

2019 DRAFTING REQUEST**Bill**

For: **Gae Magnafici (608) 267-2365** Drafter: **ewheeler**
 By: **Tyler** Secondary Drafters:
 Date: **8/22/2019** May Contact:

Same as LRB:

Submit via email: **YES**
 Requester's email: **Rep.Magnafici@legis.wisconsin.gov**
 Carbon copy (CC) to: **Elizabeth.Wheeler@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Streamlining bingo licensing

Instructions:

redraft 17-5788
 Remove alcohol and malt beverages limitation
 repeal 563.51 (12)

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	ewheeler 8/23/2019	csicilia 8/26/2019			
/P1	ewheeler 1/22/2020	csicilia 1/24/2020	dwalker 8/26/2019		State Tax Exempt
/P2	ewheeler 1/27/2020	csicilia 1/27/2020	dwalker 1/24/2020		State Tax Exempt
/P3			lparisi 1/27/2020		State Tax Exempt

Vers. Drafted

Reviewed

Submitted

Jacketed

Required

/1

lparisi
1/28/2020

State
Tax Exempt

FE Sent For:

<END>

→ At
Intro.



State of Wisconsin
2017 - 2018 LEGISLATURE

4049/PI
LRB-5788/P2
EAW:cjs&kjf
↑

in 8/23 due 8/27

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

INSERT

Gen Cat

SA old
SA new
stat comp
+ - 1/6

1 AN ACT *to repeal* 563.03 (12e), 563.04 (6) (b), 563.12 (4), 563.12 (9), 563.14 (6),
2 563.51 (8), 563.51 (14), subchapter V of chapter 563 [precedes 563.61] and
3 subchapter VII of chapter 563 [precedes 563.80]; and *to amend* 20.505 (8) (jm),
4 77.52 (2) (a) 2. a., 563.02 (2), 563.02 (3), 563.051 (3), 563.11 (2) (a) 6., 563.11 (2)
5 (a) 7., 563.12 (7), 563.13 (2), 563.13 (4), 563.14 (2), 563.15 (1), 563.16, 563.72 and
6 563.73 (1) of the statutes; **relating to:** bingo licenses.

Analysis by the Legislative Reference Bureau

This bill changes some of the requirements for applying for and maintaining a license to operate bingo games, changes the financial recordkeeping, audit, and reporting requirements for bingo operations, and removes the gross receipts tax for bingo operations.

Under current law, a "bingo occasion," defined as a single gathering or session at which a series of successive bingo games is played, can only be run by a nonprofit organization that obtains a license from the Department of Administration's Division of Gaming. This bill removes the current requirement for an organization applying for a bingo license to specify the date and place of each bingo occasion that will be held under the license, and allows a licensed organization to operate an unlimited number of bingo occasions during the license period. This bill also removes the current requirement for the organization to license a member to be responsible for the proper utilization of the gross receipts of the bingo occasions under the license.

Current law also requires an applicant to pay a license fee that includes a fee of \$10 per bingo occasion that will be held under the license and a \$5 fee per member who is responsible for the proper utilization of gross receipts under the license. This bill changes the fee structure so that an applicant pays a flat fee of \$100 for @ bingo license.

Current law requires that all bingo proceeds be used for "proper and legitimate expenditures" of the organization. This bill removes that requirement, along with the bookkeeping and accounts requirements for bingo operations under current law. Current law also requires licensed organizations to submit semiannual reports of bingo operations to DOA along with payment of a gross receipts tax, and to provide an annual report to the membership of the organization on bingo operations. This bill removes the requirement to submit the semiannual report to DOA, eliminates the gross receipts tax, and removes the requirement for the organization to report to its membership. This bill also removes DOA's authority to audit bingo operations and exempts the sale of bingo supplies from sales tax. (An annual) ✓

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

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

1 **SECTION 1.** 20.505 (8) (jm) of the statutes is amended to read:

2 20.505 (8) (jm) *General program operations; bingo.* The amounts in the
3 schedule for general program operations relating to bingo under subchs. II to VII VI
4 of ch. 563. All moneys received by the department of administration under ss.
5 563.055, 563.13 (4), 563.135, 563.16, and 563.22 (2) ~~and 563.80~~ shall be credited to
6 this appropriation account. Notwithstanding s. 20.001 (3) (a), the unencumbered
7 balance of this appropriation account at the end of each fiscal year shall be
8 transferred to the lottery fund.

9 **SECTION 2.** 77.52 (2) (a) 2. a. of the statutes is amended to read:

10 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions
11 to amusement, athletic, entertainment or recreational events or places except county
12 fairs, ~~the sale, rental or use of regular bingo cards, extra regular cards, special bingo~~
13 ~~cards and the sale of bingo supplies to players and the furnishing, for dues, fees or~~

1 other considerations, of the privilege of access to clubs or the privilege of having
2 access to or the use of amusement, entertainment, athletic or recreational devices or
3 facilities, including the sale or furnishing of use of recreational facilities on a periodic
4 basis or other recreational rights, including but not limited to membership rights,
5 vacation services and club memberships.

