



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBs0208/1
MGG:eev:rs

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 422**

January 16, 2014 – Offered by Representative JACQUE.

1 **AN ACT** *to repeal* 563.03 (12m) and 563.935 (6) (b); *to renumber and amend*
2 563.90 and 563.935 (6) (a); *to amend* 563.03 (11), 563.05 (2), 563.91, 563.92
3 (1m), 563.92 (2), 563.93 (1) (e), 563.93 (4) (a), 563.93 (4) (b), 563.93 (4m), 563.93
4 (5), 563.93 (7), 563.93 (8), 563.93 (9), 563.935 (8), 563.935 (9), 563.935 (10)
5 (intro.) and 945.01 (3) (b) 1.; and *to create* 563.03 (4p), 563.03 (5r), 563.03 (12r),
6 563.908, 563.909 and 563.98 (1) (f) of the statutes; **relating to:** raffles that
7 involve the racing of plastic or rubber ducks and other types of raffles.

Analysis by the Legislative Reference Bureau

The Wisconsin Constitution permits the legislature to authorize certain types of gambling. A raffle conducted by a local religious, charitable, service, fraternal, or veterans' organization is a type of gambling that may be authorized. Under current law, the legislature has authorized the operation of raffles that are games of chance in which tickets are sold and drawings are held.

Under current law, the division of gaming in the Department of Administration (DOA) issues licenses to organizations that are authorized to conduct raffles. A Class A license authorizes an organization to sell tickets to the raffle on days other than

the day on which the drawing will be held. A Class B license allows the sale of tickets for a raffle only on the day the raffle will be held. Under either license, an organization may hold up to 200 raffles a year or one calendar raffle a year. A calendar raffle is one where a drawing is held and a prize awarded on certain dates specified on the calendar.

This substitute amendment expands the types of raffles that may be allowed. Under the amendment, DOA must approve a type of raffle that consists of flexible plastic or rubber ducks being used in a race. Once DOA approves this type of raffle, any organization holding a Class A or Class B license may conduct duck race raffles. The substitute amendment also authorizes an organization that is licensed to hold raffles to request approval to hold a raffle that is not a regular drawing raffle or a duck race. The request for approval must include information such as a description of the method to be used for selling tickets and the type of random selection process to be used for determining winners. DOA may not approve a new type of raffle unless it determines that the raffle will comply with the requirements under current law that apply to raffles in general. These include requirements that the drawing, duck race, or other method of selecting a winner be held in public and that all of the prizes must be awarded. If DOA approves a new type of raffle, any other organization holding a Class A or Class B license may conduct this new type of raffle without seeking additional approval.

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

1 **SECTION 1.** 563.03 (4p) of the statutes is created to read:

2 563.03 (4p) "Certificate of participation" means a form of raffle ticket that
3 entitles a person to enter into a raffle as described under s. 563.908 (2).

4 **SECTION 2.** 563.03 (5r) of the statutes is created to read:

5 563.03 (5r) "Drawing" means a method of random selection of a raffle ticket
6 portion from a container housing all raffle tickets purchased for the raffle, with such
7 selection used to determine a winner; determination of a winner in a plastic or rubber
8 duck race; or any other method that is used to determine a winner and that is
9 approved by the department under s. 563.909.

10 **SECTION 3.** 563.03 (11) of the statutes is amended to read:

1 563.03 (11) “Premises” means any room, hall, enclosure, tent, or outdoor area
2 in which bingo is being played or a raffle drawing is being held.

3 **SECTION 4.** 563.03 (12m) of the statutes is repealed.

4 **SECTION 5.** 563.03 (12r) of the statutes is created to read:

5 563.03 (12r) “Raffle game” means a game as described under s. 563.908 (1) or
6 a plastic or rubber duck race or other game of chance that has been approved by the
7 department under s. 563.909.

8 **SECTION 6.** 563.05 (2) of the statutes is amended to read:

9 563.05 (2) The department may promulgate rules requiring holders of licenses
10 issued under this chapter to post a notice in a conspicuous place where a bingo
11 occasion or raffle drawing is being conducted describing the procedures for filing a
12 complaint against the holder.

