



1995 ASSEMBLY BILL 774

January 9, 1996 - Introduced by Representatives HANDRICK, SERATTI, PORTER, LINTON, MUSSER, OURADA, SKINDRUD, GUNDERSON, VANDER LOOP, LORGE, DOBYNS, KREUSER, HASENOHRL, F. LASEE, PLOMBON and ZUKOWSKI, cosponsored by Senators ANDREA, A. LASEE, BRESKE and SHIBILSKI. Referred to Joint survey committee on Tax Exemptions.

1 **AN ACT to amend** 20.197 (1) (j), 25.75 (2), chapter 77 (title), 561.06 (1), 561.06 (2)
2 to (4), chapter 564 (title), 945.01 (3) (a), 945.01 (4) (am) and 945.01 (5) (am); **to**
3 **repeal and recreate** 561.02 (1), 561.12, 564.02 (2) (a), 564.02 (2) (b) (intro.),
4 564.02 (2) (d), 564.02 (2) (e), 564.02 (2) (f), 564.02 (2) (g), 564.02 (2m) (intro.),
5 564.02 (3) (c) and 564.02 (4); **to create** 20.566 (9), 77.51 (4) (b) 7., 77.51 (15) (b)
6 6., subchapter X of chapter 77 [precedes 77.994], 564.02 (1) (ag), 564.03, 564.04,
7 945.01 (1) (dm) and 945.01 (3) (b) 1m. of the statutes; and **to affect** 1995
8 Wisconsin Act 27, section 9123 (6ps) (a), (b), (c) 2. and (e) 2. ; **relating to:** the
9 regulation and licensing of crane games and certain video amusement devices
10 by the department of revenue, creating a sales tax exemption, imposing a tax,
11 granting rule-making authority, making an appropriation and providing a
12 penalty.

Analysis by the Legislative Reference Bureau

Under current law, the gaming commission regulates pari-mutuel wagering, bingo, raffle and crane games and the state lottery. This bill requires the department of revenue (DOR), on behalf of all towns, cities and villages, to license and regulate certain video amusement devices that award or are capable of awarding to players free replays or redeemable credits. These devices may not change the ratio of plays to free replays or credits and are required to have a percentage of credits awarded to credits played of not less than 83%.

All towns, cities and villages are required under the bill to permit DOR to license and regulate these video amusement devices in their jurisdictions unless a town, city or village does either of the following: permits an election to be held on the first Tuesday in April to determine whether such video amusement devices shall be prohibited in the town, city or village and a majority of the electors in the town, city or village votes to prohibit the play or possession of video amusement devices or the town, city or village enacts an ordinance before July 1, 1996, or the day after publication, whichever is later, that prohibits the play or possession of any video amusement device. If a town, city or village does not enact such an ordinance before July 1, 1996, or the day after publication, whichever is later, or hold such an election, a town, city or village may not prohibit the play or the possession of any video amusement device licensed by DOR.

Under the bill, no person may market, lease, service, repair, warehouse, transport or set up for the purpose of play any amusement device or collect the proceeds from an amusement device unless the person has been a resident of this state during the year immediately prior to applying for registration, the person registers with DOR and a license with an identification number issued by DOR is affixed to the amusement device. In addition, no manufacturer of video amusement devices may do business in this state related to such devices unless the person is issued a manufacturer's license by DOR. Finally, no distributor may sell, repair, distribute, warehouse, transport, display or market any video amusement device unless the person is issued a distributor's license by DOR.

The bill provides that DOR may not permit the play of these video amusement devices at any location other than in a town, city or village on a premises issued a Class "B" or "Class B" alcohol beverage license. Under the bill, no more than 5 video amusement devices may be kept at any one premises issued a Class "B" or "Class B" license and the play of these amusement devices is prohibited during hours in which the premises is closed. The owner of a premises issued a Class "B" or "Class B" license, who permits the play of video amusement devices at his or her premises, is required to enter into a contract with the owner of the amusement devices and this contract must be kept on the premises at all times, available for inspection by persons authorized by DOR. In addition, the bill prohibits the advertising of video amusement devices and the offering of any special inducement for playing such a device.

