

SUBCHAPTER XI. GENERAL POLICE REGULATIONS.

Article 37.

Lotteries, Gaming, Bingo and Raffles.

Part 1. Lotteries and Gaming.

§ 14-289. Advertising lotteries.

Except as provided in Chapter 18C of the General Statutes or in connection with a lawful raffle as provided in Part 2 of this Article, if anyone by writing or printing or by circular or letter or in any other way, advertises or publishes an account of a lottery, whether within or without this State, stating how, when or where the same is to be or has been drawn, or what are the prizes therein or any of them, or the price of a ticket or any share or interest therein, or where or how it may be obtained, he shall be guilty of a Class 2 misdemeanor. News medium as defined in G.S. 8-53.11 shall be exempt from this section provided the publishing is in connection with a lawful activity of the news medium. (1887, c. 211; Rev., s. 3725; C.S., s. 4427; 1979, c. 893, s. 3; 1983, c. 896, s. 1; 1993, c. 539, s. 199; 1994, Ex. Sess., c. 24, s. 14(c); 2005-276, s. 31.1(v2); 2005-344, s. 3(a).)

§ 14-290. Dealing in lotteries.

Except as provided in Chapter 18C of the General Statutes or in connection with a lawful raffle as provided in Part 2 of this Article, if any person shall open, set on foot, carry on, promote, make or draw, publicly or privately, a lottery, by whatever name, style or title the same may be denominated or known; or if any person shall, by such way and means, expose or set to sale any house, real estate, goods, chattels, cash, written evidence of debt, certificates of claims or any other thing of value whatsoever, every person so offending shall be guilty of a Class 2 misdemeanor which may include a fine not to exceed two thousand dollars (\$2,000). Any person who engages in disposing of any species of property whatsoever, including money and evidences of debt, or in any manner distributes gifts or prizes upon tickets, bottle crowns, bottle caps, seals on containers, other devices or certificates sold for that purpose, shall be held liable to prosecution under this section. Any person who shall have in his possession any tickets, certificates or orders used in the operation of any lottery shall be held liable under this section, and the mere possession of such tickets shall be prima facie evidence of the violation of this section. This section shall not apply to the possession of a lottery ticket or share for a lottery game being lawfully conducted in another state. (1834, c. 19, s. 1; R.C., c. 34, s. 69; 1874-5, c. 96; Code, s. 1047; Rev., s. 3726; C.S., s. 4428; 1933, c. 434; 1937, c. 157; 1979, c. 893, s. 4; 1983, c. 896, s. 1; 1993, c. 539, s. 200; 1994, Ex. Sess., c. 24, s. 14(c); 2005-344, s. 3(b).)

§ 14-291. Selling lottery tickets and acting as agent for lotteries.

Except as provided in Chapter 18C of the General Statutes or in connection with a lawful raffle as provided in Part 2 of this Article, if any person shall sell, barter or otherwise dispose of any lottery ticket or order for any number of shares in any lottery, or shall in anywise be concerned in such lottery, by acting as agent in the State for or on behalf of any such lottery, to be drawn or paid either out of or within the State, such person shall be guilty of a Class 2 misdemeanor. (1834, c. 19, s. 2; R.C., c. 34, s. 70; Code, s. 1048; Rev., s. 3727; C.S., s. 4429; 1979, c. 893, s. 5; 1983, c. 896, s. 1; 1993, c. 539, s. 201; 1994, Ex. Sess., c. 24, s. 14(c); 2005-344, s. 3(c).)

§ 14-291.1. Selling "numbers" tickets; possession prima facie evidence of violation.

Except as provided in Chapter 18C of the General Statutes, in connection with a lawful lottery conducted in another state, or in connection with a lawful raffle as provided in Part 2 of this Article, if any person shall sell, barter or cause to be sold or bartered, any ticket, token, certificate or order for any number or shares in any lottery, commonly known as the numbers or butter and egg lottery, or lotteries of similar character, to be drawn or paid within or without the State, such person shall be guilty of a Class 2 misdemeanor. Any person who shall have in his possession any tickets, tokens, certificates or orders used in the operation of any such lottery shall be guilty under this section, and the possession of such tickets shall be prima facie evidence of the violation of this section. (1943, c. 550; 1979, c. 893, s. 6; 1983, c. 896, s. 1; 1993, c. 539, s. 202; 1994, Ex. Sess., c. 24, s. 14(c); 2005-344, s. 3(d).)

§ 14-291.2. Pyramid and chain schemes prohibited.

(a) No person shall establish, operate, participate in, or otherwise promote any pyramid distribution plan, program, device or scheme whereby a participant pays a valuable consideration for the opportunity or chance to receive a fee or compensation upon the introduction of other participants into the program, whether or not such opportunity or chance is received in conjunction with the purchase of merchandise. A person who establishes or operates a pyramid distribution plan is guilty of a Class H felony. A person who participates in or otherwise promotes a pyramid distribution plan is deemed to participate in a lottery and is guilty of a Class 2 misdemeanor.

(b) "Pyramid distribution plan" means any program utilizing a pyramid or chain process by which a participant gives a valuable consideration for the opportunity to receive compensation or things of value in return for inducing other persons to become participants in the program; and "Compensation" does not mean payment based on sales of goods or services to persons who are not participants in the scheme, and who are not purchasing in order to participate in the scheme.

