

Gambling Summary 2013

From: Wisconsin Gaming FAQ (<http://www.doa.state.wi.us/docview.asp?docid=8920>)

Q. If my group qualifies as a charitable organization what are the types of gambling-related activities we can conduct?

A. Under Wisconsin law the only gambling related activities that charitable organizations can engage in are bingo and raffles. See Chapter 563 of the Wisconsin Statutes. <http://www.legis.state.wi.us/statutes/Stat0563.pdf>. There is no general exemption for charitable organizations for any other form of gaming. These include casino games, poker, etc.

Q. Is it legal to hold a poker tournament?

A. No. Any activity that involves the elements of prize, chance and consideration are illegal unless otherwise allowed by a specific statutory provision. <http://www.doa.state.wi.us/docview.asp?docid=7526>. For example, as noted above, raffles and bingo are specifically permitted for certain qualifying organizations. (See Wisconsin Statute 945.01(5)(am). <http://www.legis.state.wi.us/statutes/Stat0945.pdf>.)

If all three elements are present then the activity is considered an unlawful lottery. (Wisconsin Statute 945.01(5).) Violations may be a misdemeanor or a felony.

- Consideration, with some limited exceptions, is defined as anything which is a commercial or financial advantage to the promoter or a disadvantage to a participant. (Wisconsin Statute 945.01(5)(b).)
- Prize is generally defined as something of value and can be both money and property. The statutes do not contain any minimum value.
- Chance. The most common question is whether the activity involves chance. This element is present if chance, rather than skill, predominates. Many card games, and in particular poker, are considered predominately a game of chance.

Finally, as noted above, an activity is unlawful if all three elements are present. If one of the elements is not present then the activity is not an unlawful lottery. Thus, for example, an activity that does not involve the awarding of a prize or does not involve any consideration to participate would not be unlawful.

Q. Does that include duck races, pull tabs and poker runs?

A. Yes, if those activities involve the three elements of prize, chance and consideration they are also illegal.

Q. What about holding a casino night?

A. Casino or Las Vegas nights are illegal if the activities include the elements of prize, chance and consideration. □..games such as □Las Vegas nights□wherein participants must make a payment or donation in order to gamble with play money and then use the play money at the end of the evening to bid on prizes constitute illegal lotteries under Wisconsin law. The law does not exempt benevolent and nonprofit organizations.□(Opinion of the Attorney General, 70 OAG 59 (1981).)

Q. But what about all those other groups I see doing such activities?

A. The fact that others may be engaged in conduct that violates Wisconsin law does not justify or permit others to also violate the law. The activities of others can be brought to the attention of local law enforcement or even referring the operators to this website. Usually people and organizations violating the law are doing so out of a lack of knowledge or understanding of the law. However, anyone engaging in such conduct **is** violating the law which can result not only in criminal prosecution but also unwanted publicity and attention to an otherwise reputable organization.

From: Contests, Sweepstakes and Sales Promotions, published by the Wisconsin Department of Administration
(<http://www.doa.state.wi.us/docview.asp?docid=7526>)

CASINO NIGHTS, DUCK RACES, POKER TOURNEYS, ETC.

Casino nights are illegal lotteries. According to Volume 70 Opinions of the Attorney General of Wisconsin, page 59, "...games such as Las Vegas nights wherein participants must make a payment or donation in order to gamble with play money and then use the play money at the end of the evening to bid on prizes constitute illegal lotteries under Wisconsin law. The law does not exempt benevolent and nonprofit organizations."

Duck races, poker tournaments or any game structure that includes all three elements of gambling (**prize, chance and consideration**) are illegal as well under Wis. Stats. Ch.945 and run the risk of criminal prosecution by the District Attorney in the county of infraction. The worthiness of the cause on whose behalf a game or promotion is being conducted has no bearing on the question of legality or illegality of the promotion.

Important Information on Raffles

From: [Wisconsin Department of Administration Website, Important Reminders and Sample Ticket Formats](http://www.doa.state.wi.us/docview.asp?docid=631&locid=7) (<http://www.doa.state.wi.us/docview.asp?docid=631&locid=7>)

SAMPLE TICKET FORMATS

Carefully review all the information that is listed on these examples. In order for your raffle to be in compliance with Wisconsin law, you must include all information listed below; 50/50 raffles and so called "bucket" raffles are no exception.