Under the bill, DOR, on behalf of towns, cities and villages, must charge an annual license fee of \$1,000 for each amusement device that is set up for the purpose of play. The person charged this fee is required to pay the fee directly to the town, city or village in which the amusement device will be set up for the purpose of play. In addition, DOR is required to charge an additional annual license fee of \$500 for each amusement device to defray the costs incurred by DOR in regulating video amusement devices, but the bill provides that no person may be charged more than a total of \$10,000 in any one year. DOR is also required to charge a manufacturer or distributor of amusement devices an annual license fee of \$10,000 and each manufacturer and distributor is also required to pay DOR a nonrefundable fee set by DOR to cover all costs of processing the person's application for a license. The bill

creates an amusement device tax at the rate of 5% of the value of the net proceeds of amusement devices, which is to be deposited in the lottery fund. Finally, under the bill, an exemption from the sales tax is allowed for the value of the net proceeds of each video amusement device.

Under current law, it is unlawful to make a bet, set up for the purpose of play any gambling machine, permit the operation of a gambling place or conduct an illegal lottery. This bill provides that playing an amusement device licensed by DOR is not a bet; that an amusement device licensed by DOR or that is possessed by a person licensed by DOR is not a gambling machine; that a lottery does not include the playing of an amusement device licensed by DOR; and, that the premises on which an amusement device licensed by DOR is located is not a gambling place.

Finally, under current law the gaming commission regulates and licenses the playing of crane games. The bill requires DOR to regulate and license crane games.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* 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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
 2 the following amounts for the purposes indicated:

	1995-96		1996-97
20.566 Revenue, department of			
(9) AMUSEMENT DEVICES AND CRANE GAMES			
(j) General program operations	PR	A	-0- 1,353,500

7 **SECTION 2.** 20.197 (1) (j) of the statutes, as affected by 1995 Wisconsin Act 27,
 8 section 545m, is amended to read:

9 20.197 (1) (j) (title) *General program operations; charitable and crane games.*
 10 The amounts in the schedule for general program operations under chs. 563 and
 11 564. All moneys received by the gaming board under ch. 563, except s. 563.80, and
 12 under s. 564.02 (2) shall be credited to this appropriation account.

1 (4) The department of revenue shall deposit all revenue collected under this
2 subchapter in the lottery fund.

3 **SECTION 9.** 561.02 (1) of the statutes, as affected by 1995 Wisconsin Act 27, is
4 repealed and recreated to read:

5 561.02 (1) The board shall coordinate and regulate all activities relating to, and
6 promulgate all rules relating to, racing and pari-mutuel wagering conducted under
7 ch. 562 and bingo and raffles conducted under ch. 563, and shall perform its duties
8 and functions under ch. 569 regarding Indian gaming.

9 **SECTION 10.** 561.06 (1) of the statutes, as affected by 1995 Wisconsin Act 27,
10 is amended to read:

11 561.06 (1) Subject to s. 565.25 (1m), provide all of the security services for the
12 gaming operations under chs. 562 ~~to~~, 563, 565 and 569.

13 **SECTION 11.** 561.06 (2) to (4) of the statutes are amended to read:

14 561.06 (2) Monitor the regulatory compliance of gaming operations under chs.
15 562 ~~to~~, 563, 565 and 569.

16 (3) Audit the gaming operations under chs. 562 ~~to~~, 563, 565 and 569.

17 (4) Investigate suspected violations of chs. 562 ~~to~~, 563, 565 and 569.

18 **SECTION 12.** 561.12 of the statutes is repealed and recreated to read:

19 **561.12 Charitable gaming.** The board shall establish a separate subunit in
20 the board to do all of the following:

21 (1) Advise the board on policy making and rule making relating to the conduct
22 of bingo and raffles under ch. 563.

23 (2) Under the direction of the board, administer the requirements under ch.
24 563.

25 **SECTION 13.** Chapter 564 (title) of the statutes is amended to read:

CHAPTER 564**CRANE GAMES AND****AMUSEMENT DEVICES**

SECTION 14. 564.02 (1) (ag) of the statutes is created to read:

564.02 (1) (ag) "Department" means the department of revenue.