(c) Any judge of the superior court shall have jurisdiction, upon petition by the Attorney General of North Carolina or district attorney of the superior court, to enjoin, as an unfair or deceptive trade practice, the continuation of the scheme described in subsection (a); in such proceeding the court may assess civil penalties and attorneys' fees to the Attorney General or the District Attorney pursuant to G.S. 75-15.2 and 75-16.1; and the court may appoint a receiver to secure and distribute assets obtained by any defendant through participation in any such scheme. The clear proceeds of civil penalties provided for in this subsection shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(d) Any contract hereafter created for which a part of the consideration consisted of the opportunity or chance to participate in a program described in subsection (a) is hereby declared to be contrary to public policy and therefore void and unenforceable. (1971, c. 875, s. 1; 1973, c. 47, s. 2; 1983, c. 721, s. 2; 1993, c. 539, s. 203; 1994, Ex. Sess., c. 24, s. 14(c); 1997-443, s. 19.25(x); 1998-215, s. 96.)

§ 14-292. Gambling.

Except as provided in Chapter 18C of the General Statutes or in Part 2 or Part 4 of this Article, any person or organization that operates any game of chance or any person who plays at or bets on any game of chance at which any money, property or other thing of value is bet, whether the same be in stake or not, shall be guilty of a Class 2 misdemeanor. This section shall not apply to a person who plays at or bets on any lottery game being

lawfully conducted in any state. (1891, c. 29; Rev., s. 3715; C.S., s. 4430; 1979, c. 893, s. 1; 1983, c. 896, s. 1; 1993, c. 539, s. 204; 1994, Ex. Sess., c. 24, s. 14(c); 2005-344, s. 3(e); 2019-13, s. 1.)

§ 14-292.1. Repealed by Session Laws 1983, c. 896, s. 2.

§ 14-292.2. Class III gaming on Indian lands.

(a) Except as otherwise provided in this section, and notwithstanding any laws which make Class III gaming, as defined by the federal Indian Gaming Regulatory Act, 25 U.S.C. § 2701, et seq., unlawful in this State, the Class III gaming activities listed in subsection (b) of this section may legally be conducted on Indian lands that are held in trust by the United States government for and on behalf of federally recognized Indian tribes, if all the following apply:

- (1) The Class III games are conducted in accordance with a valid Class III Tribal-State Gaming Compact or an amendment to a Compact, applicable to the tribe, that has been negotiated and entered into by the Governor under the authority provided in G.S. 147-12(a)(14) and G.S. 71A-8.
- (2) The Tribal-State Gaming Compact has been approved by the U.S. Department of the Interior.
- (3) The Tribal-State Gaming Compact requires that all monies paid by the tribe under the Compact be paid to the Indian Gaming Education Revenue Fund established by law.

(b) The following Class III games may lawfully be conducted pursuant to subsection (a) of this section:

- (1) Gaming machines.
- (2) Live table games.
- (3) Raffles, as defined in G.S. 14-309.15(b).
- (4) Video games, as defined in G.S. 14-306 and G.S. 14-306.1A.
- (5) Sports and horse race wagering.

(c) Nothing in this section shall modify or affect laws applicable to persons or entities other than federally recognized Indian tribes operating games in accordance with subsection (a) of this section.

(d) Notwithstanding any other provision of law, there shall be no more than three Class III gaming facilities authorized by a Compact entered under subsection (a) of this section on the lands of any single Indian tribe, and a Compact that authorizes or allows for the operation of more than three such facilities shall be invalid.

(e) As used in this section, the following terms mean:

- (1) Gaming machine. – A machine that meets the definition of any of the following:
 - a. As set forth in G.S. 14-306.
 - b. "Gaming machine" as set forth in 25 C.F.R. § 542.2.
 - c. "Gambling device" as set forth in 15 U.S.C. § 1171.
- (2) Live table games. – Games that utilize real nonelectronic cards, dice, chips, or equipment in the play and operation of the game.

- (3) Sports wagering. – The placing of wagers on the outcome of professional and collegiate sports contests. For purposes of this subdivision, the wager shall be deemed to occur where it is initiated and received, all of which must occur on Indian lands within the State lawfully permitted to conduct Class III gaming activities pursuant to G.S. 14-292.2(a).
- (4) Horse race wagering. – Fixed odds or pari-mutuel wagering on thoroughbred, harness or other racing of horses, including simulcasting and off-track betting. For purposes of this subdivision, the wager shall be deemed to occur where it is initiated and received, all of which must occur on Indian lands within the State lawfully permitted to conduct Class III gaming activities pursuant to G.S. 14-292.2(a). (2012-6, s. 2; 2019-163, s. 1.)

§ 14-293. Allowing gambling in houses of public entertainment; penalty.

Except as provided in Chapter 18C of the General Statutes, if any keeper of an ordinary or other house of entertainment, or of a house wherein alcoholic beverages are retailed, shall knowingly suffer any game, at which money or property, or anything of value, is bet, whether the same be in stake or not, to be played in any such house, or in any part of the premises occupied therewith; or shall furnish persons so playing or betting either on said premises or elsewhere with drink or other thing for their comfort or subsistence during the time of play, he shall be guilty of a Class 2 misdemeanor. Any person who shall be convicted under this section shall, upon such conviction, forfeit his license to do any of the businesses mentioned in this section, and shall be forever debarred from doing any of such businesses in this State. The court shall embody in its judgment that such person has forfeited his license, and no board of county commissioners, board of town commissioners or board of aldermen shall thereafter have power or authority to grant to such convicted person or his agent a license to do any of the businesses mentioned herein. (1799, c. 526, P.R.; 1801, c. 581, P.R.; 1831, c. 26; R.C., c. 34, s. 76; Code, s. 1043; 1901, c. 753; Rev., s. 3716; C.S., 4431; 1967, c. 101, s. 1; 1981, c. 412, s. 4(4); c. 747, s. 66; 1993, c. 539, s. 205; 1994, Ex. Sess., c. 24, s. 14(c); 2005-344, s. 3(f).)

§ 14-294. Gambling with faro banks and tables.

