

PRIZES AND SWEEPSTAKES

Prize Notices

Prize Notice Required

Wisconsin Statutes section 100.171 regulates prize notices. Whenever a promoter tells a consumer that the consumer has been selected or may be eligible to receive a prize, the promoter must give the consumer a written “prize notice.” The promoter must give the “prize notice” before requesting or accepting any form of payment from the consumer.

Form of Notice

A “prize notice” must include all the following information:

- The name and address of the “solicitor” (the person making the prize offer to the consumer) and the “sponsor” (the person on whose behalf the solicitor is making the prize offer).
- The verifiable retail value of each prize that the consumer has been selected to receive, or may be eligible to receive.
- The odds of receiving each prize identified in the “prize notice,” if more than one prize is listed.
- Any requirement or invitation to hear or attend a sales presentation in order to claim a prize. The notice must disclose the approximate length of the sales presentation, and must describe the property or services being sold.
- Any shipping, handling or other fees that the consumer must pay in order to receive or use a prize.
- A disclosure of any applicable prize restrictions, and any limitations on eligibility.

The law spells out specific requirements related to “prize notices,” including requirements related to the location, type size and form of disclosures.

Sales Presentations

If a consumer must hear or attend a sales presentation in order to claim a prize, the sales presentation may not begin until both the following occur:

- The consumer is informed of the prize, if any, that the consumer will receive.

- The consumer receives the prize, if any, that has been awarded.

Prize Not Available

If a prize awarded to a consumer is not available, the consumer must be given his or her choice of one of the following:

- Any other prize, listed in the “prize notice,” that has equal or greater value.
- The verifiable retail value of the prize, paid in the form of cash, money order or certified check.
- A voucher, certificate or other evidence of obligation stating that the prize will be shipped to the consumer within 30 days at no cost to the consumer.

Exemptions

The “prize notice” law does *not* apply to any of the following:

- A notice given to a consumer at his or her request.
- A notice informing a consumer that he or she has won a prize in a contest or promotion that the consumer previously entered, if the consumer actually receives that prize.
- An “in-pack chance promotion” authorized under Wisconsin Statutes section 100.16(2).

Enforcement

DATCP or a district attorney may prosecute violations of the prize notice law. The Department of Justice or a district attorney may represent DATCP in court. Law violators are subject to the following sanctions:

- DATCP or a district attorney may seek a court injunction and court-ordered restitution for consumers.
- DATCP or a district attorney may seek court-ordered civil forfeitures of up to \$5,000 per violation.
- A district attorney may initiate a criminal prosecution against an intentional violator. An intentional violation is punishable by a criminal fine of up to \$10,000 and 2 years in prison.