13 **SECTION 7.** 563.90 of the statutes is renumbered 563.907 and amended to read:

14 **563.907 Qualified organizations.** Any local religious, charitable, service,
15 fraternal or veterans organization or any organization to which contributions are
16 deductible for federal income tax purposes or state income or franchise tax purposes,
17 which has been in existence for one year immediately preceding its application for
18 a license or which is chartered by a state or national organization which has been in
19 existence for at least 3 years, may conduct a raffle upon receiving a license for the
20 raffle event from the department. No other person may conduct a raffle in this state.

21 **SECTION 8.** 563.908 of the statutes is created to read:

22 **563.908 Types of raffles allowed.** A raffle may not be conducted in this state
23 unless it is one of the following types:

24 (1) A game of chance for which tickets or calendars are sold and a drawing for
25 prizes is held.

1 (2) A game of chance for which a method, other than the methods described in
2 sub. (1), is used to determine a winner and that has been approved by the department
3 under s. 563.909. Any method approved under s. 563.909 shall be based on the
4 winner being determined by random selection with all participants having an equal
5 opportunity to win.

6 **SECTION 9.** 563.909 of the statutes is created to read:

7 **563.909 Approval for additional types of raffles.** (1) The department
8 shall approve a type of raffle that consists of flexible plastic or rubber ducks being
9 used in a race. In approving this type of raffle, the department shall establish
10 requirements for conducting this type of raffle so that the raffles will comply with the
11 requirements under this subchapter and any applicable rules promulgated under s.
12 563.04 or 563.05.

13 (2) An organization that holds a Class A or Class B license and that seeks to
14 conduct a raffle that is not of the type that is described under s. 563.908 (1) or sub.
15 (1) shall obtain approval from the department before conducting such a raffle. The
16 request for approval submitted to the department shall include all of the following
17 information:

18 (a) The name of the organization.

19 (b) The number of the license issued to the organization by the department.

20 (c) The address of the premises where the drawings will be held.

21 (d) A description of how this type of raffle will be conducted, including the
22 method to be used for selling certificates of participation and the type of random
23 selection process to be used for determining winners.

24 (e) A description of the record-keeping and accounting procedures that will be
25 used for this type of raffle.

1 (f) The date on which the membership of the organization approved this type
2 of raffle.

3 (g) The signature of a member of the organization whom the organization has
4 designated to submit the request for approval.

5 **(3)** The department may not approve a type of raffle under this section unless
6 it determines that the raffle will comply with the requirements under this
7 subchapter and with any applicable rules promulgated under s. 563.04 or 563.05.
8 The department shall issue a written determination as to whether the type of raffle
9 is approved or denied and the basis for its determination. If the raffle is approved,
10 the determination shall include a description of how the raffle must be conducted and
11 a description of record-keeping and accounting procedures that must be used. The
12 department shall post a copy of the determination on the department's Internet site.

13 **(4)** Upon approval of a type of raffle under this section, any organization
14 holding a Class A or Class B license issued under s. 563.92 may conduct this type of
15 raffle without receiving specific approval under this section.

16 **SECTION 10.** 563.91 of the statutes is amended to read:

17 **563.91 Limit.** No qualified organization under s. ~~563.90~~ 563.907 may conduct
18 more than 200 raffles or more than one calendar raffle during a year.

19 **SECTION 11.** 563.92 (1m) of the statutes is amended to read:

20 563.92 **(1m)** The department may issue a Class A license for the conduct of a
21 raffle in which some or all of the tickets for that raffle are sold on days other than the
22 same day as ~~that the raffle~~ the raffle drawing occurs and in which equal shares of a single ticket
23 may be sold to one or more purchasers. The department may issue a Class B license
24 for the conduct of a raffle in which all of the tickets for that raffle are sold on the same

1 day as that the raffle drawing occurs or within the 24 hours immediately preceding
2 the start of the drawing.

3 **SECTION 12.** 563.92 (2) of the statutes is amended to read:

4 563.92 (2) The fee for a raffle license shall be \$25 and shall be remitted with
5 the application. A raffle license shall be valid for 12 months and may be renewed as
6 provided in s. 563.98 (1g). The department shall issue the license within 30 business
7 days after the filing of an application if the applicant qualifies under s. ~~563.90~~
8 563.907 and has not exceeded the limits of s. 563.91. All moneys received by the
9 department under this subsection shall be credited to the appropriation account
10 under s. 20.505 (8) (j).