SECTION 15. 564.02 (2) (a) of the statutes is repealed and recreated to read:

564.02 (2) (a) No person in this state who owns a crane game may set up for the purposes of play, permit a crane game to be set up for the purposes of play or collect the proceeds of a crane game which is set up for the purposes of play unless the person is registered by the department and unless an identification number issued by the department is affixed to each such crane game owned by the person.

SECTION 16. 564.02 (2) (b) (intro.) of the statutes is repealed and recreated to read:

564.02 (2) (b) (intro.) Every person specified under par. (a) shall file with the department, on application forms prescribed by the department and signed by the person, all of the following information:

SECTION 17. 564.02 (2) (d) of the statutes is repealed and recreated to read:

564.02 (2) (d) Upon receipt of the application and fee under pars. (b) and (c), the department shall, if the department considers the applicant qualified, issue a certificate of registration for the applicant and an identification number for each crane game for which registration is requested.

SECTION 18. 564.02 (2) (e) of the statutes is repealed and recreated to read:

564.02 (2) (e) The registration issued under par. (d) shall remain in effect unless it is canceled by the department of revenue with the advice and consent of the department of justice or unless it is withdrawn by the registered person.

1 **SECTION 19.** 564.02 (2) (f) of the statutes is repealed and recreated to read:

2 564.02 (2) (f) Every person registered under this section shall notify the
3 department of any change in the information required to be furnished by the person
4 under par. (b), within 10 days following the change.

5 **SECTION 20.** 564.02 (2) (g) of the statutes, as affected by 1995 Wisconsin Act 27,
6 is repealed and recreated to read:

7 564.02 (2) (g) The department shall deposit all moneys received by the
8 department under this subsection in the appropriation under s. 20.566 (9) (j).

9 **SECTION 21.** 564.02 (2m) (intro.) of the statutes is repealed and recreated to
10 read:

11 564.02 (2m) CONFLICTS OF INTEREST. (intro.) No department employe and no
12 member of a department employe's immediate family, as defined in s. 19.42 (7), may,
13 while that employe is a department employe or for 2 years following the termination
14 of the employment of that department employe, do any of the following:

15 **SECTION 22.** 564.02 (3) (c) of the statutes is repealed and recreated to read:

16 564.02 (3) (c) The department of revenue shall reimburse the department of
17 justice for the services of the department of justice under this subsection.

18 **SECTION 23.** 564.02 (4) of the statutes is repealed and recreated to read:

19 564.02 (4) SEIZURE AND SALE. The department of justice may seize any crane
20 game owned by a person who is convicted under sub. (5) and may sell the crane game
21 in the name of the state. The department of justice and its agents are exempt from
22 all liability to the owner of the crane game for the seizure or sale of the crane game.
23 The department of revenue shall reimburse the department of justice for the services
24 of the department of justice under this subsection.

25 **SECTION 24.** 564.03 of the statutes is created to read:

1 **564.03 Offering amusement devices for play; registration and**
2 **licensing. (1) DEFINITIONS.** In this section:

3 (a) "Amusement device" means any video amusement device if it awards or is
4 capable of awarding the player with one or more redeemable free replays or credits
5 for achieving certain scores or results and does not change the ratio of plays to free
6 replays or credits so awarded. An amusement device set up for the purpose of play
7 shall have a percentage of credits awarded to credits played of not less than 83%.

8 (am) "Department" means the department of revenue.

9 (b) "Set up for the purpose of play" means offer a person, for consideration, an
10 opportunity to play an amusement device.

11 **(1m) DEPARTMENT AUTHORITY; LOCAL OPTION.** (a) Subject to pars. (b) and (c), the
12 department, on behalf of all towns, cities and villages, shall license and regulate
13 amusement devices in the manner provided in this section.

14 (b) Electors of any town, city or village may determine, by ballot at the election
15 held on the first Tuesday in April, the question of whether amusement devices shall
16 be prohibited in the town, city or village. If the electors of any town, city or village
17 determine that amusement devices shall be prohibited in the town, city or village,
18 the department may not license any amusement device for the purpose of play in the
19 town, city or village.

