

2007 DRAFTING REQUEST

Bill

Received: 11/14/2006

Received By: rryan

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Easton

This file may be shown to any legislator: NO

Drafter: rryan

May Contact:

Addl. Drafters:

Subject: **Gambling - lottery**

Extra Copies:

Submit via email: NO

Pre Topic:

DOA:.....Easton, BB0168 -

Topic:

Time for claiming lottery prizes

Instructions:

See Attached

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>
/?				_____			State
/1	rryan 11/27/2006 rryan 01/26/2007	lkunkel 12/04/2006 kfollett 01/26/2007	nmatzke 12/04/2006	_____	sbasford 12/04/2006		State
/2			sherritz 01/26/2007	_____	mbarman 01/26/2007		

FE Sent For:

<END>

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FE Sent For:

12/15/06
1/26/06
sh
1/26
sh/jf
1/26
<END>

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/?	rryan	/i lmk 12/4	AWA 12/4	AWA 12/4			

FE Sent For:

<END>

2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Prize Claim Clarification
- Tracking Code: BB0168
- SBO team: Tax and Local Government
- SBO analyst: Easton
 - Phone: 6-7597
 - Email: Darren.easton@wisconsin.gov
- Agency acronym: DOR
- Agency number: 566
- Priority (Low, Medium, High): Low

TITLE Prize Claim Clarification

DESCRIPTION OF CURRENT LAW AND PROBLEM

Lottery players have 180 days from the date of the number drawing within which to claim their prize. In the case of a scratch ticket, the time for redemption begins to run from the announced game end date. However, sec.565.30 (3) (a), Wis. Stats. states that a prize may be claimed "within 180 days after the drawing ... or within 180 days after the game's end date ... whichever is later." A player could interpret the statute to mean that he or she has 180 days after the end of an online game to redeem a prize. Under this interpretation, tickets could be valid for years, as the Lottery rarely ends online games. Legal challenges to similar statutory language in other states have led the Lottery to determine that it must clarify its language.

RECOMMENDATION FOR ACTION

It is recommended that the law be changed, consistent with the language drafted by DOR General Counsel's Office.

ADMINISTRATIVE IMPACT

There is no fiscal savings, except insofar as there would be no legal expenses for defense of any lawsuit relying on the current language. Once corrected, the language would also help the state avoid misinterpreted claims of potential winnings from instant ticket games that are no longer for sale by the Lottery and for which there is no longer any legitimate prize claim period.

FAIRNESS /TAX EQUITY

All players should have access to the same clear understanding of Lottery payout options.

IMPACT ON ECONOMIC DEVELOPMENT

There is no impact upon economic development.

FISCAL EFFECT

There is no direct impact upon fiscal expenses or revenues. However, the cost of not making a change invites significant risks, where the benefits of clarifying the language will avoid those risks. While not quantifiable, the amount risked by no change could total into the millions of dollars, depending on the situation, the game, and the methods used in a potential legal challenge.

DRAFTING INSTRUCTIONS

Suggested statutory language, prepared by DOR General Counsel, is attached.

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

The language can be changed at any time.

INTERESTED/AFFECTED PARTIES

Affected parties include potential current and future players, as well as winners of lottery prizes.

DOR CONTACT PERSON AND PREPARER

James Amberson, 608 267-4840, jjambers@dor.state.wi.us

PROPOSED STATUTORY LANGUAGE
Lottery Prize Claim Periods

1. Add new subsection 565.27(1)(g):

(g) If applicable, whether the prize must be claimed at the date and place of sale of the ticket.

2. Amend sec. 565.30(3)(a) to read as follows:

(3) UNCLAIMED PRIZES. (a) *Period to claim.* The holder of a winning lottery ticket or lottery may claim a prize no later than the dates set forth in subd. 1 and 2. Prizes not claimed during the stated period shall be forfeit.

1. Instant Tickets. Any ticket that determines whether the holder has won instantly shall be redeemed no later than 180 days after the end of the game. This subsection is not applicable to instant ticket games as to which the features and procedures state that prizes must be claimed at the date and place of sale of the ticket.