Advanced Sale—Need Not Be Present To Win

CLASS A License Required

Name and address of licensed organization sponsoring the raffle

Consecutive numbering on both portions of the ticket

List of prizes with a retail value of \$500.00 or more

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Name _____

Address _____

City/State _____

Phone _____

Licensed Organization
Address
City, State, ZIP

001

\$500.00 Grand Prize

Raffle Drawing: March 1, 2006—4:30 PM
Location of Drawing _____

License No. R9999A-00200

Ticket Cost \$1.00

Space for purchaser's name, address and phone

License Number

Date, time and place where drawing will be held

Cost of ticket

Same Day Sale—Must Be Present To Win

CLASS B License Required

Matched numbering on both portions of the ticket

Calendar Raffle
(Drawings Conducted on Each Date a Prize Is Listed)

CLASS A License Required

January 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 \$25	3	4 \$25	5	6 \$100	7
8	9 \$25	10	11 \$25	12	13 \$100	14
15	16 \$25	17	18 \$25	19	20 \$100	21
22	23 \$25	24	25 \$25	26	27 \$100	28
29	30 \$25	31				

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Consecutive numbering on both portions of the calendar

Winning stub returned for all subsequent drawing dates.

NAME _____

ADDRESS _____

PHONE _____

All Calendar Raffles Must be Pre-Approved

All calendar raffles must obtain pre-approval from the Office of Charitable Gaming before selling the calendars. This process is being implemented as a service to Class 'A' raffle licensees to make sure the correct calendar raffle format is utilized and to eliminate additional expenditures in having to modify printed items. Please mail or fax all advertising copy, rules and calendar layout proposals before submission to your printer, to: Attention Calendar Approval. We will review the materials and reply within ten working days. Once approved, further submittals are not needed unless format changes. Thank you.

IMPORTANT REMINDERS

Volunteer Responsibilities

Licenses issued by the Wisconsin Division of Gaming are granted to qualified organizations for the purpose of raising monies to support their charitable causes. All activity must be conducted within the standards set forth by the Wisconsin Statutes and Administrative Code. Although the charitable licensed groups are by nature staffed by volunteer workers, failure to conduct gaming activities in a legal manner is grounds for revocation of license privilege. Organizations are urged to select only qualified, knowledgeable and responsible persons to oversee gaming conduct.

Illegal Use of Raffle License

A raffle license is issued for the **EXCLUSIVE** use of your qualified organization. **ALL** profits derived from its use must support the licensee's purpose for existence and be spent locally per s.563.905 (1) Stats.. The license may not be loaned to another organization or individual. No person or organization may be paid any type of compensation to conduct a raffle or sell tickets. Raffle ticket purchases are **not** tax deductible. "EARLY BIRD" drawings are not permitted. Unauthorized use of the license or profits derived from raffles will result in permanent loss of fund-raising privileges.

Raffle License Applicants

All **Original** applications must be accompanied by the documentation requested in the application check list. Applications received without these documents will be rejected. Organizations who have been issued a Class 'A' license in the past, and are requesting a Class 'B' license, for example, must provide documentation for a Class 'B' application as each license is issued on its own merit.

All **Renewal** applications cannot be accepted more than 60 days prior to the expiration date.

Duplicate Raffle License & Name Changes

If a **duplicate raffle license** is needed, send a note with your license number, organization name, address where license should be mailed, and a \$5.00 check.

To **change the designated member**, file a renewal application and complete sections A and B.

To file an **organization name change**, include the new name and other new information on the next renewal application, providing documentation of the old name, the new name and date the change occurred. There is no need to request a name change prior to renewal.

Comply With The LAW

EVERY raffle held in Wisconsin must comply with Chapter 563 of the Wisconsin Statutes. Raffles are not sweepstakes or lotteries involving random numbers to determine a winner. A raffle license is not protection from criminal prosecution for conducting gaming formats other than a legal raffle. Internet sales violate both state and federal law. Check with the Office of Charitable Gaming before entering into what may be an illegal gambling scheme. (608) 270-2552, (800) 791-6973, FAX (608) 270-2564, or mail to PO Box 8979, Madison, WI 53708-8979.

Remember

Class A tickets or calendars cannot be sold more than 270 days before the drawing. The purchaser must complete the drawing stub and be given their receipt portion of the ticket. For additional information, please see brochures entitled Statutory Requirements for Raffles in Wisconsin and Wisconsin Administrative Code for the Conduct of Raffles in Wisconsin. Violations may result in revocation or suspension of your organization's license.



IT IS A VIOLATION OF FEDERAL LAW TO SEND RAFFLE TICKETS, STUBS,
OR MONIES FOR SAME VIA THE U.S. MAIL.
CONTACT YOUR LOCAL POSTMASTER FOR DETAILS.



— Over —

DOG-127 (1/2011)

From: [Statutory Requirements for Raffles in Wisconsin](#)

(<http://www.doa.state.wi.us/docview.asp?docid=230&locid=7>)

563.93 The conduct of raffles under a Class A license. All of the following shall apply to the conduct of a raffle under a class A license:

- (1) All raffle tickets and all calendars shall be identical in form and include:
 - (a) The number of the license issued by the department.
 - (b) The name and address of the sponsoring organization.
 - (c) The price of the ticket or calendar and the discounted price, if any, applicable to multiple ticket or calendar purchases.
 - (d) A place for the purchaser to enter his or her name and address.
 - (e) The date, time, and place of the drawing or drawings.
 - (f) A list of each prize to be awarded which has a retail value of \$500 or more.