If any person shall open, establish, use or keep a faro bank, or a faro table, with the intent that games of chance may be played thereat, or shall play or bet thereat any money, property or other thing of value, whether the same be in stake or not, he shall be guilty of a Class 2 misdemeanor. (1848, c. 34; R.C., c. 71; 1856-7, c. 25; Code, s. 1044; Rev., s. 3717; C.S., s. 4432; 1993, c. 539, s. 206; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 14-295. Keeping gaming tables, illegal punchboards or slot machines, or betting thereat.

If any person shall establish, use or keep any gaming table (other than a faro bank), by whatever name such table may be called, an illegal punchboard or an illegal slot machine, at which games of chance shall be played, he shall be guilty of a Class 2 misdemeanor; and every person who shall play thereat or thereat bet any money, property or other thing of value, whether the same be in stake or not, shall be guilty of a Class 2 misdemeanor. (1791, c. 336, P.R.; 1798, c. 502, s. 2, P.R.; R.C., c. 34, s. 72; Code, s. 1045; Rev., s. 3718; C.S., s. 4433; 1931, c. 14, s. 2; 1993, c. 539, s. 207; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 14-296. Illegal slot machines and punchboards defined.

An illegal slot machine or punchboard within the contemplation of G.S. 14-295 through 14-298 is defined as a device where the user may become entitled to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306. (1931, c. 14, s. 1; 1989, c. 406, s. 2.)

§ 14-297. Allowing gaming tables, illegal punchboards or slot machines on premises.

If any person shall knowingly suffer to be opened, kept or used in his house or on any part of the premises occupied therewith, any of the gaming tables prohibited by G.S. 14-289 through 14-300 or any illegal punchboard or illegal slot machine, he shall forfeit and pay to any one who will sue therefor two hundred dollars (\$200.00), and shall also be guilty of a Class 2 misdemeanor. (1798, c. 502, s. 3, P.R.; 1800, c. 5, s. 2, P.R.; R.C., c. 34, s. 73; Code, s. 1046; Rev., s. 3719; C.S., s. 4434; 1931, c. 14, s. 3; 1993, c. 539, s. 208; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 14-298. Seizure of illegal gaming items.

Upon a determination that probable cause exists to believe that any gaming table prohibited to be used by G.S. 14-289 through G.S. 14-300, any illegal punchboard or illegal slot machine, any video game machine prohibited to be used by G.S. 14-306 or G.S. 14-306.1A, any game terminal described in G.S. 14-306.3(b), or any electronic machine or device using an entertaining display in violation of G.S. 14-306.4 is in the illegal possession or use of any person within the limits of their jurisdiction, all sheriffs and law enforcement officers are authorized to seize the items in accordance with applicable State law. Any law enforcement agency in possession of that item shall retain the item pending a disposition order from a district or superior court judge. Upon application by the law enforcement agency, district attorney, or owner, and after notice and opportunity to be heard by all parties, if the court determines that the item is unlawful to possess, it shall enter an order releasing the item to the law enforcement agency for destruction or for training purposes. If the court determines that the item is not unlawful to possess and will not be used in violation of the law, the item shall be ordered released to its owner upon satisfactory proof of ownership. The foregoing procedures for release shall not apply, however, with respect to an item seized for use as evidence in any criminal action or proceeding until after entry of final judgment. (1791, c. 336, P.R.; 1798, c. 502, s. 2, P.R.; R.C., c. 34, s. 74; Code, s. 1049; Rev., s. 3720; C.S., s. 4435; 1931, c. 14, s. 4; 1973, c. 108, s. 11; 2000-151, s. 5; 2004-199, ss. 47(a), 47(b); 2004-203, s. 20(a); 2007-484, s. 3(a); 2008-122, s. 2; 2010-103, s. 2.)

§ 14-299. Property exhibited by gamblers to be seized; disposition of same.

Except as provided in Chapter 18C of the General Statutes or in G.S. 14-292, all moneys or other property or thing of value exhibited for the purpose of alluring persons to bet on any game, or used in the conduct of any such game, including any motor vehicle used in the conduct of a lottery within the purview of G.S. 14-291.1, shall be liable to be seized by any court of competent jurisdiction or by any person acting under its warrant. Moneys so seized shall be turned over to and paid to the treasurer of the county wherein they are seized, and placed in the general fund of the county. Any property seized which is used for and is suitable only for gambling shall be destroyed, and all other property so seized shall be sold in the manner provided for the sale of

personal property by execution, and the proceeds derived from said sale shall (after deducting the expenses of keeping the property and the costs of the sale and after paying, according to their priorities all known prior, bona fide liens which were created without the lienor having knowledge or notice that the motor vehicle or other property was being used or to be used in connection with the conduct of such game or lottery) be turned over and paid to the treasurer of the county wherein the property was seized, to be placed by said treasurer in the general fund of the county. (1798, c. 502, s. 3, P.R.; R.C., c. 34, s. 77; Code, s. 1051; Rev., s. 3722; C.S., s. 4436; 1943, c. 84; 1957, c. 501; 1973, c. 108, s. 12; 2005-344, s. 3(g).)

§ 14-300. Opposing destruction of gaming tables and seizure of property.

If any person shall oppose the destruction of any prohibited gaming table, or the seizure of any moneys, property or other thing staked on forbidden games, or shall take and carry away the same or any part thereof after seizure, he shall forfeit and pay to the person so opposed one thousand dollars (\$1,000), for the use of the State and the person so opposed, and shall, moreover, be guilty of a Class 2 misdemeanor. (1798, c. 502, s. 4, P.R.; R.C., c. 34, s. 78; Code, s. 1052; Rev., s. 3723; C.S., s. 4437; 1993, c. 539, s. 209; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 14-301. Operation or possession of slot machine; separate offenses.