2. Drawings. Any ticket that does not determine whether the holder has won instantly shall be redeemed no later than 180 days after the drawing or other method of ascertaining the winners.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0765/1

RLR:.....
lmk

In 11/27/06

soon

DOA:.....Easton, BB0168 - Time for claiming lottery prizes ✓

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION ✓

RMR

D-N

Do NOT Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

GAMBLING

LOTTERY

Under current law, a winner of a lottery game has up to 180 days after the date of the lottery drawing or the end date of the lottery game, as determined by the lottery administrator, to claim a prize. ✓ This bill specifies that a winner of an instant lottery game may claim a prize up to 180 days after the end date of the game unless the rules for the instant game state that the prize must be claimed on the date of, and at the place of, sale of the game ticket. ✓ The bill also provides that the winner of a lottery game other than an instant game has up to 180 days after the date of the lottery drawing, or other selection process for determining a game winner, to claim a prize. ✓

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:

2 SECTION 1. 565.01 (3g) of the statutes is created to read:

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0765/1dn

RLR:.....

Imk

(date)

Darren Eaton^s:

Please have DOR review the definition of "instant game" created in this bill. ✓

Current s. 565.30 refers to lottery "shares" as well as "tickets." DOR's suggested language and this bill only reference tickets. Is this OK? ✓

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0765/1dn
RLR:lmk:nwn

December 4, 2006

Darren Easton:

Please have DOR review the definition of "instant game" created in this bill.

Current s. 565.30 refers to lottery "shares" as well as "tickets." DOR's suggested language and this bill only reference tickets. Is this OK?

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.wisconsin.gov

Ryan, Robin

From: Edmonds, Michael J - DOR
Sent: Wednesday, January 24, 2007 2:46 PM
To: Timmons, Anthony A - DOR
Cc: Ryan, Robin; Easton, Darren - DOA
Subject: FW: LRB 0765-1 Lottery Prizes claim clarification.doc

Attachments: LRB Draft: 07-0765/1 Time for claiming lottery prizes; LRB 0765-1 Lottery Prizes claim clarification.doc



LRB Draft: 07-0765/1 LRB 0765-1 Lottery

1 Time for...

Prizes clai...

Anthony-

I contacted the drafter, Robin Ryan, on this one and requested the following changes.

1. On page 2, line 2, insert, after "game ticket", the following language:
"or share".
2. On page 2, line 5, insert, after "ticket", the following language: "or share".
3. On page 2, line 9, insert, after "ticket", the following language: "or share".

The word "share" occurs throughout Chapter 565 and should be included here for reasons of consistency. The lottery does not use the word share. However, a new type of game, "Million Dollar Draw" is best described as a "share" game.

I also informed Ms. Ryan that I would be sending her my other comments. By copy of this message I have done that.

Michael J. Edmonds
Director, Wisconsin Lottery
michael.edmonds@dor.state.wi.us
608.267.4500

Keep It Fun!
Play Responsibly.

-----Original Message-----

From: Timmons, Anthony
Sent: Tuesday, January 23, 2007 11:23 AM
To: Edmonds, Michael J
Subject: FW: LRB 0765-1 Lottery Prizes claim clarification.doc

Mike,

The drafter's notes are in the attached email.

Anthony

-----Original Message-----

From: Easton, Darren - DOA [mailto:Darren.Easton@Wisconsin.gov]
Sent: Monday, January 22, 2007 5:44 PM
To: Timmons, Anthony A - DOR
Cc: Brennan, Audra D - DOR; Gates-Hendrix, Sherrie L - DOR

Subject: RE: LRB 0765-1 Lottery Prizes claim clarification.doc

I don't think the Word document here address the issues the drafter asked in the drafter's note. Can you specifically address them?

Darren

-----Original Message-----

From: Timmons, Anthony [mailto:anthony.timmons@dor.state.wi.us]

Sent: Monday, January 22, 2007 5:06 PM

To: Easton, Darren - DOA

Cc: Brennan, Audra D - DOR; Gates-Hendrix, Sherrie L - DOR

Subject: LRB 0765-1 Lottery Prizes claim clarification.doc

Department of Revenue LRB DRAFT COMMENTS
LRB 0765/1

Request the following changes:

- On page 2, line 3, after the word "winner.", add the following sentence: " "Instant game" does not include a game in which a game ticket is printed by a lottery terminal."