6 **SECTION 3.** 563.02 (2) of the statutes is amended to read:

7 563.02 (2) The conduct of bingo, raffles and all attendant activities, except
8 bingo games using free cards and donated prizes for which no payment of
9 consideration is made by participants, should be so regulated as to discourage
10 commercialization of bingo and raffles in all forms ~~and to ensure the maximum use~~
11 ~~of the profits of bingo exclusively for proper and legitimate expenditures.~~

12 **SECTION 4.** 563.02 (3) of the statutes is amended to read:

13 563.02 (3) It is a matter of statewide concern to ~~foster and support proper and~~
14 ~~legitimate expenditures and to prevent commercialized gambling, and~~ participation
15 by criminal and other undesirable elements ~~and diversion of funds from usage for~~
16 ~~proper and legitimate expenses.~~

17 **SECTION 5.** 563.03 (12e) of the statutes is repealed.

18 **SECTION 6.** 563.04 (6) (b) of the statutes, as affected by 2017 Wisconsin Act 361,
19 is repealed.

20 **SECTION 7.** 563.051 (3) of the statutes is amended to read:

21 563.051 (3) Audit the ~~bingo and raffle~~ operations under this chapter.

22 **SECTION 8.** 563.11 (2) (a) 6. of the statutes is amended to read:

23 563.11 (2) (a) 6. Have been in existence for 3 years immediately preceding its
24 application for a license, ~~and shall have had during that 3-year period a membership~~
25 ~~actively engaged in making proper and legitimate expenditures.~~

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X

1 **SECTION 9.** 563.11 (2) (a) 7. of the statutes is amended to read:

2 563.11 (2) (a) 7. Have received and used and shall continue to receive and use,
3 ~~for proper and legitimate expenditures,~~ funds derived from sources other than from
4 the conduct of bingo.

5 **SECTION 10.** 563.12 (4) of the statutes is repealed.

6 **SECTION 11.** 563.12 (7) of the statutes is amended to read:

7 563.12 (7) The name, date of birth and address of each ~~supervising member for~~
8 ~~each bingo occasion~~ who is authorized to supervise a bingo occasion, who shall be an
9 active member of the applicant organization and one or more of whom shall be
10 present and in immediate charge of and responsible for the conduct of bingo games
11 at each bingo occasion.

12 **SECTION 12.** 563.12 (9) of the statutes, as affected by 2017 Wisconsin Act 361,
13 is repealed.

14 **SECTION 13.** 563.13 (2) of the statutes is amended to read:

15 563.13 (2) A sworn statement by the a supervising member designated as
16 ~~responsible for the proper utilization of gross receipts~~ that no commission or other
17 fee, salary, profits, compensation, reward or recompense will be paid to any person
18 or organization ~~and that all profits will be spent as provided under s. 563.51 (8).~~

19 **SECTION 14.** 563.13 (4) of the statutes, as affected by 2017 Wisconsin Act 361,
20 is amended to read:

21 563.13 (4) A ~~\$10 license fee for each bingo occasion proposed to be conducted~~
22 ~~and \$5 for an annual license for the designated member responsible for the proper~~
23 ~~utilization of gross receipts~~ \$100 fee for a bingo license. All moneys received under
24 this subsection shall be credited to the appropriation account under s. 20.505 (8) (jm).

****NOTE: This \$100 fee would apply to any organization seeking a bingo license, whether for one bingo occasion or unlimited. Please let me know if you want this flat fee or to create a tiered fee system. Note that under current law, to host a bingo occasion every day would be a \$3,650 fee.

1 **SECTION 15.** 563.14 (2) of the statutes is amended to read:

2 563.14 (2) The supervising member ~~and member responsible for the proper~~
3 utilization of gross receipts members are active members of the applicant
4 organization who, subject to ss. 111.321, 111.322 and 111.335, have never been
5 convicted of a felony or, if convicted, have received a pardon or have been released
6 from parole, extended supervision or probation for at least 5 years.

7 **SECTION 16.** 563.14 (6) of the statutes is repealed.

8 **SECTION 17.** 563.15 (1) of the statutes is amended to read:

9 563.15 (1) After making the determinations under s. 563.14, the department
10 shall either notify the applicant organization in writing why a license is not being
11 issued or issue a license to such applicant organization authorizing it to conduct
12 bingo ~~at the times and places set forth in the license.~~ Except as provided in sub. (1m),
13 a license issued under this subsection shall be allow an organization to conduct
14 unlimited bingo occasions, effective for one year from the ~~first day of the month of the~~
15 ~~first occasion listed on the license~~ date of issuance and may be renewed annually,
16 except that an applicant organization may request that the license expire on the first
17 day of any month within the one-year licensure period.

