for which wagers are taken in a race share the total amount wagered on the race minus any deductions from the wagers on that race required under the law of the state where the race is conducted.

(g)(d) "Racetrack" means a location in any state at which animal races are authorized by the law of that state to be conducted and at which pari-mutuel wagering on those races is authorized to be conducted under that law.

(2) No person, including a committee or group, may accept a contribution made by any person who owns, operates or manages a casino or racetrack in any state, or who is licensed by any state to operate or manage a casino or racetrack.

(3) For purposes of sub. (2), if an individual owns a 10% or greater interest in or serves as an officer or director of a corporation that owns, operates or manages a

⊗  
↑

JWS  
2-18

JWS  
2-15

ASSEMBLY BILL 410

1 casino or racetrack in any state, or that is licensed by any state to operate or manage  
2 a casino or racetrack, that individual is considered to own, operate or manage that  
3 casino or racetrack or to be licensed to do so.

4 (4) For purposes of sub. (2), if an Indian tribe owns or operates a casino or  
5 racetrack, the officers and members of the governing body of the tribe are considered  
6 to own or operate that casino or racetrack.

7 SECTION 2. 11.60 (3e) of the statutes is created to read:

8 11.60 (3e) Notwithstanding sub. (1), any person, including any committee or  
9 group, who accepts a contribution in violation of s. 11.41 may be required to forfeit  
10 not more than treble the amount of the contribution.

11 SECTION 3. 11.61 (1) (b) of the statutes is amended to read:

12 11.61 (1) (b) Whoever intentionally violates s. 11.25, 11.26, 11.27 (1), 11.30 (1)  
13 or 11.38 or 11.41 where the intentional violation does not involve a specific figure,  
14 or where the intentional violation concerns a figure which exceeds \$100 in amount  
15 or value may be fined not more than \$10,000 or imprisoned not more than 3 years  
16 or both.

17 SECTION 4. 11.61 (1) (b) of the statutes, as affected by 1997 Wisconsin Act 283,  
18 is amended to read: <sup>5</sup>

19 11.61 (1) (b) Whoever intentionally violates s. 11.25, 11.26, 11.27 (1), 11.30 (1)  
20 or 11.38 or 11.41 <sup>if plain</sup> where the intentional violation does not involve a specific figure,  
21 or <sup>if plain</sup> where the intentional violation concerns a figure which exceeds \$100 in amount  
22 or value ~~may be fined not more than \$10,000 or imprisoned for not more than 3 years~~

23 ~~and shall be fined not more than \$10,000 or imprisoned for not more than 3 years~~  
24 SECTION 5. Effective dates.

P.W.F.

as affected by 2001 Wisconsin Act 109

**ASSEMBLY BILL 410**

**SECTION 5**

1 ~~(1) The treatment of section 11.61 (1) (b) (by SECTION 4) of the statutes takes~~  
2 ~~effect on December 31, 1999.~~

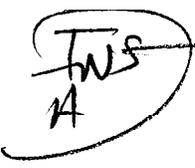
3 (END)

2003-2004 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-2154/lins  
JTK.....

INS 2-8:

(c) "Gambling operation" means a casino, lottery, or racetrack. ✓

 (e) "Net proceeds" means the portion of proceeds after amounts paid to players and operating costs, including management fees, are deducted. ✓

INS 2-15:

(2) No person, including a committee or group, may accept a contribution made by any other person that is derived in whole or in part from the net proceeds of a gambling operation. ✓

WNSA

¶ (d) "Lottery" means

① 1. The

operated under the law of any state

(b) The lottery authorized under par. (a) shall be an enterprise that entitles the player, by purchasing a ticket, to participate in a game of chance if: ~~the~~ winning tickets are randomly predetermined and the player reveals preprinted numbers or symbols from which it can be immediately determined whether the ticket is a winning ticket entitling the player to win a prize as prescribed in the features and procedures for the game, including an opportunity to win a prize in a secondary or subsequent chance drawing or game; or ~~the~~ ticket is evidence of the numbers or symbols selected by the player or, at the player's option, selected by a computer, and the player becomes entitled to a prize as prescribed in the features and procedures for the game, including an opportunity to win a prize in a secondary or subsequent chance drawing or game, if some or all of the player's symbols or numbers are selected in a chance drawing or game, if the player's ticket is randomly selected by the computer at the time of purchase or if the ticket is selected in a chance drawing.