11 **SECTION 13.** 563.93 (1) (e) of the statutes is amended to read:

12 563.93 (1) (e) The date, time and place of the each drawing ~~or drawings.~~

13 **SECTION 14.** 563.93 (4) (a) of the statutes is amended to read:

14 563.93 (4) (a) Except as provided in par. (b), tickets for a proposed raffle may
15 not be offered for sale more than 270 days before the raffle date of the drawing.

16 **SECTION 15.** 563.93 (4) (b) of the statutes is amended to read:

17 563.93 (4) (b) An organization that existed at least 5 years before the
18 organization was issued a Class A license may offer tickets for sale for a proposed
19 raffle up to one year before the date of the raffle drawing.

20 **SECTION 16.** 563.93 (4m) of the statutes is amended to read:

21 563.93 (4m) The organization that conducts a raffle under a Class A license
22 shall provide the purchaser of a raffle ticket or calendar the purchaser's portion of
23 the ticket or calendar before the each raffle drawing is held, but need not provide it
24 to the purchaser at the time of purchase.

25 **SECTION 17.** 563.93 (5) of the statutes is amended to read:

1 563.93 (5) All raffle drawings shall be held in public.

2 **SECTION 18.** 563.93 (7) of the statutes is amended to read:

3 563.93 (7) If a raffle ~~drawing~~ game is canceled, the organization shall refund
4 the receipts to the ticket or calendar purchasers.

5 **SECTION 19.** 563.93 (8) of the statutes is amended to read:

6 563.93 (8) The organization that holds a raffle ~~drawing~~ game shall furnish a
7 list of prize winners to each ticket or calendar holder who provides the organization
8 with a self-addressed stamped envelope and requests the list.

9 **SECTION 20.** 563.93 (9) of the statutes is amended to read:

10 563.93 (9) If a person who holds a Class A license sells equal shares of a single
11 ticket to one or more purchasers for a raffle game, the person shall, prior to the date
12 on which the raffle drawing for which the shares were sold is held, purchase any
13 shares of the ticket that have not been sold.

14 **SECTION 21.** 563.935 (6) (a) of the statutes is renumbered 563.935 (6) and
15 amended to read:

16 563.935 (6) ~~Except as provided in par. (b), the~~ The purchaser of a ticket must
17 be present at the drawing to win a prize, unless the purchaser gives the ticket to
18 another person who may claim the prize on behalf of the purchaser, but only if that
19 other person is present at the drawing. If the purchaser of the ticket gives the ticket
20 to another person to claim a prize on behalf of the purchaser, the organization
21 conducting the raffle and the department shall not be held responsible or liable in
22 any dispute regarding the ownership of the ticket.

23 **SECTION 22.** 563.935 (6) (b) of the statutes is repealed.

24 **SECTION 23.** 563.935 (8) of the statutes is amended to read:

1 563.935 (8) The date, time, and place of the each drawing and, the prizes to be
2 awarded, and the prize amount or the methodology used to determine the prize
3 amount shall be posted or announced before the each drawing.

4 **SECTION 24.** 563.935 (9) of the statutes is amended to read:

5 563.935 (9) If a raffle drawing game is canceled, the organization shall refund
6 the receipts to the ticket purchasers.

7 **SECTION 25.** 563.935 (10) (intro.) of the statutes is amended to read:

8 563.935 (10) (intro.) A raffle that is of the type described in s. 563.908 (1) and
9 that is conducted under a Class B license to which all of the following apply is one
10 raffle for purposes of s. 563.91:

11 **SECTION 26.** 563.98 (1) (f) of the statutes is created to read:

12 563.98 (1) (f) For raffles of the type described in s. 563.908 (2), an accounting
13 of all sold and unsold tickets for each raffle.

14 **SECTION 27.** 945.01 (3) (b) 1. of the statutes is amended to read:

15 945.01 (3) (b) 1. A device used in conducting a bingo occasion or raffle event
16 game under ch. 563, used in conducting a lottery under ch. 565 or used in conducting
17 a race under ch. 562.

18 (END)