18 **SECTION 18.** 563.16 of the statutes is amended to read:

19 **563.16 Amendment of license to conduct bingo.** Upon application by a
20 licensed organization, a license may be amended, if the subject matter of the
21 amendment properly and lawfully could have been included in the original license.
22 An application for an amendment to a license shall be filed and processed in the same
23 manner as an original application. An application for the amendment of a license

1 shall be accompanied by a \$3 fee. ~~If any application for amendment seeks approval~~
 2 ~~of additional bingo occasions or designates a new member responsible for the proper~~
 3 ~~utilization of gross receipts, the appropriate fee under s. 563.13 (4) also shall be paid.~~

4 If the department approves an application for an amendment to a license, a copy of
 5 the amendment shall be sent to the applicant who shall attach it to the original
 6 license. All moneys received under this section shall be credited to the appropriation
 7 account under s. 20.505 (8) (jm).

8 SECTION 19. 563.51 (8) of the statutes is repealed.

9 SECTION 20. 563.51 (14) of the statutes is repealed.

****NOTE: Section 563.51 contains many regulations for the conduct of bingo games.
 I did not change any of these, except for those relating to reporting. Please let me know
 if you would like to change any regulations for the conduct of bingo.

10 SECTION 21. Subchapter V of chapter 563 [precedes 563.61] of the statutes, as
 11 affected by 2017 Wisconsin Act 361, is repealed.

12 SECTION 22. 563.72 of the statutes is amended to read:

13 **563.72 Inspection for enforcement.** Any peace officer or district attorney,
 14 within their respective jurisdictions, or an authorized employee of the department,
 15 may, at all reasonable hours, enter the premises where a bingo occasion is being
 16 conducted and examine the books, papers and records of the licensed organization
 17 to determine if all proper ~~taxes or~~ fees imposed have been paid. Any refusal to permit
 18 such examination of the premises by the licensed organization, its agent or an
 19 employee or the person in charge of the premises to which the bingo license relates,
 20 constitutes sufficient grounds for the suspension or revocation of a license, and is
 21 punishable under s. 563.73 (2). In addition, such refusal constitutes sufficient
 22 grounds for any peace officer or other persons authorized under this section within

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1 their respective jurisdictions or authority to employ whatever reasonable action is
2 necessary to conduct inspections permitted by this section.

****NOTE: Do you want to keep this authority, which seems to relate mostly to fees that were previously imposed on a per-game basis, and taxes, which are eliminated in this bill?

3 SECTION 23. 563.73 (1) of the statutes is amended to read:

4

563.73 (1) Whoever violates s. 563.51 (1), (8) to (9), (10), ~~(12)~~, (15) or (26) may
be fined not more than \$10,000 or imprisoned not more than 9 months or both.

6 SECTION 24. Subchapter VII of chapter 563 [precedes 563.80] of the statutes
7 is repealed.

****NOTE: This removes the gross receipts tax, which is currently 1% of the first \$30,000 in gross receipts and 2% of gross receipts over \$30,000 received by a licensed organization during a year. Please let me know if this was not your intent.

8 (END)

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4049/?ins
EAW:...

1 INS -A

This bill also removes the current prohibition on receiving payment for participating in the management or operation of a bingo game and the prohibition on awarding alcohol or fermented malt beverages as a prize in a bingo game. ✓

2

3 INS 3-6

4 SECTION 1. 125.06 (10) of the statutes is amended to read:

5 125.06 (10) RAFFLES. The awarding of alcohol beverages in original, unopened
6 packages, containers or bottles as a prize, in a bingo occasion or raffle conducted by
7 an organization licensed to conduct the bingo occasion or raffle under ch. 563, to any
8 person who has attained the legal drinking age. ✓

History: 1981 c. 79, 202; 1983 a. 222, 360, 538; 1985 a. 337; 1987 a. 399; 1989 a. 253; 1991 a. 269; 1993 a. 226; 1995 a. 225; 2001 a. 16; 2007 a. 9, 85, 216; 2011 a. 179, 200; 2013 a. 20; 2015 a. 55.

9 INS 6-9

10 SECTION 2. 563.51 (10) (a) of the statutes is amended to read: ✕

11 563.51 (10) (a) No licensed organization shall award any prize consisting of
12 ~~alcoholic or fermented malt beverages or~~ an interest in real estate or securities. ✓

History: 1973 c. 156; 1975 c. 99; 1977 c. 418; 1979 c. 34, 172; 1981 c. 122, 209, 380; 1981 c. 391 s. 211; 1983 a. 35, 222; 1985 a. 128; 1987 a. 21; 1989 a. 31, 147; 1991 a. 269 s. 782gp; Stats. 1991 s. 563.51; 1997 a. 283; 2005 a. 247; 2009 a. 328; 2017 a. 361.

Cross-reference: See also chs. Game 41 and 42, Wis. adm. code.