② 2. The

type out manually

✓

DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

-2154/1  
LRB-0367/1dn  
JTK: [signature]

Friday, October 30, 1998

ys

1. Ordinarily, a prohibition on the making of political contributions ~~by members of a~~ <sup>activities</sup> ~~certain group~~ would raise issues concerning whether the ~~First Amendment rights of~~ <sup>derived from certain types of lawful sources of income</sup> ~~members of that group were being violated or whether the~~ equal protection rights of ~~members of that group~~ were being infringed. Nevertheless, casino gambling ~~is a~~ <sup>persons who derive their income from these sources</sup> regulated economic ~~activity~~ which exists in some states and not in others, and may be subject to limitations in state law. If it may be shown that gambling interests have in fact attempted to influence campaigns for state and local non-Indian offices, it may be argued that this state could properly conclude that there is a greater potential for corrupting influences from this type of activity than from other economic activity that is generally permitted everywhere. I did, however, want you to be aware that constitutional questions may potentially be present when attempting to regulate in this field and there is room for disagreement concerning the permissible sweep of state regulation.

→ race track betting and lotteries are

2. There is some question as to the jurisdiction of this state to regulate the activities of Indian tribes or tribal members. In this case, however, we are attempting to regulate state and local election campaigns for non-Indian offices and we are regulating primarily off-reservation activity. The applicability of state election laws to Indians voting in state elections or participating in campaigns for state and local non-Indian offices is well accepted. For these reasons, it may be argued that this state does have jurisdiction <sup>over this matter</sup>.

91

3. We are unaware of any state that currently permits a lottery to be privately operated. Because the net proceeds of any lottery that is not privately operated are paid to the state, the proceeds would probably not be available to make a political contribution. Therefore the application of this draft to lottery proceeds may have limited effect.

JTK

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-2154/1dn

JTK:cjs:pg

March 3, 2003

1. Ordinarily, a prohibition on the making of political contributions derived from certain types of lawful sources of income would raise issues concerning whether the equal protection rights of persons who derive their income from these sources were being infringed. Nevertheless, casino gambling, racetrack betting, and lotteries are regulated economic activities which exist in some states and not in others, and may be subject to limitations in state law. If it may be shown that gambling interests have in fact attempted to influence campaigns for state and local non-Indian offices, it may be argued that this state could properly conclude that there is a greater potential for corrupting influences from this type of activity than from other economic activity that is generally permitted everywhere. I did, however, want you to be aware that constitutional questions may potentially be present when attempting to regulate in this field and there is room for disagreement concerning the permissible sweep of state regulation.

2. There is some question as to the jurisdiction of this state to regulate the activities of Indian tribes or tribal members. In this case, however, we are attempting to regulate state and local election campaigns for non-Indian offices and we are regulating primarily off-reservation activity. The applicability of state election laws to Indians voting in state elections or participating in campaigns for state and local non-Indian offices is well accepted. For these reasons, it may be argued that this state does have jurisdiction over this matter.

3. We are unaware of any state that currently permits a lottery to be privately operated. Because the net proceeds of any lottery that is not privately operated are paid to the state, the proceeds would probably not be available to make a political contribution. Therefore the application of this draft to lottery proceeds may have limited effect.

Jeffery T. Kuesel  
Managing Attorney  
Phone: (608) 266-6778

**Emery, Lynn**

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**From:** Richard, Rob  
**Sent:** Monday, March 03, 2003 2:37 PM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB 03-2154/1 Topic: Political contributions derived from proceeds of gambling operations

It has been requested by <Richard, Rob> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 03-2154/1 Topic: Political contributions derived from proceeds of gambling operations