It shall be unlawful for any person, firm or corporation to operate, keep in his possession or in the possession of any other person, firm or corporation, for the purpose of being operated, any slot machine or device where the user may become entitled to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306. Each time said machine is operated as aforesaid shall constitute a separate offense. (1923, c. 138, ss. 1, 2; C.S., s. 4437(a); 1989, c. 406, s. 3.)

§ 14-302. Punchboards, vending machines, and other gambling devices; separate offenses.

It shall be unlawful for any person, firm or corporation to operate or keep in his possession, or the possession of any other person, firm or corporation, for the purpose of being operated, any punchboard, slot machine or device where the user may become entitled to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306. Each time said punchboard, slot machine or device where the user may become entitled to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306 is operated, played, or patronized by the paying of money or other thing of value therefor, shall constitute a separate violation of this section as to operation thereunder. (1923, c. 138, ss. 3, 4; C.S., s. 4437(b); 1989, c. 406, s. 4.)

§ 14-303. Violation of two preceding sections a misdemeanor.

A violation of any of the provisions of G.S. 14-301 or 14-302 shall be a Class 2 misdemeanor. (1923, c. 138, s. 5; C.S., s. 4437(c); 1993, c. 366, s. 2, c. 539, s. 210; 1994, Ex. Sess., c. 14, s. 8(b).)

§ 14-304. Manufacture, sale, etc., of slot machines and devices.

It shall be unlawful to manufacture, own, store, keep, possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for sale or lease, or to offer to sell, rent, lease, let on shares, lend or give away, or to permit the operation of, or for any person to permit to be placed,

maintained, used or kept in any room, space or building owned, leased or occupied by him or under his management or control, any slot machine or device where the user may become entitled to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306. (1937, c. 196, s. 1; 1989, c. 406, s. 5.)

§ 14-305. Agreements with reference to slot machines or devices made unlawful.

It shall be unlawful to make or permit to be made with any person any agreement with reference to any slot machines or device where the user may become entitled to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306 pursuant to which the user thereof may become entitled to receive any money, credit, allowance, or anything of value or additional chance or right to use such machines or devices, or to receive any check, slug, token or memorandum entitling the holder to receive any money, credit, allowance or thing of value. (1937, c. 196, s. 2; 1989, c. 406, s. 6.)

§ 14-306. Slot machine or device defined.

(a) Any machine, apparatus or device is a slot machine or device within the provisions of G.S. 14-296 through 14-309, if it is one that is adapted, or may be readily converted into one that is adapted, for use in such a way that, as a result of the payment of any piece of money or coin or token or any credit card, debit card, prepaid card, or any other method that requires payment to activate play, whether directly into the slot machine or device or resulting in remote activation, such machine or device is caused to operate or may be operated in such manner that the user may receive or become entitled to receive any piece of money, credit, allowance or thing of value, or any check, slug, token or memorandum, whether of value or otherwise, or which may be exchanged for any money, credit, allowance or any thing of value, or which may be given in trade, or the user may secure additional chances or rights to use such machine, apparatus or device; or any other machine or device designed and manufactured primarily for use in connection with gambling and which machine or device is classified by the United States as requiring a federal gaming device tax stamp under applicable provisions of the Internal Revenue Code. This definition is intended to embrace all slot machines and similar devices except slot machines in which is kept any article to be purchased by depositing any coin or thing of value, and for which may be had any article of merchandise which makes the same return or returns of equal value each and every time it is operated, or any machine wherein may be seen any pictures or heard any music by depositing therein any coin or thing of value, or any slot weighing machine or any machine for making stencils by the use of contrivances operated by depositing in the machine any coin or thing of value, or any lock operated by slot wherein money or thing of value is to be deposited, where such slot machines make the same return or returns of equal value each and every time the same is operated and does not at any time it is operated offer the user or operator any additional money, credit, allowance, or thing of value, or check, slug, token or memorandum, whether of value or otherwise, which may be exchanged for money, credit, allowance or thing of value or which may be given in trade or by which the user may secure additional chances or rights

to use such machine, apparatus, or device, or in the playing of which the operator does not have a chance to make varying scores or tallies.

(b) The definition contained in subsection (a) of this section and G.S. 14-296, 14-301, 14-302, and 14-305 does not include coin-operated machines, video games, pinball machines, and other computer, electronic or mechanical devices that are operated and played for amusement, that involve the use of skill or dexterity to solve problems or tasks or to make varying scores or tallies and that:

- (1) Do not emit, issue, display, print out, or otherwise record any receipt, paper, coupon, token, or other form of record which is capable of being redeemed, exchanged, or repurchased for cash, cash equivalent, or prizes, or award free replays; or
- (2) In actual operation, limit to eight the number of accumulated credits or replays that may be played at one time and which may award free replays or paper coupons that may be exchanged for prizes or merchandise with a value not exceeding ten dollars (\$10.00), but may not be exchanged or converted to money.

(c) Any video machine, the operation of which is made lawful by subsection (b)(2) of this section, shall have affixed to it in view of the player a sticker informing that person that it is a criminal offense with the potential of imprisonment to pay more than that which is allowed by law. In addition, if the machine has an attract chip which allows programming, the static display shall contain the same message.

(d) The exception in subsection (b)(2) of this section does not apply to any machine that pays off in cash. The exemption in subsection (b)(2) of this section does not apply where the prizes, merchandise, credits, or replays are (i) repurchased for cash or rewarded by cash, (ii) exchanged for merchandise of a value of more than ten dollars (\$10.00), or (iii) where there is a cash payout of any kind, by the person operating or managing the machine or the premises, or any agent or employee of that person. It is also a criminal offense, punishable under G.S. 14-309, for the person making the unlawful payout to the player of the machine to violate this section, in addition to any other person whose conduct may be unlawful. (1937, c. 196, s. 3; 1967, c. 1219; 1977, c. 837; 1985, c. 644; 1989, c. 406, s. 1; 1993, c. 366, s. 1; 2000-151, s. 4; 2010-103, s. 3.)