13 SECTION 3. 563.51 (12) of the statutes is repealed. ✕

WISCONSIN LEGISLATIVE REFERENCE BUREAU

Information Services 608-266-0341—Legal Services 608-266-3561



- 4049

1/22/20

Tyler, Magnifici

- reinstate requirements relating to "proper and legitimate" expenses in bill.



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4049/P1
EAW:cjs

in: 1/22
due: 1/24

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

scribble
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sc
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1 AN ACT *to repeal* 563.03 (12e), 563.04 (6) (b), 563.12 (4), 563.12 (9), 563.14 (6),
2 563.51 (8), 563.51 (12), 563.51 (14), subchapter V of chapter 563 [precedes
3 563.61] and subchapter VII of chapter 563 [precedes 563.80]; and *to amend*
4 20.505 (8) (jm), 77.52 (2) (a) 2. a., 125.06 (10), 563.02 (2), 563.02 (3), 563.051 (3),
5 563.11 (2) (a) 6., 563.11 (2) (a) 7., 563.12 (7), 563.13 (2), 563.13 (4), 563.14 (2),
6 563.15 (1), 563.16, 563.51 (10) (a), 563.72 and 563.73 (1) of the statutes;
7 **relating to:** bingo licenses.

Analysis by the Legislative Reference Bureau

This bill changes some of the requirements for applying for and maintaining a license to operate bingo games, changes the financial recordkeeping, audit, and reporting requirements for bingo operations, and removes the gross receipts tax for bingo operations.

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the current requirement for the organization to license a member to be responsible for the proper utilization of the gross receipts of the bingo occasions under the license.

Current law also requires an applicant to pay a license fee that includes a fee of \$10 per bingo occasion that will be held under the license and a \$5 fee per member who is responsible for the proper utilization of gross receipts under the license. This bill changes the fee structure so that an applicant pays a flat fee of \$100 for an annual bingo license.

Current law requires that all bingo proceeds be used for "proper and legitimate expenditures" of the organization. This bill removes that requirement, along with the bookkeeping and accounts requirements for bingo operations under current law. Current law also requires licensed organizations to submit semiannual reports of bingo operations to DOA along with payment of a gross receipts tax, and to provide an annual report to the membership of the organization on bingo operations. This bill removes the requirement to submit the semiannual report to DOA, eliminates the gross receipts tax, and removes the requirement for the organization to report to its membership. This bill also removes DOA's authority to audit bingo operations and exempts the sale of bingo supplies from sales tax. This bill also removes the current prohibition on receiving payment for participating in the management or operation of a bingo game and the prohibition on awarding alcohol or fermented malt beverages as a prize in a bingo game.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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.** 20.505 (8) (jm) of the statutes is amended to read:
2 20.505 (8) (jm) *General program operations; bingo.* The amounts in the
3 schedule for general program operations relating to bingo under subchs. II to VII VI
4 of ch. 563. All moneys received by the department of administration under ss.
5 563.055, 563.13 (4), 563.135, 563.16, and 563.22 (2) and ~~563.80~~ shall be credited to
6 this appropriation account. Notwithstanding s. 20.001 (3) (a), the unencumbered
7 balance of this appropriation account at the end of each fiscal year shall be
8 transferred to the lottery fund.

1 **SECTION 2.** 77.52 (2) (a) 2. a. of the statutes is amended to read:

2 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions
3 to amusement, athletic, entertainment or recreational events or places except county
4 fairs, ~~the sale, rental or use of regular bingo cards, extra regular cards, special bingo~~
5 ~~cards and the sale of bingo supplies to players~~ and the furnishing, for dues, fees or
6 other considerations, of the privilege of access to clubs or the privilege of having
7 access to or the use of amusement, entertainment, athletic or recreational devices or
8 facilities, including the sale or furnishing of use of recreational facilities on a periodic
9 basis or other recreational rights, including but not limited to membership rights,
10 vacation services and club memberships.

11 **SECTION 3.** 125.06 (10) of the statutes is amended to read:

12 125.06 (10) **RAFFLES AND BINGO.** The awarding of alcohol beverages in original,
13 unopened packages, containers or bottles as a prize, in a bingo occasion or raffle
14 conducted by an organization licensed to conduct the bingo occasion or raffle under
15 ch. 563, to any person who has attained the legal drinking age.

16 **SECTION 4.** 563.02 (2) of the statutes is amended to read:

17 563.02 (2) The conduct of bingo, raffles and all attendant activities, except
18 bingo games using free cards and donated prizes for which no payment of
19 consideration is made by participants, should be so regulated as to discourage
20 commercialization of bingo and raffles in all forms and ~~to ensure the maximum use~~
21 ~~of the profits of bingo exclusively for proper and legitimate expenditures.~~

22 **SECTION 5.** 563.02 (3) of the statutes is amended to read:

23 563.02 (3) It is a matter of statewide concern to ~~foster and support proper and~~
24 ~~legitimate expenditures and to prevent commercialized gambling, and participation~~

1 by criminal and other undesirable elements and ~~diversion of funds from usage for~~
2 ~~proper and legitimate expenses.~~

3 **SECTION 6.** 563.03 (12e) of the statutes is repealed. X

4 **SECTION 7.** 563.04 (6) (b) of the statutes is repealed.