20 (c) The department may not license any amusement device for the purpose of
21 play in a town, city or village that, before the effective date of this paragraph
22 [revisor inserts date], enacted an ordinance that prohibited in the town, city or
23 village the play of any amusement device, unless that town, city or village, on or after
24 the effective date of this paragraph [revisor inserts date], enacts a subsequent
25 ordinance authorizing the play of any amusement device in the town, city or village.

1 **(2) REGISTRATION AND LICENSING; FEES.** (a) No person may market, lease, service,
2 repair, warehouse, transport or set up for the purpose of play in this state any
3 amusement device or collect the proceeds from an amusement device set up for the
4 purpose of play in this state unless the person has been a resident of this state during
5 the year immediately prior to applying for a certificate of registration under this
6 subsection, the person registers with the department under this subsection and a
7 license with an identification number issued by the department is affixed to the
8 amusement device.

9 (b) Any person who wishes to market, lease, service, repair, warehouse,
10 transport or set up for the purpose of play in this state any amusement device or
11 collect the proceeds from an amusement device set up for the purpose of play in this
12 state shall file with the department, on application forms prescribed by the
13 department, a signed application that includes all of the following information:

14 1. The name and address of the person. If the person is a corporation or other
15 entity, the person shall also file with the department the name and address of all
16 officers, directors, agents and stockholders or other persons holding or controlling,
17 either directly or indirectly, 5% or more of the ownership of the corporation or other
18 entity.

19 2. The person's place or places of residence in this state, if any, during the year
20 immediately prior to applying for a certificate of registration under this subsection.

21 3. The serial number and manufacturer of each amusement device that the
22 person intends to set up for the purpose of play in this state.

23 4. The location of the premises at which the amusement devices shall be set up
24 for the purpose of play.

1 (c) A nonrefundable fee, set by the department to cover all costs of processing
2 the application filed under par. (b), and the first year's license fees shall accompany
3 the application under par. (b). If the department does not approve the application
4 under par. (b), the department shall refund the license fees to the person.

5 (d) Upon receipt of the application under par. (b) and the fees specified under
6 par. (c), but subject to pars. (e) to (f), the department shall issue a certificate of
7 registration to each applicant who has met the requirements of this subsection and
8 a license with an identification number for each amusement device.

9 (e) The department may not issue a certificate of registration under this
10 subsection to any person who is a corporation or other entity unless at least 51% of
11 the ownership in that corporation or other entity is held by one or more persons who
12 have been residents of this state during the year immediately prior to applying for
13 a certificate of registration.

14 (em) The department may not issue a license with an identification number for
15 an amusement device that is set up for the purpose of play at a location in a town,
16 city or village other than a premises issued a Class "B" license under s. 125.26 or a
17 "Class B" license under s. 125.51.

18 (f) Notwithstanding ss. 111.321, 111.322 and 111.335, the department may not
19 issue a certificate of registration under this subsection to any person to whom any
20 of the following applies:

- 21 1. The person has been convicted of a misdemeanor, not involving chs. 340 to
22 349, at least 3 times.
- 23 2. The person has been convicted of a felony, unless pardoned.
- 24 3. The person is addicted to the use of a controlled substance under ch. 161.
- 25 4. The person has been convicted of 2 or more gambling offenses.

1 5. The person has been convicted of crimes relating to prostitution.

2 6. The person has been convicted of crimes relating to loaning money or
3 anything of value to persons holding licenses or permits pursuant to ch. 125.

4 7. The person does not hold a permit under s. 77.52 (7), if the person is a retailer.

5 8. The person has been finally adjudged to be delinquent in the payment of
6 taxes under ch. 71, 72, 76, 77, 78 or 139 or the person has been found delinquent in
7 the payment of contributions to the unemployment reserve fund under s. 108.16 in
8 a proceeding under s. 108.10 and the person remains so delinquent at the time of
9 filing an application under par. (b).

10 (g) Upon denial of an application under par. (b), the department shall
11 immediately notify the person in writing and shall state the reasons for the denial.
12 A denial of an application under par. (b) shall be subject to judicial review under ch.
13 227.