§ 14-306.1: Repealed by Session Law 2006-6, s. 3, effective July 1, 2007, and applicable to offenses committed on or after that date.

§ 14-306.1A. Types of machines and devices prohibited by law; penalties.

(a) Ban on Machines. – It shall be unlawful for any person to operate, allow to be operated, place into operation, or keep in that person's possession for the purpose of operation any video gaming machine as defined in subsection (b) of this section, except for the exemption for a federally recognized Indian tribe under subsection (e) of this section for whom it shall be lawful to operate and possess machines as listed in subsection (b) of this section if conducted in accordance with an approved Class III Tribal-State Compact applicable to that tribe, as provided in G.S. 147-12(14) and G.S. 71A-8.

(b) Definitions. – As used in this section, a video gaming machine means a slot machine as defined in G.S. 14-306(a) and other forms of electrical, mechanical, or computer games such as, by way of illustration and not exclusion:

- (1) A video poker game or any other kind of video playing card game.
- (2) A video bingo game.
- (3) A video craps game.
- (4) A video keno game.
- (5) A video lotto game.
- (6) Eight liner.
- (7) Pot-of-gold.
- (8) A video game based on or involving the random or chance matching of different pictures, words, numbers, or symbols not dependent on the skill or dexterity of the player.
- (9) Any other video game not dependent on skill or dexterity that is played while revealing a prize as the result of an entry into a sweepstakes.

For the purpose of this section, a video gaming machine is a video machine which requires deposit of any coin or token, or use of any credit card, debit card, prepaid card, or any other method that requires payment, whether directly into the video gaming machine or resulting in remote activation, to activate play of any of the games listed in this subsection.

For the purpose of this section, a video gaming machine includes those that are within the scope of the exclusion provided in G.S. 14-306(b)(2) unless conducted in accordance with an approved Class III Tribal-State Compact applicable to that tribe as provided in G.S. 147-12(14) and G.S. 71A-8. For the purpose of this section, a video gaming machine does not include those that are within the scope of the exclusion provided in G.S. 14-306(b)(1).

(c) Exemption for Certain Machines. – This section shall not apply to:

- (1) Assemblers, repairers, manufacturers, sellers, lessors, or transporters of video gaming machines who assemble, repair, manufacture, sell, lease, or transport them for use out-of-state, or
- (2) Assemblers, repairers, manufacturers, sellers, lessors, or transporters of video gaming machines who assemble, repair, manufacture, sell, or lease video gaming machines for use only by a federally recognized Indian tribe if such machines may be lawfully used on Indian land under the Indian Gaming Regulatory Act.

To qualify for an exemption under this subsection, the machines must be disabled and not operable, unless the machines are located on Indian land where they may be lawfully operated under a Tribal-State Compact.

(d) Ban on Warehousing. – It is unlawful to warehouse any video gaming machine except in conjunction with the activities permitted under subsection (c) of this section.

(e) Repealed by Session Laws 2012-6, s. 3, effective June 6, 2012.

(f) Machines described in G.S. 14-306(b)(1) are excluded from this section. (2006-6, s. 4; 2006-259, s. 6; 2010-103, s. 4; 2012-6, s. 3.)

§ 14-306.2. Violation of G.S. 14-306.1A a violation of the ABC laws.

Violation of G.S. 14-306.1A is a violation of the gambling statutes for the purposes of G.S. 18B-1005(a)(3). (2000-151, s. 2.; 2006-6, s. 5.)

§ 14-306.3. Certain game promotions unlawful.

(a) It is unlawful to promote, operate, or conduct a server-based electronic game promotion.

(b) It is unlawful for any person to possess any game terminal with a display that simulates a game ordinarily played on a slot machine regulated under G.S. 14-306 or a video gaming machine regulated under G.S. 14-306.1A for the purpose of promoting, operating, or conducting a server-based electronic game promotion.

(c) As used in this section, "server-based electronic game promotion" means a system that meets all of the following criteria:

- (1) A database contains a pool of entries with each entry associated with a prize value.
- (2) Participants purchase, or otherwise obtain by any means, a prepaid card.
- (3) With each prepaid card purchased or obtained, the participant also obtains one or more entries.
- (4) Entries may be revealed in any of the following ways:
 - a. At a point-of-sale terminal at the time of purchase or later.
 - b. At a game terminal with a display that simulates a game ordinarily played on a slot machine regulated under G.S. 14-306 or a video gaming machine regulated under G.S. 14-306.1A.

(d) Upon conviction or plea of guilty, all of the following held by the person shall be automatically revoked:

- (1) A permit issued under Chapter 18B of the General Statutes.
- (2) A contract to sell tickets or shares under Article 5 of Chapter 18C of the General Statutes.

(e) Nothing in this section shall apply to the form of Class III gaming legally conducted on Indian lands which are held in trust by the United States government for and on behalf of federally recognized Indian tribes if conducted in accordance with an approved Class III Tribal-State Gaming Compact applicable to that tribe as provided in G.S. 147-12(14) and G.S. 71A-8. (2008-122, s. 1.)

§ 14-306.4. Electronic machines and devices for sweepstakes prohibited.

(a) Definitions. – For the purposes of this section, the following definitions apply:

- (1) "Electronic machine or device" means a mechanically, electrically or electronically operated machine or device, that is owned, leased or otherwise possessed by a sweepstakes sponsor or promoter, or any of the sweepstakes sponsor's or promoter's partners, affiliates, subsidiaries or contractors, that is intended to be used by a sweepstakes entrant, that uses energy, and that is capable of displaying information on a screen or other mechanism. This section is applicable to an electronic machine or device whether or not:
 - a. It is server-based.
 - b. It uses a simulated game terminal as a representation of the prizes associated with the results of the sweepstakes entries.

