February 20, 2014 – Introduced by Representatives KUGLITSCH, TITTL, BALLWEG, BIES, ENDSLEY, KNODL, PETRYK, STRACHOTA and SKOWRONSKI, cosponsored by Senators LEIBHAM, LAZICH and GUDEX. Referred to Committee on State Affairs and Government Operations.

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

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.
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:

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

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

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

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

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

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

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

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

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

563.03 (14w) “Single-event raffle” means 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.

SECTION 6. 563.03 (17) of the statutes is created to read:
563.03 (17) “Ticket” means an instrument that entitles the purchaser to one entry in a raffle other than a calendar raffle.

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

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

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

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

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

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

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

563.05 (title) Departmental duties; powers; prohibitions.

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

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

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

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

SECTION 14. 563.05 (4) of the statutes is amended to read:
563.05 (4) The department may promulgate rules defining relating to bingo that establish procedures to be used by the department for receiving, filing, and investigating complaints, for commencing disciplinary proceedings, and for conducting hearings under this chapter.

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

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

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

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

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

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

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

563.90 (2) “Local organization” means an organization Local organizations that may conduct raffles include only those organizations whose activities are
limited to this state, to a specific geographical area within this state, or to a specific geographical area that is partly within this state and partly within another state.

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

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

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

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

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

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

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

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

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

1. Conduct raffles for which all of the following apply:
2. Sell tickets in either of the following ways:
   a. On the same day as the drawing.
   b. On more than one day if the organization distributes tickets to purchasers only at the event at which the drawing will take place.

**SECTION 23.** 563.92 (2) of the statutes is amended to read:
563.92 (2) The fee for a raffle license shall be $25 and shall be remitted with the application. A raffle license shall be valid for 12 months and may be renewed as provided in s. 563.98 (1g). The department shall issue the license within 30 days after the filing of a complete application if the applicant qualifies under s. 563.90 and has not exceeded the limits of s. 563.91. The department shall notify the applicant if the raffle license application is incomplete within 15 days after it is filed or the application shall be considered complete. A complete license application that is not denied within 30 days after its filing shall be considered approved. All moneys received by the department under this subsection shall be credited to the appropriation account under s. 20.505 (8) (j).

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

563.92 (4) Proceedings to suspend or revoke an organization’s license to conduct raffles shall be initiated by the department pursuant to the rules promulgated under s. 563.05 (4) for failing to comply with the requirements of this subchapter.

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

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

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

SECTION 26. 563.93 (1) of the statutes is renumbered 563.93 (1m), and 563.93 (1m) (intro.), (e) and (f), as renumbered, are amended to read:
563.93 (1m) (intro.) All raffle tickets and all calendars shall be identical in form and include:

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

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

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

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

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

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

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

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

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

(g) Place the organization’s portion of the ticket or calendar in the drawing container prior to the time of the drawing.
(h) Retain the organization’s portion of each ticket or calendar sold for one year after the date on which the drawing is held and provide any of these portions to the department upon request.

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

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

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

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

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

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

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

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

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

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

(b) Resell a ticket or calendar.

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

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

(a) The organization does not sell more than 4 equal shares of one ticket.
(b) The organization does not offer a price discount to the purchaser of more
than one share of a ticket.
(c) Each share of a ticket is identical in form to other shares and includes the
organization’s portion and the purchaser’s portion.
(d) Each purchaser’s portion of a share of a ticket includes all of the information
required under subs. (1m) (a), (b), (c), (e), and (f) and (2g) (e).
(e) Each organization’s portion of a share of a ticket includes the ticket
identification number, an identification letter for each share of the ticket, and a place
for the purchaser to enter the purchaser’s name and address next to the share
identification letter.
(f) Each prize is in the form of cash or a number of items that is equally divisible
by the maximum allowable number of shares of a ticket.
(g) The organization directly delivers to each holder of a share of a winning
ticket his or her share of the prize.

SECTION 35. 563.93 (3m) of the statutes is created to read:
563.93 (3m) An organization that conducts a calendar raffle may not do any
of the following:
(a) Sell any calendars after holding the first drawing.
(b) Change the dates of any drawings or the amounts of any prizes designated
on the calendar after the first calendar is sold.

SECTION 36. 563.93 (4) (a) of the statutes is renumbered 563.93 (3e) (c) and
amended to read:
563.93 (3e) (c) Except as provided in par. (b), offer tickets for a proposed raffle
may not be offered for sale more than 270 days one year before the raffle drawing.

SECTION 37. 563.93 (4) (b) of the statutes is repealed.
SECTION 38. 563.93 (4m) of the statutes is renumbered 563.93 (2g) (c) and amended to read:

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

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

563.93 (2g) (d) All raffle drawings shall be held in public.

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

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

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

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

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

SECTION 43. 563.93 (9) of the statutes is renumbered 563.93 (3i) (h) and amended to read:
563.93 (3i) (h) If a person who holds a Class A license sells equal shares of a single ticket to one or more purchasers, the person shall, prior to the raffle drawing for which the shares were sold, purchase any unsold shares of the ticket that have not been sold, prior to the raflle drawing for which the shares were sold, purchase any unsold shares of the ticket that have not been sold.

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

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

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

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

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

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

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

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

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

**SECTION 49.** 563.935 (10) (intro.) of the statutes is repealed.
SECTION 50. 563.935 (10) (a) of the statutes is renumbered 563.92 (1m) (c) 1.

a. and amended to read:

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

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

b. and amended to read:

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

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

c. and amended to read:

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

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

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

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

563.95 Denial of application; hearing. Within 30 days after receiving written notification of a denial by the department of a license to conduct a raffle, an applicant may demand in writing a hearing before the department upon the applicant’s qualifications and the merit of the application. At the hearing, the burden of proof shall be on the applicant to establish eligibility for a license. If, after...
the hearing, the department enters an order denying the application, the order shall
set forth in detail the reasons for the denial. Upon entry of such an order or upon
expiration of the 30-day period during which a hearing may be demanded, the
applicant’s license fee shall be refunded. If the department approves the application,
the department shall issue the license within 14 days after approval.

Section 55. 563.97 of the statutes is renumbered 563.97 (1) and amended to read:

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

Section 56. 563.97 (2) of the statutes is created to read:

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

Section 57. 563.98 (1) (intro.) of the statutes is amended to read:

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

Section 58. 563.98 (1) (e) of the statutes is repealed.

Section 59. 563.98 (1c) of the statutes is repealed.
SECTION 60. 563.98 (1e) of the statutes is created to read:

563.98 (1e) The department shall request a copy of a report prepared under sub. (1) only upon the receipt of a complaint regarding the conduct of a raffle.

SECTION 61. 563.98 (1g) of the statutes is amended to read:

563.98 (1g) An organization licensed under this subchapter may renew the license by submitting a $25 renewal fee with the report under sub. (1). All moneys received under this subsection shall be credited to the appropriation account under s. 20.505 (8) (j).

SECTION 62. 563.98 (1m) of the statutes is repealed.

SECTION 63. 563.98 (2) of the statutes is amended to read:

563.98 (2) If a copy of the financial report is not filed or is not fully, accurately and truthfully completed, or if the fee specified in sub. (1g) is not paid, the department may refuse to renew a license or may suspend a license until the report in proper form has been filed or the fee is paid.

SECTION 64. Initial applicability.

(1) This act first applies to an application for a raffle license filed with the department of administration on the effective date of this subsection.

SECTION 65. Effective date.

(1) This act takes effect on the first day of the 3rd month beginning after publication.