14 (h) 1. The department shall charge, on behalf of a town, city or village, an
15 annual license fee of \$1,000 for each amusement device set up for the purpose of play.
16 The person shall pay this fee directly to the town, city or village.

17 2. The department shall charge an additional annual license fee of \$500 for
18 each amusement device set up for the purpose of play to defray the costs incurred by
19 the department in enforcing this subsection, but the department may not charge any
20 one person under this subdivision more than a total of \$10,000 in license fees in any
21 one year, regardless of the number of amusement devices that the person intends to
22 set up for the purpose of play in this state.

23 3. Any license issued under this subsection shall remain in effect for one year.

24 (i) The certificate of registration issued under par. (d) shall remain in effect
25 unless it is canceled by the department of revenue, after consulting with the

1 department of justice, or unless it is withdrawn by the person who is issued the
2 certificate of registration.

3 (j) Every person registered under this section shall notify the department of
4 any change in the information provided under par. (b) by the 10th day of the first
5 month following the change in information.

6 (k) The department may not permit any amusement device located at one
7 premises to be in any way linked to another amusement device located at another
8 premises for the purpose of creating a progressive prize.

9 (L) The department shall deposit all moneys received under this subsection in
10 the appropriation account under s. 20.566 (9) (j).

11 **(3) PROHIBITED PRACTICES RELATING TO AMUSEMENT DEVICES.** (a) No person may
12 keep more than 5 amusement devices at any one premises operated under a Class
13 "B" license under s. 125.26 or a "Class B" license under s. 125.51.

14 (b) No person may play, or permit another person to play, an amusement device
15 at a premises operated under a Class "B" or "Class B" license in a town, city or village
16 during hours in which the premises is closed or the sale of fermented malt beverages
17 or intoxicating liquor is prohibited under s. 125.32 (3) (a) or (c) or 125.68 (4) (c) 1. or
18 4.

19 (c) No owner of a premises may set up for the purpose of play an amusement
20 device at his or her premises unless he or she has entered into a written agreement
21 with a person who owns the amusement device for the use of that amusement device
22 at his or her premises and a copy of the agreement is kept on the premises and made
23 available for inspection to any person authorized by the department. This paragraph
24 shall not apply to an owner of a premises who is also the owner of every amusement
25 device kept at his or her premises.

1 (d) No person may engage in the advertising of any amusement device set up
2 for the purpose of play or offer, or allow to be offered, to any other person any special
3 inducement for playing an amusement device.

4 (e) No person registered under sub. (2) may purchase an amusement device
5 from a person other than a person registered under sub. (2) or a distributor registered
6 under sub. (4) (c).

7 (f) No person may play an amusement device if the person is under 21 years
8 of age.

9 (g) No person may set up for the purpose of play an amusement device that
10 permits more than one person to play the amusement device at the same time.

11 **(4) MANUFACTURERS AND DISTRIBUTORS OF AMUSEMENT DEVICES; REGISTRATION AND**
12 **FEES.** (a) No person who is a manufacturer of amusement devices may do any of the
13 following:

14 1. Do any business in this state related to amusement devices unless the person
15 submits an application for registration with the department under par. (c), pays the
16 first year's annual license fee and the nonrefundable fee set by the department to
17 cover all costs of processing the application and is issued a manufacturer's license.

18 2. Sell an amusement device to any person other than a distributor of
19 amusement devices with a valid distributor's license issued by the commission under
20 par. (c).

21 3. Hold or control, either directly or indirectly, any ownership interest of a
22 distributor with a valid distributor's license issued by the department under par. (c).

23 4. Set up for the purpose of play any amusement device.

24 (b) No person who is a distributor of amusement devices may do any of the
25 following:

1 1. Sell, repair, distribute, warehouse, transport, display or market an
2 amusement device unless the person submits an application for registration with the
3 department under par. (c), pays the first year's annual license fee and the
4 nonrefundable fee set by the department to cover all costs of processing the
5 application and is issued a distributor's license.

6 2. Set up for the purpose of play any amusement device.