5 **SECTION 8.** 563.051 (3) of the statutes is amended to read:

6 563.051 (3) Audit the ~~bingo and raffle~~ operations under this chapter.

7 **SECTION 9.** 563.11 (2) (a) 6. of the statutes is amended to read:

8 563.11 (2) (a) 6. Have been in existence for 3 years immediately preceding its
9 application for a license, ~~and shall have had during that 3-year period a membership~~
10 ~~actively engaged in making proper and legitimate expenditures.~~ X

11 **SECTION 10.** 563.11 (2) (a) 7. of the statutes is amended to read:

12 563.11 (2) (a) 7. Have received and used and shall continue to receive and use,
13 ~~for proper and legitimate expenditures, funds derived from sources other than from~~
14 ~~the conduct of bingo.~~ X

15 **SECTION 11.** 563.12 (4) of the statutes is repealed.

16 **SECTION 12.** 563.12 (7) of the statutes is amended to read:

17 563.12 (7) The name, date of birth and address of each ~~supervising member for~~
18 ~~each bingo occasion who is authorized to supervise a bingo occasion~~, who shall be an
19 active member of the applicant organization and one or more of whom shall be
20 present and in immediate charge of and responsible for the conduct of bingo games
21 at each bingo occasion.

22 **SECTION 13.** 563.12 (9) of the statutes is repealed.

23 **SECTION 14.** 563.13 (2) of the statutes is amended to read:

24 563.13 (2) A sworn statement by the ~~a~~ supervising member ~~designated as~~
25 ~~responsible for the proper utilization of gross receipts that no commission or other~~

1 fee, salary, profits, compensation, reward or recompense will be paid to any person
2 or organization ~~and that all profits will be spent as provided under s. 563.51 (8).~~ *plain*

3 **SECTION 15.** 563.13 (4) of the statutes is amended to read:

4 563.13 (4) A \$10 license fee for each bingo occasion proposed to be conducted
5 and \$5 for an annual license for the designated member responsible for the proper
6 utilization of gross receipts \$100 fee for a bingo license. All moneys received under
7 this subsection shall be credited to the appropriation account under s. 20.505 (8) (jm).

8 **SECTION 16.** 563.14 (2) of the statutes is amended to read:

9 563.14 (2) The supervising member and member responsible for the proper
10 utilization of gross receipts members are active members of the applicant
11 organization who, subject to ss. 111.321, 111.322 and 111.335, have never been
12 convicted of a felony or, if convicted, have received a pardon or have been released
13 from parole, extended supervision or probation for at least 5 years.

14 **SECTION 17.** 563.14 (6) of the statutes is repealed. *e*

15 **SECTION 18.** 563.15 (1) of the statutes is amended to read:

16 563.15 (1) After making the determinations under s. 563.14, the department
17 shall either notify the applicant organization in writing why a license is not being
18 issued or issue a license to such applicant organization authorizing it to conduct
19 bingo at the times and places set forth in the license. Except as provided in sub. (1m),
20 a license issued under this subsection shall be allow an organization to conduct
21 unlimited bingo occasions, effective for one year from the first day of the month of the
22 first occasion listed on the license date of issuance and may be renewed annually,
23 except that an applicant organization may request that the license expire on the first
24 day of any month within the one-year licensure period.

25 **SECTION 19.** 563.16 of the statutes is amended to read:

1 **563.16 Amendment of license to conduct bingo.** Upon application by a
2 licensed organization, a license may be amended, if the subject matter of the
3 amendment properly and lawfully could have been included in the original license.
4 An application for an amendment to a license shall be filed and processed in the same
5 manner as an original application. An application for the amendment of a license
6 shall be accompanied by a \$3 fee. ~~If any application for amendment seeks approval~~
7 ~~of additional bingo occasions or designates a new member responsible for the proper~~
8 ~~utilization of gross receipts, the appropriate fee under s. 563.13 (4) also shall be paid.~~
9 If the department approves an application for an amendment to a license, a copy of
10 the amendment shall be sent to the applicant who shall attach it to the original
11 license. All moneys received under this section shall be credited to the appropriation
12 account under s. 20.505 (8) (jm).

13 ~~SECTION 20. 563.51 (8) of the statutes is repealed.~~

14 **SECTION 21.** 563.51 (10) (a) of the statutes is amended to read:

15 563.51 (10) (a) No licensed organization shall award any prize consisting of
16 ~~alcoholic or fermented malt beverages or an interest in real estate or securities.~~

17 **SECTION 22.** 563.51 (12) of the statutes is repealed.