- c. It utilizes software such that the simulated game influences or determines the winning or value of the prize.
 - d. It selects prizes from a predetermined finite pool of entries.
 - e. It utilizes a mechanism that reveals the content of a predetermined sweepstakes entry.
 - f. It predetermines the prize results and stores those results for delivery at the time the sweepstakes entry results are revealed.
 - g. It utilizes software to create a game result.
 - h. It requires deposit of any money, coin, or token, or the use of any credit card, debit card, prepaid card, or any other method of payment to activate the electronic machine or device.
 - i. It requires direct payment into the electronic machine or device, or remote activation of the electronic machine or device.
 - j. It requires purchase of a related product.
 - k. The related product, if any, has legitimate value.
 - l. It reveals the prize incrementally, even though it may not influence if a prize is awarded or the value of any prize awarded.
 - m. It determines and associates the prize with an entry or entries at the time the sweepstakes is entered.
 - n. It is a slot machine or other form of electrical, mechanical, or computer game.
- (2) "Enter" or "entry" means the act or process by which a person becomes eligible to receive any prize offered in a sweepstakes.
- (3) "Entertaining display" means visual information, capable of being seen by a sweepstakes entrant, that takes the form of actual game play, or simulated game play, such as, by way of illustration and not exclusion:
- a. A video poker game or any other kind of video playing card game.
 - b. A video bingo game.
 - c. A video craps game.
 - d. A video keno game.
 - e. A video lotto game.
 - f. Eight liner.
 - g. Pot-of-gold.
 - h. A video game based on or involving the random or chance matching of different pictures, words, numbers, or symbols not dependent on the skill or dexterity of the player.
 - i. Any other video game not dependent on skill or dexterity that is played while revealing a prize as the result of an entry into a sweepstakes.
- (4) "Prize" means any gift, award, gratuity, good, service, credit, or anything else of value, which may be transferred to a person, whether possession of the prize is actually transferred, or placed on an account or other record as evidence of the intent to transfer the prize.
- (5) "Sweepstakes" means any game, advertising scheme or plan, or other promotion, which, with or without payment of any consideration, a person may enter to win or become eligible to receive any prize, the determination of which is based upon chance.

(b) Notwithstanding any other provision of this Part, it shall be unlawful for any person to operate, or place into operation, an electronic machine or device to do either of the following:

- (1) Conduct a sweepstakes through the use of an entertaining display, including the entry process or the reveal of a prize.
- (2) Promote a sweepstakes that is conducted through the use of an entertaining display, including the entry process or the reveal of a prize.

(c) It is the intent of this section to prohibit any mechanism that seeks to avoid application of this section through the use of any subterfuge or pretense whatsoever.

(d) Nothing in this section shall be construed to make illegal any activity which is lawfully conducted on Indian lands pursuant to, and in accordance with, an approved Tribal-State Gaming Compact applicable to that Tribe as provided in G.S. 147-12(14) and G.S. 71A-8.

(e) Each violation of this section shall be considered a separate offense.

(f) Any person who violates this section is guilty of a Class 1 misdemeanor for the first offense and is guilty of a Class H felony for a second offense and a Class G felony for a third or subsequent offense. (2010-103, s. 1.)

§ 14-307. Issuance of license prohibited.

There shall be no State, county, or municipal tax levied for the privilege of operating the machines or devices the operation of which is prohibited by G.S. 14-304 through 14-309. (1937, c. 196, s. 4.)

§ 14-308. Declared a public nuisance.

An article or apparatus maintained or kept in violation of G.S. 14-304 through 14-309 is a public nuisance. (1937, c. 196, s. 5.)

§ 14-309. Violation made criminal.

(a) Any person who violates any provision of G.S. 14-304 through 14-309 is guilty of a Class 1 misdemeanor for the first offense, and is guilty of a Class H felony for a second offense and a Class G felony for a third or subsequent offense.

(b) Notwithstanding the provisions of subsection (a) of this section, any person violating the provisions of G.S. 14-306.1A involving the operation of five or more machines prohibited by that section is guilty of a Class G felony.

(c) Notwithstanding the provisions of subsection (a) of this section, any person violating the provisions of G.S. 14-306.3(b) involving the possession of five or more machines prohibited by that subsection is guilty of a Class G felony. (1937, c. 196, s. 6; 1993, c. 366, s. 3, c. 539, s. 211; 1994, Ex. Sess., c. 14, s. 9(a), (b); 2000-151, s. 3; 2006-6, s. 11; 2008-122, s. 3.)

§ 14-309.1. Defense to possession; antique slot machines.

(a) In any prosecution for possession of a slot machine or device as defined in G.S. 14-306, it is a defense that the slot machine was not intended to be used in the operation or promotion of unlawful gambling activity or enterprise and that the slot machine is an antique. For purposes of

this section a slot machine manufactured 25 years ago or earlier is conclusively presumed to be an antique.

(b) When a defendant raises the defense provided in subsection (a), any slot machine seized from the defendant shall not be destroyed or otherwise altered until a final court determination is rendered. If the court determines that the defense has been proved the slot machine shall be returned immediately to the defendant. (1979, 2nd Sess., c. 1090.)

§ 14-309.2: Repealed by Session Laws 2005-276, s. 31.1(v2), effective July 1, 2005.

§ 14-309.3. **Reserved for future codification purposes.**

§ 14-309.4. **Reserved for future codification purposes.**

Part 2. Bingo and Raffles.

§ 14-309.5. **Bingo.**

(a) The purpose of the conduct of bingo is to insure a maximum availability of the net proceeds exclusively for application to the charitable, nonprofit causes and undertakings specified herein; that the only justification for this Part is to support such charitable, nonprofit causes; and such purpose should be carried out to prevent the operation of bingo by professionals for profit, prevent commercialized gambling, prevent the disguise of bingo and other game forms or promotional schemes, prevent participation by criminal and other undesirable elements, and prevent the diversion of funds for the purpose herein authorized.