Lottery terminals have historically printed lotto tickets (e.g. Powerball, Pick 3). However, new technology allows for the printing of instant-style tickets from a lottery terminal (e.g. Pick 'n Play). Players can determine from a Pick 'n Play slip whether they have won (they can determine this instantly). The problem is that Pick 'n Play games may last years; the Lottery wants the winnings claimed within 180 days of purchase. The above language solves this problem.

- On page 2, line 6, insert after "game" the following language: "as determined by the administrator,".

New sec. 565.30 (3) (a), Wis. Stats. Removes language from the current statute that indicates that the game end can be determined by the Lottery Administrator. This language restores that authority and maintains business flexibility for the Lottery.



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0765/1

RLR:lmk:nwn

In 1/26/07

Kgf. RMNR

DOA:.....Easton, BB0168 - Time for claiming lottery prizes

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

D-note

owner than an instant is game, which the ticket is printed for by a lottery terminal,

Don't Gen

instant
of a winner of
an game for which
the ticket is printed
by a lottery
terminal

1

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

GAMBLING

LOTTERY

Under current law, a winner of a lottery game has up to 180 days after the date of the lottery drawing or the end date of the lottery game, as determined by the lottery administrator, to claim a prize. This bill specifies that a winner of an instant lottery game may claim a prize up to 180 days after the end date of the game unless the rules for the instant game state that the prize must be claimed on the date of, and at the place of, sale of the game ticket. The bill also provides that the winner of a lottery game other than an instant game has up to 180 days after the date of the lottery drawing, or other selection process for determining a game winner, to claim a prize.

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:

2

SECTION 1. 565.01 (3g) of the statutes is created to read:

use 6 times

or share

1 565.01 (3g) "Instant game" means a lottery game in which it may be
2 determined from the game ticket alone whether the holder of the ticket is a game
3 winner.

4 SECTION 2. 565.30 (3) (a) of the statutes is repealed and recreated to read:

5 565.30 (3) (a) *Period to claim.* 1. The holder of a winning ticket for an instant
6 game may claim a prize within 180 days after the end date of the game unless the
7 features and procedures of the game state that the prize may be claimed only on the
8 date of, and at the place of, sale of the ticket.

9 2. The holder of a winning ticket for a lottery game other than an instant game
10 may claim a prize within 180 days after the date on which the drawing for the game,
11 or other selection process for determining the winning ticket, is held.

12 3. A lottery prize that is not claimed within the time period described under
13 subd. 1. or 2., whichever is applicable, is forfeited.

14 (END)

Except as provided in subd. 2,

or the holder of a winning ticket or share for
an instant game that was printed by a lottery
terminal

D-Note

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

LRB-0765/2dn

RLR: *lgf*

Date

X Darren Easton:

X This redraft makes the changes requested by Michael Edmonds. Rather than making an exception in the definition of "instant game," I specified the time period for collecting prizes for instant games for which the ticket is printed by a lottery terminal. The effect is the same.

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.wisconsin.gov

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

LRB-0765/2dn
RLR:kjf:sh

January 26, 2007

Darren Easton:

This redraft makes the changes requested by Michael Edmonds. Rather than making an exception in the definition of "instant game," I specified the time period for collecting prizes for instant games for which the ticket is printed by a lottery terminal. The effect is the same.

Robin Ryan
Legislative Attorney
Phone: (608) 261-6927
E-mail: robin.ryan@legis.wisconsin.gov



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0765/2
RLR:lmk&kjf:sh

DOA:.....Easton, BB0168 - Time for claiming lottery prizes

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

GAMBLING

LOTTERY

Under current law, a winner of a lottery game has up to 180 days after the date of the lottery drawing or the end date of the lottery game, as determined by the lottery administrator, to claim a prize. This bill specifies that a winner of an instant lottery game, other than an instant game for which the ticket is printed by a lottery terminal, may claim a prize up to 180 days after the end date of the game unless the rules for the instant game state that the prize must be claimed on the date of, and at the place of, sale of the game ticket. The bill also provides that the winner of a lottery game other than an instant game or a winner of an instant game for which the ticket is printed by a lottery terminal has up to 180 days after the date of the lottery drawing, or other selection process for determining a game winner, to claim a prize.

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

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