18 ~~SECTION 23. 563.51 (14) of the statutes is repealed.~~

19 **SECTION 24.** Subchapter V of chapter 563 [precedes 563.61] of the statutes is
20 repealed.

21 **SECTION 25.** 563.72 of the statutes is amended to read:

22 **563.72 Inspection for enforcement.** Any peace officer or district attorney,
23 within their respective jurisdictions, or an authorized employee of the department,
24 may, at all reasonable hours, enter the premises where a bingo occasion is being
25 conducted and examine the books, papers and records of the licensed organization

1 to determine if all proper taxes or fees imposed have been paid. Any refusal to permit
2 such examination of the premises by the licensed organization, its agent or an
3 employee or the person in charge of the premises to which the bingo license relates,
4 constitutes sufficient grounds for the suspension or revocation of a license, and is
5 punishable under s. 563.73 (2). In addition, such refusal constitutes sufficient
6 grounds for any peace officer or other persons authorized under this section within
7 their respective jurisdictions or authority to employ whatever reasonable action is
8 necessary to conduct inspections permitted by this section.

9 **SECTION 26.** 563.73 (1) of the statutes is amended to read:

10 563.73 (1) Whoever violates s. 563.51 (1), ~~(8)~~ to ^{plan} (9), (10), ~~(12)~~, (15) or (26) may
11 be fined not more than \$10,000 or imprisoned not more than 9 months or both.

12 **SECTION 27.** Subchapter VII of chapter 563 [precedes 563.80] of the statutes
13 is repealed.

14

(END)





State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4049/P2
EAW:cjs

in 1/27
due today

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

insert

sa
sc

gc

1 **AN ACT to repeal** 563.04 (6) (b), 563.12 (4), 563.12 (9), 563.51 (12), subchapter
2 V of chapter 563 [precedes 563.61] and subchapter VII of chapter 563 [precedes
3 563.80]; and **to amend** 20.505 (8) (jm), 77.52 (2) (a) 2. a., 125.06 (10), 563.051
4 (3), 563.12 (7), 563.13 (2), 563.13 (4), 563.14 (2), 563.15 (1), 563.16, 563.51 (10)
5 (a), 563.72 and 563.73 (1) of the statutes; **relating to:** bingo licenses.

Analysis by the Legislative Reference Bureau

This bill changes some of the requirements for applying for and maintaining a license to operate bingo games, changes the financial recordkeeping, audit, and reporting requirements for bingo operations, and removes the gross receipts tax for bingo operations.

Under current law, a "bingo occasion," defined as a single gathering or session at which a series of successive bingo games is played, can only be run by a nonprofit organization that obtains a license from the Department of Administration's Division of Gaming. This bill removes the current requirement for an organization applying for a bingo license to specify the date and place of each bingo occasion that will be held under the license, and allows a licensed organization to operate an unlimited number of bingo occasions during the license period. This bill also removes the current requirement for the organization to license a member to be responsible for the proper utilization of the gross receipts of the bingo occasions under the license.

Current law requires an applicant to pay a license fee that includes a fee of \$10 per bingo occasion that will be held under the license and a \$5 fee per member who

is responsible for the proper utilization of gross receipts under the license. This bill changes the fee structure so that an applicant pays a flat fee of \$100 for an annual bingo license.

This bill removes the bookkeeping and accounts requirements for bingo operations under current law. Current law requires licensed organizations to submit semiannual reports of bingo operations to DOA along with payment of a gross receipts tax, and to provide an annual report to the membership of the organization on bingo operations. This bill removes the requirement to submit the semiannual report to DOA, eliminates the gross receipts tax, and removes the requirement for the organization to report to its membership. This bill removes DOA's authority to audit bingo operations and exempts the sale of bingo supplies from sales tax. This bill also removes the current prohibition on receiving payment for participating in the management or operation of a bingo game and the prohibition on awarding alcohol or fermented malt beverages as a prize in a bingo game.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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.** 20.505 (8) (jm) of the statutes is amended to read:

2 20.505 (8) (jm) *General program operations; bingo.* The amounts in the
3 schedule for general program operations relating to bingo under subchs. II to VII VI
4 of ch. 563. All moneys received by the department of administration under ss.
5 563.055, 563.13 (4), 563.135, 563.16, and 563.22 (2) and ~~563.80~~ shall be credited to
6 this appropriation account. Notwithstanding s. 20.001 (3) (a), the unencumbered
7 balance of this appropriation account at the end of each fiscal year shall be
8 transferred to the lottery fund.

