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*Testimony before the Senate Committee on Labor and Regulatory Reform
State Senator André Jacque
April 6, 2021*

Chairman Nass and Members of the Senate Committee on Labor and Regulatory Reform,

Thank you for holding this hearing and the opportunity to testify before you today as the author of Senate Bill 170. This common sense legislation will allow the popular use of paddlewheels for raffles across our state to resume without groups unknowingly and unintentionally committing a felony level offense.

Paddlewheel raffles are very popular amongst Wisconsin's many sportsmen's clubs, civic and veterans' organizations, churches, and numerous other non-profits throughout our state. For example, a frequently used variation is the "meat raffle," a crowd favorite seen at events from church festivals to VFW fish fries. However, groups who hold paddlewheel raffles at special events under their raffle license have been informed by Wisconsin's Department of Justice, at the request of the Department of Administration, that they are fostering illegal gambling and are subject to up to a Class I Felony penalty.

Thanks to previous legislation we've successfully passed to assist Wisconsin charitable organizations, a Class B raffle license may now be used to conduct a "multiple-container raffle." This allows for popular raffles such as plastic and rubber duck races at special events to lawfully be carried out as long as the winner in the raffle or race is determined by a "drawing" with all tickets having an "equal opportunity to win."

We have introduced SB 170 to provide similar relief for paddlewheel raffles by allowing an organization with a Class B raffle license to conduct such raffles without inadvertently committing a Class I Felony. Minnesota, where such games are also popular, has already legalized paddlewheel raffles for charitable groups.

I am happy to share that last session this bill passed the Senate Committee on Agriculture, Revenue and Financial Institutions with a unanimous bipartisan 9-0 vote and passed the full Senate on a voice vote. It also passed the Assembly Committee on State Affairs on a unanimous bipartisan 13-0 vote and passed the full Assembly on a voice vote. SB 170 is a common sense fix to ensure popular meat raffles and other paddlewheel raffles at small festivals can continue to thrive. Thank you for your consideration of Senate Bill 170.

DAVE MURPHY

State Representative • 56th Assembly District

Senate Committee on Labor and Regulatory Reform April 6, 2021

SB 170

Mr. Chair, members of the committee, thank you for the opportunity to express my strong support for Senate Bill 170, our Paddlewheel Raffles bill.

Wisconsin has many charitable organizations that support excellent causes while fostering community participation and good works. Most of us volunteer in these activities to help our communities. I am a long-time member of my local Lion's Club, for example, and I also volunteer at my church. This bill will help groups like the Lion's Club continue their generous and altruistic work without accidentally committing a crime.

Right now in our state, unless a game of chance with a prize is permitted in Wisconsin law, it is considered illegal gambling and is a felony. For example, in a previous session the legislature passed a law to allow those plastic or rubber duck races at certain events where there is a drawing for a prize. If that type of game hadn't been made legal, charitable organizations holding a Class B raffle license could have faced a Class I Felony charge.

This bill allows another form of fundraising fun to be permitted: the paddlewheel raffle. The raffle still has requirements, and the organization must have a Class B raffle license. As long as the rules are followed, this type of raffle can be allowed.

During our hearings and in our research, the tribes didn't seem to take issue with this bill and they didn't register or testify against it. Unfortunately, the Dept. of Administration felt it would infringe on the tribes. The governor vetoed this bill last session after it passed the Senate and the Assembly.

Again, thank you for hearing this bill. I hope you'll join me in supporting this common sense legislation, Senate Bill 170.

Thank you.



STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Angela Banks, Division Administrator

SB 170

Informational Statement of Department of Administration

The Department of Administration (DOA) provides this statement to address the potential fiscal impact of 2021 SB 170. SB 170 makes changes to the law governing raffles. Wisconsin's raffle laws are administered by the Division of Gaming within DOA.

SB 170 would amend current law to permit holders of Class B raffle licenses to conduct "paddlewheel" raffles. Paddlewheel raffles are different from raffles currently permitted under State law because they do not involve a "drawing" as that term is defined by statute. Wisconsin Stat. sec. 563.03(5r) defines a "drawing" as a random selection of tickets from a "container" or a "plastic or rubber duck race."

SB 170 would likely have two fiscal impacts, one on the cost of administering raffle licenses, the other on revenue received from Native American tribes pursuant to gaming compacts with the State.

DOA expects that the fiscal impact of SB 170 on the administration of raffle licenses would be negligible. DOA does not anticipate there would be a significant change in the number of raffle licenses issued if SB 170 becomes law. However, DOA estimates that SB 170 would result in one-time nominal and indeterminate costs to update printed materials associated with Class B raffle licenses. Those additional costs would be absorbed by current Division of Gaming spending authority.

The impact on revenue received pursuant to Native American gaming compacts could be very significant. The State has gaming compacts with each of Wisconsin's eleven federally-recognized Native American tribes. Each of those compacts contains provisions tying the tribes' payment obligation to a prohibition on the expansion of non-tribal gaming. For example, one compact provides as follows:

In the event a change in State law permits the operation of electronic games of chance, or other Class III games that are not permitted by State law on January 1, 2003, by any person or entity . . . other than a federally recognized Tribe under the provisions of the [Indian Gaming Regulatory Act] . . . the Tribe shall thereafter be relieved of its obligation to pay the amounts required [under the compact].

The total amount of tribal compact payments received in FY2019 was \$54.6 million.