(1s) Each raffle ticket and each calendar sold by an organization shall include a separate identification number, printed on both the purchaser's and the organization's portion of the ticket or calendar, numbered consecutively in relation to the other tickets or calendars for the same drawing.

(2) No raffle ticket may exceed \$100 in cost.

(2m) No calendar may exceed \$10 in cost for each month covered by the calendar.

(3) No person may sell a raffle ticket or calendar unless authorized by an organization with a Class A license.

(4) Tickets for a proposed raffle may not be offered for sale more than 270 days before the raffle drawing.

(4m) The organization that conducts a raffle under a Class A license shall provide the purchaser of a raffle ticket or calendar the purchaser's portion of the ticket or calendar before the raffle drawing.

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

(6) All prizes shall be awarded. The purchaser of a ticket or calendar need not be present at the drawing to win a prize.

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

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

563.935 The conduct of raffles under a Class B license. All of the following shall apply to the conduct of a raffle under a Class B license:

(1) All raffle tickets shall be identical in form

(2) The tickets need not be numbered consecutively.

(3) No raffle ticket may exceed \$10 in cost.

(4) No person may sell a raffle ticket unless authorized by an organization with a Class B license.

(5) All raffle drawings shall be held in public,

(6) The purchaser of a ticket must be present at the drawing to win a prize, unless the purchaser gives the ticket to another person who may claim the prize on behalf of the purchaser, but only if that other person is present at the drawing. If the purchaser of the ticket gives the ticket to another person to claim a prize on behalf of the purchaser, the organization conducting the raffle and the department shall not be held responsible or liable in any dispute regarding the ownership of the ticket.

(7) All prizes shall be awarded.

(8) The time of the drawing and the prizes to be awarded, the prize amount or the methodology used to determine the prize amount shall be posted or announced before the drawing.

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

(10) A raffle under a Class B license to which all of the following apply is one raffle for purposes of s. 563.91: (a) More than one drawing is held and more than one prize is awarded on the same date and at the same location.

(b) Drawings for each prize or group of prizes are made from a container specific to each prize or group of prizes.

(c) The raffle ticket purchaser places his or her ticket in the container of his or her choice.

563.97 Records. Each organization licensed to conduct raffles shall maintain a list of the names and addresses of all persons winning prizes with a retail value of \$100 or more, and the prizes won, for at least 12 months after each raffle is conducted. The list shall be available at reasonable times for public examination and shall be provided to the department upon request.

563.99 Penalties.

(1) Any person who violates this subchapter shall be fined not more than \$1,000 or imprisoned not more than 30 days or both.

(2) The district attorney of a county of an actual or potential violation may commence an action in circuit court in the name of the state to restrain any violation of this subchapter. The court may, prior to entry of final judgment, make such an order or judgment as necessary to restore to any person any pecuniary loss suffered because of the acts or practices involved in the violation.

From: Wisconsin Administrative Code for the Conduct of Raffles in Wisconsin

(<http://www.doa.state.wi.us/docview.asp?docid=233&locid=7>)

Game 44.08 Display of license. The original or a copy of the raffle license certificate shall be displayed at the place where the raffle drawing is conducted and at all times during the conduct of the raffle so as to be easily readable by any person at the drawing.

Game 44.09 Prohibited activities. (1) No licensed organization may offer a prize whose possession or ownership is age restricted by state or federal law unless the licensed organization prints on all raffle tickets the minimum age a person must be to purchase the raffle ticket.

(2) No licensed organization may permit the resale of any raffle ticket.

(3) No licensed organization may permit another organization or individual to use the licensed organization's license to conduct a raffle.

(4) No licensed organization may permit a raffle ticket to be utilized for any purpose other than as a gaming instrument.

Paddle Wheels

Summation of communications with personnel from the Wisconsin Office of Charitable Gaming:

Paddle wheels are illegal gambling in the state of Wisconsin, if they include the elements of prize, chance, and consideration.

- Paddle wheels cannot be used in conjunction with a raffle, in place of drawing the winning numbers by hand from a bin or bucket.
- Several parishes have tried to incorporate a paddle wheel into other games, in an effort to eliminate the illegal part, while maintaining the "excitement" that a paddle wheel brings to the game. However, if prize, chance, and consideration are still present, it is still illegal gambling in the state of Wisconsin.

A paddle wheel is not illegal of itself, which is why you see them advertised for sale. If you use a paddle wheel without one of the three elements of prize, chance, and consideration, it is legal.