9 **SECTION 2.** 77.52 (2) (a) 2. a. of the statutes is amended to read:

10 77.52 (2) (a) 2. a. Except as provided in subd. 2. b. and c., the sale of admissions
11 to amusement, athletic, entertainment or recreational events or places except county
12 fairs, the sale, rental or use of regular bingo cards, extra-regular cards, special bingo

1 ~~cards and the sale of bingo supplies to players and the furnishing, for dues, fees or~~
2 ~~other considerations, of the privilege of access to clubs or the privilege of having~~
3 ~~access to or the use of amusement, entertainment, athletic or recreational devices or~~
4 ~~facilities, including the sale or furnishing of use of recreational facilities on a periodic~~
5 ~~basis or other recreational rights, including but not limited to membership rights,~~
6 ~~vacation services and club memberships.~~

7 SECTION 3. 125.06 (10) of the statutes is amended to read:

8 125.06 (10) RAFFLES AND BINGO. The awarding of alcohol beverages in original,
9 unopened packages, containers or bottles as a prize, in a bingo occasion or raffle
10 conducted by an organization licensed to conduct the bingo occasion or raffle under
11 ch. 563, to any person who has attained the legal drinking age.

12 SECTION 4. 563.04 (6) (b) of the statutes is repealed.

13 SECTION 5. 563.051 (3) of the statutes is amended to read:

14 563.051 (3) Audit the ~~bingo and~~ raffle operations under this chapter.

15 SECTION 6. 563.12 (4) of the statutes is repealed.

16 SECTION 7. 563.12 (7) of the statutes is amended to read:

17 563.12 (7) The name, date of birth and address of each ~~supervising member for~~
18 ~~each bingo occasion who is authorized to supervise a bingo occasion,~~ who shall be an
19 active member of the applicant organization and one or more of whom shall be
20 present and in immediate charge of and responsible for the conduct of bingo games
21 at each bingo occasion.

22 SECTION 8. 563.12 (9) of the statutes is repealed.

23 SECTION 9. 563.13 (2) of the statutes is amended to read:

24 563.13 (2) A sworn statement by the a supervising member designated as
25 ~~responsible for the proper utilization of gross receipts that no commission or other~~

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1 fee, salary, profits, compensation, reward or recompense will be paid to any person
2 or organization and that all profits will be spent as provided under s. 563.51 (8).

3 **SECTION 10.** 563.13 (4) of the statutes is amended to read:

4 563.13 (4) A ~~\$10 license fee for each bingo occasion proposed to be conducted~~
5 ~~and \$5 for an annual license for the designated member responsible for the proper~~
6 ~~utilization of gross receipts~~ \$100 fee for a bingo license. All moneys received under
7 this subsection shall be credited to the appropriation account under s. 20.505 (8) (jm).

8 **SECTION 11.** 563.14 (2) of the statutes is amended to read:

9 563.14 (2) The ~~supervising member and member responsible for the proper~~
10 ~~utilization of gross receipts~~ members are active members of the applicant
11 organization who, subject to ss. 111.321, 111.322 and 111.335, have never been
12 convicted of a felony or, if convicted, have received a pardon or have been released
13 from parole, extended supervision or probation for at least 5 years.

14 **SECTION 12.** 563.15 (1) of the statutes is amended to read:

15 563.15 (1) After making the determinations under s. 563.14, the department
16 shall either notify the applicant organization in writing why a license is not being
17 issued or issue a license to such applicant organization authorizing it to conduct
18 ~~bingo at the times and places set forth in the license~~. Except as provided in sub. (1m),
19 a license issued under this subsection shall ~~be~~ allow an organization to conduct
20 unlimited bingo occasions, effective for one year from the first day of the month of the
21 ~~first occasion listed on the license~~ date of issuance and may be renewed annually,
22 except that an applicant organization may request that the license expire on the first
23 day of any month within the one-year licensure period.

24 **SECTION 13.** 563.16 of the statutes is amended to read:

1 **563.16 Amendment of license to conduct bingo.** Upon application by a
2 licensed organization, a license may be amended, if the subject matter of the
3 amendment properly and lawfully could have been included in the original license.
4 An application for an amendment to a license shall be filed and processed in the same
5 manner as an original application. An application for the amendment of a license
6 shall be accompanied by a \$3 fee. ~~If any application for amendment seeks approval~~
7 ~~of additional bingo occasions or designates a new member responsible for the proper~~
8 ~~utilization of gross receipts, the appropriate fee under s. 563.13 (4) also shall be paid.~~
9 If the department approves an application for an amendment to a license, a copy of
10 the amendment shall be sent to the applicant who shall attach it to the original
11 license. All moneys received under this section shall be credited to the appropriation
12 account under s. 20.505 (8) (jm).

13 **SECTION 14.** 563.51 (10) (a) of the statutes is amended to read:

14 **563.51 (10) (a)** No licensed organization shall award any prize consisting of
15 ~~alcoholic or fermented malt beverages or an interest in real estate or securities.~~

16 **SECTION 15.** 563.51 (12) of the statutes is repealed.

17 **SECTION 16.** Subchapter V of chapter 563 [precedes 563.61] of the statutes is
18 repealed.