(b) It is lawful for an exempt organization to conduct bingo games in accordance with the provisions of this Part. Any licensed exempt organization who conducts a bingo game in violation of any provision of this Part shall be guilty of a Class 2 misdemeanor. Upon conviction such person shall not conduct a bingo game for a period of one year. It is lawful to participate in a bingo game conducted pursuant to this Part. It shall be a Class I felony for any person: (i) to operate a bingo game without a license; (ii) to operate a bingo game while license is revoked or suspended; (iii) to willfully misuse or misapply any moneys received in connection with any bingo game; or (iv) to contract with or provide consulting services to any licensee. It shall not constitute a violation of any State law to advertise a bingo game conducted in accordance with this Part. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, ss. 1-4; 1989 (Reg. Sess., 1990), c. 826, s. 1; 1993, c. 539, ss. 212, 1231; 1994, Ex. Sess., c. 24, s. 14(c).)

§ 14-309.6. **Definitions.**

For purposes of this Part, the term:

- (1) "Exempt organization" means an organization that has been in continuous existence in the county of operation of the bingo game for at least one year and that is exempt from taxation under section 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10), 501(c)(19), or 501(d) of the Internal Revenue Code and is exempt under similar provisions of the General Statutes as a bona fide nonprofit charitable, civic, religious, fraternal, patriotic or veterans' organization or as a nonprofit volunteer fire department, or as a nonprofit volunteer rescue squad or

- a bona fide homeowners' or property owners' association. (If the organization has local branches or chapters, the term "exempt organization" means the local branch or chapter operating the bingo game);
- (2) "Bingo game" means a specific game of chance played with individual cards having numbered squares ranging from one to 75, in which prizes are awarded on the basis of designated numbers on such cards conforming to a predetermined pattern of numbers (but shall not include "instant bingo" which is a game of chance played by the selection of one or more prepackaged cards, with winners determined by the appearance of a preselected designation on the card);
 - (3) Repealed by Session Laws 1983 (Regular Session 1984), c. 1107, s. 5.
 - (4) "Local law-enforcement agency" means for any bingo game conducted outside the corporate limits of a municipality or inside the corporate limits of a municipality having no municipal police force:
 - a. The county police force; or
 - b. The county sheriff's office in a county with no county police force;
 - (5) "Local law-enforcement agency" means the municipal police for any bingo game conducted within the corporate limits of a municipality having a police force;
 - (6) "Beach bingo games" means bingo games which have prizes of ten dollars (\$10.00) or less or merchandise that is not redeemable for cash and that has a value of ten dollars (\$10.00) or less; and
 - (7) "Licensed exempt organization" means an exempt organization which possesses a currently valid license.
 - (8) "Nonprofit organization" means an organization or association recognized by the Department of Revenue as tax exempt pursuant to G.S. 105-130.11(a), or any bona fide branch, chapter, or affiliate of that organization. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, ss. 2, 5; 2018-100, s. 5(a).)

§ 14-309.7. Licensing procedure.

(a) An exempt organization may not operate a bingo game at a location without a license. Application for a bingo license shall be made to the State Bureau of Investigation on a form prescribed by the Bureau. The Bureau shall charge an annual application fee of two hundred dollars (\$200.00) to defray the cost of issuing bingo licenses and handling bingo audit reports. The fees collected shall be deposited in the General Fund of the State. This license shall expire one year after the granting of the license. This license may be renewed yearly, if the applicant pays the application fee and files an audit with the Bureau pursuant to G.S. 14-309.11. A copy of the application and license shall be furnished to the local law-enforcement agency in the county or municipality in which the licensee intends to operate before bingo is conducted by the licensee.

(b) Each application and renewal application shall contain the following information:

- (1) The name and address of the applicant and if the applicant is a corporation, association or other similar legal entity, the name and home address of each of

the officers of the organization as well as the name and address of the directors, or other persons similarly situated, of the organization.

- (2) The name and home address of each of the members of the special committee.
- (3) A copy of the application for recognition of exemptions and a determination letter from the Internal Revenue Service and the Department of Revenue that indicates that the organization is an exempt organization and stating the section under which that exemption is granted; except that if the organization is a State or local branch, lodge, post, or chapter of a national organization, a copy of the determination letter of the national organization satisfies this requirement.
- (4) The location at which the applicant will conduct the bingo games. If the premises are leased, a copy of the lease or rental agreement.

(c) In order for an exempt organization to have a member familiar with the operation of bingo present on the premises at all times when bingo is being played and for this member to be responsible for the receiving, reporting and depositing of all revenues received, the exempt organization may pay one member for conducting a bingo game. Such pay shall be on an hourly basis only for the time bingo is actually being played and shall not exceed one and one-half times the existing minimum wage in North Carolina. The member paid under this provision shall be a member in good standing of the exempt organization for at least one year and shall not be the lessor or an employee or agent of the lessor. No other person may be compensated for conducting a bingo game from funds derived from any activities occurring in, or simultaneously with, the playing of bingo, including funds derived from concessions. An exempt organization shall not contract with any person for the purpose of conducting a bingo game. Except as provided in subsection (e) of this section, an exempt organization may hold a bingo game only in or on property owned (either legally or equitably and the buildings must be of a permanent nature with approved plumbing for bathrooms and not movable or of a temporary nature such as a tent or lean-to) or leased by the organization from the owner or bona fide property management agent (no subleasing is permitted) at a total monthly rental in an amount not to exceed one and one-quarter percent (1 1/4%) of the total assessed ad valorem tax value of the portion of the building actually used for the bingo games and the land value on which the building is located (not to exceed two acres) for all activities conducted therein including the playing of bingo for a period of not less than one year and actually occupied and used by that organization on a regular basis for purposes other than bingo for at least six months before the game; and all equipment used by the exempt organization in conducting the bingo game must be owned by the organization. Unless the exempt organization leases the property in accordance with this subsection, an exempt organization may conduct a bingo game only in or on property that is exempt from property taxes levied under Subchapter II of Chapter 105 of the General Statutes, or that is classified and not subject to any property taxes levied under Subchapter II of Chapter 105 of the General Statutes. It shall be unlawful for any person to operate beach bingo games at a location which is being used by any licensed exempt organization for the purpose of conducting bingo games.

