
Wisconsin Legislative Council

ACT MEMO



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2021 Wisconsin Act 106
[2021 Senate Bill 401]

50/50 Raffles

BACKGROUND

The Wisconsin Constitution generally prohibits gambling, but provides certain exceptions to that prohibition, including for licensed raffles conducted by local religious, charitable, service, fraternal, or veterans' organizations.¹ [Wis. Const. art. IV, s. 24.] The statutes establish requirements for such organizations to obtain a license from the Department of Administration to conduct a raffle. [s. 563.907 (1), Stats.]

2021 WISCONSIN ACT 106

2021 Wisconsin Act 106 exempts certain "50/50 raffles" from state licensing requirements. Specifically, the act authorizes a qualified local religious, charitable, service, fraternal, or veterans' organization to conduct a raffle without obtaining a state raffle license, if all of the following requirements are satisfied:

- The raffle tickets are offered for sale only to members of the qualified organization.
- The prize is a cash award equal to one-half of the ticket proceeds, rounded up to the nearest whole dollar.
- The prize does not exceed \$500.
- The qualified organization otherwise satisfies statutory requirements applicable to Class B raffle licensees.²

Effective date: December 5, 2021

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¹ The Wisconsin Supreme Court has also recognized an exception for the state-tribal gaming compacts. [*Dairyland Greyhound Park, Inc. v. Doyle*, 2006 WI 107.] Each of the federally recognized tribes in Wisconsin has entered into a compact with the state that permits the tribe to conduct certain types of games. The compacts require each of the tribes to make annual payments to the state in exchange for an exclusive right to conduct certain types of games. The compacts contain provisions relieving the tribes of the obligation to make annual payments to the state in the event that a change in state law permits the operation of new games, unless one of several exceptions applies. Those exceptions generally include: (a) the state lottery; (b) pari-mutuel racing; and (c) charitable gaming as authorized by state law and operated as of January 1, 2003.

² Raffle licenses are either Class A or Class B. Generally, a Class A raffle license allows tickets to be sold and distributed on days other than the same day as the drawing, whereas a Class B raffle license requires tickets to be sold either: (a) on the same day as the drawing; or (b) on more than one day, if the organization distributes tickets to purchasers only at the event at which the drawing will take place. [s. 563.92 (1m), Stats.]