19 **SECTION 17.** 563.72 of the statutes is amended to read:

20 **563.72 Inspection for enforcement.** Any peace officer or district attorney,
21 within their respective jurisdictions, or an authorized employee of the department,
22 may, at all reasonable hours, enter the premises where a bingo occasion is being
23 conducted and examine the books, papers and records of the licensed organization
24 to determine if all proper taxes or fees imposed have been paid. Any refusal to permit
25 such examination of the premises by the licensed organization, its agent or an

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1 employee or the person in charge of the premises to which the bingo license relates,
2 constitutes sufficient grounds for the suspension or revocation of a license, and is
3 punishable under s. 563.73 (2). In addition, such refusal constitutes sufficient
4 grounds for any peace officer or other persons authorized under this section within
5 their respective jurisdictions or authority to employ whatever reasonable action is
6 necessary to conduct inspections permitted by this section.

7 **SECTION 18.** 563.73 (1) of the statutes is amended to read:

8 563.73 (1) Whoever violates s. 563.51 (1), (8) to (10), ~~(12)~~, (15) or (26) may be
9 fined not more than \$10,000 or imprisoned not more than 9 months or both.

10 **SECTION 19.** Subchapter VII of chapter 563 [precedes 563.80] of the statutes
11 is repealed.

12 (END)

2019-2020 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4049/P2ins
EAW:cjs

~~(a)~~

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SECTION 1. 563.04 (6) (intro.) and (a) of the statutes are consolidated, renumbered 563.04 (6) and amended to read:

563.04 (6) Issue, renew and amend licenses: To ~~to~~ organizations to conduct bingo.

History: 1973 c. 156; 1979 c. 34 ss. 1000, 2100 (45) (a); 1989 a. 31, 147; 1991 a. 39; 1991 a. 269 ss. 780d to 781p; Stats. 1991 s. 563.04; 1995 a. 27 s. 9123 (6pp); 1997 a. 27; 2001 a. 16; 2015 a. 6; 2017 a. 361.

Cross-reference: See also chs. Game 3, 41, 42, 43, and 44, Wis. adm. code.

SECTION 2. Subchapter V (title) of chapter 563 of the statutes is repealed.

SECTION 3. 563.61 of the statutes is repealed. /

SECTION 4. 563.62 of the statutes is repealed.

SECTION 5. 563.63 of the statutes is repealed.

SECTION 6. 563.64 of the statutes is repealed.

SECTION 7. 563.66 of the statutes is repealed.

SECTION 8. 563.68 of the statutes is repealed.

SECTION 9. 563.69 of the statutes is repealed.

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State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-4049/P3
EAW:cjs

11
NO
change

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 **AN ACT to repeal** 563.04 (6) (b), 563.12 (4), 563.12 (9), 563.51 (12), subchapter
2 V (title) of chapter 563 [precedes 563.61], 563.61, 563.62, 563.63, 563.64,
3 563.66, 563.68, 563.69 and subchapter VII of chapter 563 [precedes 563.80]; **to**
4 **consolidate, renumber and amend** 563.04 (6) (intro.) and (a); and **to amend**
5 20.505 (8) (jm), 125.06 (10), 563.12 (7), 563.13 (2), 563.13 (4), 563.14 (2), 563.15
6 (1), 563.16, 563.51 (10) (a), 563.72 and 563.73 (1) of the statutes; **relating to:**
7 bingo licenses.

Analysis by the Legislative Reference Bureau

This bill changes some of the requirements for applying for and maintaining a license to operate bingo games, changes the financial recordkeeping and reporting requirements for bingo operations, and removes the gross receipts tax for bingo operations.

Under current law, a “bingo occasion,” defined as a single gathering or session at which a series of successive bingo games is played, can only be run by a nonprofit organization that obtains a license from the Department of Administration’s Division of Gaming. This bill removes the current requirement for an organization applying for a bingo license to specify the date and place of each bingo occasion that will be held under the license, and allows a licensed organization to operate an unlimited number of bingo occasions during the license period. This bill also removes

1 such examination of the premises by the licensed organization, its agent or an
2 employee or the person in charge of the premises to which the bingo license relates,
3 constitutes sufficient grounds for the suspension or revocation of a license, and is
4 punishable under s. 563.73 (2). In addition, such refusal constitutes sufficient
5 grounds for any peace officer or other persons authorized under this section within
6 their respective jurisdictions or authority to employ whatever reasonable action is
7 necessary to conduct inspections permitted by this section.

8 **SECTION 24.** 563.73 (1) of the statutes is amended to read:

9 563.73 (1) Whoever violates s. 563.51 (1), (8) to (10), ~~(12)~~, (15) or (26) may be
10 fined not more than \$10,000 or imprisoned not more than 9 months or both.

11 **SECTION 25.** Subchapter VII of chapter 563 [precedes 563.80] of the statutes
12 is repealed.

13 (END)