7 3. Sell an amusement device to any person other than a person registered with
8 the department under sub. (2).

9 4. Hold or control, either directly or indirectly, any ownership interest of a
10 person registered under sub. (2).

11 (c) The department shall do all of the following:

12 1. Upon receipt of an application of registration from a person under par. (a)
13 or (b), submission of the first year's license fee and payment of a nonrefundable fee
14 set by the department to cover all costs of processing the application, issue a
15 manufacturer's license to each applicant under par. (a) and a distributor's license to
16 each applicant under par. (b) who has met the requirements specified under sub. (2)
17 (b) 1. and (f) for a person applying for a certificate of registration under sub. (2) and
18 the requirements of this subsection. The license shall remain in effect unless it is
19 canceled by the department of revenue, after consulting with the department of
20 justice, or unless it is withdrawn by the person who is issued the license.

21 2. Charge an annual fee for a manufacturer's license and distributor's license
22 in the amount of \$10,000. The license shall remain in effect for one year.

23 3. Upon denial of an application under subd. 1., immediately notify the person
24 in writing and state the reasons for the denial. A denial of an application under subd.
25 1. shall be subject to review under ch. 227.

1 4. Deposit all moneys received under this subsection in the appropriation
2 account under s. 20.566 (9) (j).

3 **(4m) RULE MAKING.** (a) The department shall promulgate all rules necessary
4 to administer this section.

5 (b) The department may provide by rule that an amusement device set up for
6 the purpose of play may have a percentage of credits awarded to credits played that
7 is equal to the minimum percentage for a similar amusement device under a compact
8 entered into under s. 14.035, but only if the percentage is equal to or greater than
9 83%.

10 **(5) CONFLICTS OF INTEREST.** No department employe and no department
11 employe's immediate family, as defined in s. 19.42 (7), may, while that employe is a
12 department employe or for 2 years following the termination of the employment of
13 that department employe, do any of the following:

14 (a) Have any direct or indirect interest in any person who is registered or
15 required to be registered under sub. (2) or (4).

16 (b) Accept or agree to accept money or any thing of value from any person who
17 is registered or required to be registered under sub. (2) or (4).

18 (c) Directly or indirectly own or operate any amusement device licensed under
19 sub. (2).

20 **(6) INVESTIGATION AND ENFORCEMENT.** (a) In response to a written complaint,
21 the department shall conduct an investigation of any person registered under sub.
22 (2) or (4). The department may conduct an inspection of a person registered under
23 sub. (2) or (4), of the amusement device licensed to the person or of the premises on
24 which the amusement device is played, at any time.

1 (am) The department may conduct an investigation to determine if a person
2 markets, leases, services, repairs, warehouses, transports or sets up for the purposes
3 of play an amusement device or collects the proceeds of an amusement device which
4 is set up for the purposes of play without being registered under sub. (2) or if a person
5 sells, repairs, distributes, warehouses, displays or markets an amusement device
6 without being registered under sub. (4).

7 (b) An action for violation of this section may be prosecuted in any circuit court
8 of this state by the department in the name of the state and, in any such action, the
9 department shall exercise all of the powers and perform all duties which the district
10 attorney would otherwise be authorized to exercise or perform.

11 **(7) SEIZURE AND SALE.** The department may seize any amusement device owned
12 by a person who is convicted under sub. (8) and may sell the amusement device in
13 the name of the state. The department and its agents are exempt from all liability
14 to the owner of the amusement device for the seizure or sale of the amusement device.

15 **(8) PENALTY.** Any person who violates this section may be required to forfeit not
16 less than \$500 nor more than \$5,000 for each offense. Each day of continued violation
17 constitutes a separate offense. The period shall be measured by using the dates of
18 the offenses which resulted in convictions.

19 **SECTION 25.** 564.04 of the statutes is created to read:

20 **564.04 Applicability.** The requirements of ch. 565 do not apply to this chapter.

21 **SECTION 26.** 945.01 (1) (dm) of the statutes is created to read:

22 945.01 (1) (dm) Playing an amusement device licensed under ch. 564.

