



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2015 Wisconsin Act 6
[2015 Assembly Bill 14]

Regulation of Raffles

2015 Wisconsin Act 6 makes various changes relating to the regulation of raffles.

AUTHORITY TO PROMULGATE RULES AND APPROVE NEW TYPES OF RAFFLES

Prior law authorized the Department of Administration (DOA) to promulgate rules relating to the issuance, renewal, amendment, suspension, and revocation of raffle licenses and to various other issues relating to the regulation of raffles. **The Act** removes DOA's authority to promulgate rules relating to the regulation of raffles. The Act codifies many provisions contained in the administrative rules chapter relating to the conduct of raffles.

In addition, **the Act** removes authority granted to DOA under 2013 Wisconsin Act 273 to approve types of raffles that were not previously authorized. However, the Act retains authority created in 2013 Wisconsin Act 273 for conducting raffles that utilize plastic or rubber duck races to determine a winner in a game of chance.

PROCESS FOR APPROVING RAFFLE LICENSES

Prior law required DOA to issue a raffle license within 30 business days after an application for a raffle license was filed, if the applicant satisfied the statutory qualifications for a license.

If an applicant for a raffle license satisfies those statutory criteria under **the Act**, DOA must issue a raffle license within 30 days (rather than 30 business days) after a complete application is filed. In addition, the Act requires DOA to notify an applicant within 15 days after an application is filed as to whether the application is complete or incomplete. The Act also provides for presumptive approval of complete applications for which DOA does not act within the 30-day period.

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

PRICE OF RAFFLE TICKETS AND CALENDARS

Prior law limited the price of a Class A raffle ticket to \$500, the price of a calendar for a calendar raffle to \$10, and the price of a ticket for a Class B raffle to \$10. **The Act** removes those limitations on the price of raffle tickets and calendars.

NUMBER OF RAFFLES CONDUCTED ANNUALLY

Prior law limited the number of raffles that a raffle license holder may conduct annually to 200. **The Act** increases the number of raffles that a licensed organization may conduct annually to 365.

Under **prior law**, a raffle conducted under a Class B license is considered one raffle if multiple drawings are held on the same date at the same location, if the drawings for each prize or group of prizes are made from a container specific to each prize or group of prizes, and the raffle ticket purchaser places his or her ticket in the container of his or her choice. **The Act** specifies that any raffle for which one or more drawings are held on one day at one location constitutes one raffle for purposes of the limit on the number of raffles that may be held annually.

PERIOD FOR SELLING TICKETS

Prior law required that the tickets for raffles conducted under a Class B raffle license must be sold on the same day that the drawing occurs or within 24 hours of the start of the drawing. **The Act** allows tickets for a Class B raffle license to be sold at any time, as long as the tickets are not delivered to purchasers until the day of the drawing.

The Act similarly extends the period in which Class A raffle tickets may be sold. **Prior law** generally required tickets for raffles conducted under a Class A raffle license to be sold 270 days before the date of a drawing, but prior law authorized organizations in existence for at least five years before the issuance of a Class A raffle license to sell tickets up to one year before a drawing. **The Act** authorizes all Class A raffle license holders to sell tickets up to one year before a drawing is held.

WINNERS NOT PRESENT AT A DRAWING

Prior law generally required purchasers of Class B raffle tickets to be present at a drawing to win a prize. However, prior law provided an exception in instances where a ticket purchaser gives a ticket to another person who is present at the drawing, and that other person claims the prize on behalf of the ticket purchaser. **The Act** retains the general requirement that Class B raffle ticket purchasers must be present at a drawing to win, but the Act authorizes an organization that holds a Class B raffle license to establish procedures allowing ticket holders to not be present at the drawing to win a prize.

In addition, **prior law** specified that purchasers of Class A raffle tickets and calendars need not be present at the drawing to win a prize. **The Act** prohibits Class A raffle license holders from requiring that a purchaser of a Class A raffle ticket or calendar be present to win.

AWARDING OF PRIZES

Prior law required a Class A raffle license holder to award all prizes won in a Class A raffle. **The Act** requires a Class A raffle license holder to make a good faith effort to award all prizes won in a Class A raffle.

DISCLOSURE REQUIREMENTS

Prior law required licensed organizations to list each prize with a retail value of \$500 or more on a raffle ticket. **The Act** increases the threshold for that disclosure requirement to require prizes with a fair market value of \$1,000 or more to be listed.

Prior law also requires a Class A license holder to furnish a list of prize winners to each raffle ticket or calendar holder who requested such a list and provided the organization with a self-addressed, stamped envelope for that purpose. **The Act** removes that requirement.

RECORDKEEPING REQUIREMENTS

Prior law required licensed organizations to report certain information to DOA on an annual basis, including the number and dates of raffles conducted; receipts; the amount of prizes paid; the net profit or loss; other expenses paid; and, for raffles involving rubber or plastic duck races, an accounting of all sold and unsold tickets for each raffle.

The Act retains that list of required information, except that it does not include other expenses paid. However, rather than require that information to be reported to DOA, the Act requires licensed organizations to keep records regarding that information for the previous 12-month period. The Act requires licensed organizations to make the information available for inspection by DOA, but the Act authorizes DOA to request a copy of such a report only if it receives a complaint regarding the conduct of a raffle.

In addition, **prior law** requires each licensed organization to maintain a list of the names and addresses of all persons winning prizes with a retail value of \$100 or more for at least 12 months after each raffle is conducted. **The Act** instead requires each licensed organization to maintain a list of the names and address of all persons winning prizes with a fair market value of \$600 or more for that period.

Effective date: The Act will take effect on July 1, 2015.

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