23 **SECTION 27.** 945.01 (3) (a) of the statutes is amended to read:

24 945.01 (3) (a) A gambling machine is a contrivance which for a consideration
25 affords the player an opportunity to obtain something of value, the award of which

1 is determined by chance, even though accompanied by some skill and whether or not
2 the prize is automatically paid by the machine. A gambling machine includes a slot
3 machine that dispenses coins or tokens and that is activated by a lever, button, coin,
4 token or debit or credit card.

5 **SECTION 28.** 945.01 (3) (b) 1m. of the statutes is created to read:

6 945.01 (3) (b) 1m. An amusement device licensed under ch. 564 or an
7 amusement device possessed by a person who is registered under s. 564.03 (2) or (4).

8 **SECTION 29.** 945.01 (4) (am) of the statutes, as affected by 1995 Wisconsin Act
9 11, is amended to read:

10 945.01 (4) (am) "Gambling place" does not include a place where bingo or a
11 raffle is conducted under ch. 563, where an amusement device licensed under ch. 564
12 is played or stored, where a lottery is conducted under ch. 565 or where a race is
13 conducted under ch. 562 and does not include a gambling vessel that is in the process
14 of construction, delivery, conversion or repair by a shipbuilding business that
15 complies with s. 945.095.

16 **SECTION 30.** 945.01 (5) (am) of the statutes is amended to read:

17 945.01 (5) (am) "Lottery" does not include bingo or a raffle conducted under ch.
18 563, the playing of an amusement device licensed under ch. 564, pari-mutuel
19 wagering conducted under ch. 562 or the state lottery or any multistate lottery
20 conducted under ch. 565.

21 **SECTION 31.** 1995 Wisconsin Act 27, section 9123 (6ps) (a), (b), (c) 2. and (e) 2.
22 are amended to read:

23 [1995 Wisconsin Act 27] Section 9123 (6ps) (a) *Assets and liabilities.* On July
24 1, 1996, all assets and liabilities of the gaming commission shall become the assets
25 and liabilities of the gaming board, except that those assets and liabilities that relate

1 to crane games and the state lottery shall become the assets and liabilities of the
2 department of revenue.

3 (b) *Tangible personal property.* On July 1, 1996, all tangible personal property,
4 including records, of the gaming commission is transferred to the gaming board,
5 except that the tangible personal property, including records, of the gaming
6 commission that relate to crane games and the state lottery is transferred to the
7 department of revenue.

8 (c) 2. All contracts entered into by the gaming commission that relate to crane
9 games and the state lottery which are in effect on July 1, 1996, remain in effect and
10 are transferred to the department of revenue. The department of revenue shall carry
11 out any such contractual obligations until modified or rescinded by the department
12 of revenue to the extent allowed under the contract.

13 (e) 2. Any matters pending with the gaming commission that relate to crane
14 games and the state lottery on July 1, 1996, are transferred to the department of
15 revenue and all materials submitted to or actions taken by the gaming commission
16 with respect to any pending matter are considered as having been submitted to or
17 taken by the department of revenue.

18 **SECTION 32. Nonstatutory provisions.**

19 (1) SUBMISSION OF AMUSEMENT DEVICE RULES TO LEGISLATIVE COUNCIL STAFF. The
20 department of revenue shall submit the proposed rules under section 564.03 (4m) of
21 the statutes, as created by this act, to the legislative council staff under section
22 227.15 (1) of the statutes no later than January 1, 1997.

23 (2) REGULATION OF AMUSEMENT DEVICES. The department of revenue shall
24 administer section 564.03 of the statutes, as created by this act, on a case-by-case

1 basis prior to the effective date of the rules promulgated under section 564.03 (4m)
2 of the statutes, as created by this act.

3 (3) AMUSEMENT DEVICES. The authorized FTE positions for the department of
4 revenue are increased by 9.0 PR positions on July 1, 1996, to be funded from the
5 appropriation under section 20.566 (9) (j) of the statutes, as created by this act, for
6 the purpose of regulating and licensing amusement devices.

7 **SECTION 33. Effective date.**

8 (1) This act takes effect on July 1, 1996.

9 (END)