(d) Conduct of a bingo game or raffle under this Part on such property shall not operate to defeat an exemption or classification under Subchapter II of Chapter 105 of the General Statutes.

(e) An exempt organization that wants to conduct only an annual or semiannual bingo game may apply to the State Bureau of Investigation for a limited occasion permit. The State Bureau of Investigation may require such information as is reasonable and necessary to determine that the bingo game is conducted in accordance with the provisions of this Part but may not require more information than previously specified in this section for application of a regular license. The application shall be made to the Bureau on prescribed forms at least 30 days prior to the scheduled date of the bingo game. In lieu of the reporting requirements of G.S. 14-309.11(b) the exempt organization shall file with the licensing agency and local law-enforcement a report on prescribed forms no later than 30 days following the conduct of the bingo game for which the permit was obtained. Such report may require such information as is reasonable and necessary to determine that the bingo game was conducted in accordance with the provisions of this Part but may not require more information than specified in G.S. 14-309.11(b). Any licensed exempt organization may donate or loan its equipment or use of its premises to an exempt organization which has secured a limited occasion permit provided such arrangement is disclosed in the limited occasion permit application and is approved by the State Bureau of Investigation. Except as stated above, all provisions of this Part shall apply to any exempt organization operating a bingo game under this provision. (1983, c. 896, s. 3; c. 923, s. 217; 1983 (Reg. Sess., 1984), c. 1107, ss. 2, 4, 6; 1987, c. 866, ss. 1, 2; 1987 (Reg. Sess., 1988), c. 1001, s. 1; 1997-443, s. 11A.118(a); 2002-159, ss. 3(a), 3(b); 2009-451, s. 17.6; 2011-145, s. 19.1(g); 2016-27, s. 3; 2017-102, s. 5.1(a).)

§ 14-309.8. Limit on sessions.

The number of sessions of bingo conducted or sponsored by an exempt organization shall be limited to two sessions per week and such sessions must not exceed a period of five hours each per session. No two sessions of bingo shall be held within a 48-hour period of time. No more than two sessions of bingo shall be operated or conducted in any one building, hall or structure during any one calendar week and if two sessions are held, they must be held by the same exempt organization. This section shall not apply to bingo games conducted at a fair or other exhibition conducted pursuant to Article 45 of Chapter 106 of the General Statutes. (1983, c. 896, s. 3; c. 923, s. 217; 1983 (Reg. Sess., 1984), c. 1107, ss. 6, 7.)

§ 14-309.9. Bingo prizes.

(a) The maximum prize in cash or merchandise that may be offered or paid for any one game of bingo is five hundred dollars (\$500.00). The maximum aggregate amount of prizes, in cash and/or merchandise, that may be offered or paid at any one session of bingo is one thousand five hundred dollars (\$1,500). Provided, however, that if an exempt organization holds only one session of bingo during a calendar week, the maximum aggregate amount of prizes, in cash and/or merchandise, that may be offered or paid at any one session is two thousand five hundred dollars (\$2,500).

(b) Repealed by Session Laws 1983 (Regular Session 1984), c. 1107, s. 8.

(c) This section shall not apply to bingo games conducted at a fair or other exhibition conducted pursuant to Article 45 of Chapter 106 of the General Statutes. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, ss. 6, 8.)

§ 14-309.10. Operation of bingo.

The operation of bingo games shall be the direct responsibility of, and controlled by, a special committee selected by the governing body of the exempt organization in the manner provided by the rules of the exempt organization. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, s. 9.)

§ 14-309.11. Accounting and use of proceeds.

(a) All funds received in connection with a bingo game shall be placed in a separate bank account. No funds may be disbursed from this account except the exempt organization may expend proceeds for prizes, advertising, utilities, and the purchase of supplies and equipment used [in conducting the raffle and] in playing bingo, taxes and license fees related to bingo and the payment of compensation as authorized by G.S. 14-309.7(c) and for the purposes set forth below for the remaining proceeds. Such payments shall be made by consecutively numbered checks. Any proceeds available in the account after payment of the above expenses shall inure to the exempt organization to be used for religious, charitable, civic, scientific, testing, public safety, literary, or educational purposes or for purchasing, constructing, maintaining, operating or using equipment or land or a building or improvements thereto owned by and for the exempt organization and used for civic purposes or made available by the exempt organization for use by the general public from time to time, or to foster amateur sports competition, or for the prevention of cruelty to children or animals, provided that no proceeds shall be used or expended for social functions for the members of the exempt organization.

(b) An audit of the account required by subsection (a) of this section shall be prepared annually for the period of January 1 through December 31 or otherwise as directed by the State Bureau of Investigation and shall be filed with the State Bureau of Investigation and the local law-enforcement agency at a time directed by the State Bureau of Investigation. The audit shall be prepared on a form approved by the State Bureau of Investigation and shall include the following information:

- (1) The number of bingo games conducted or sponsored by the exempt organization;
- (2) The location and date at which each bingo game was conducted and the prize awarded;
- (3) The gross receipts of each bingo game;
- (4) The cost or amount of any prize given at each bingo game;
- (5) The amount paid in prizes at each session;
- (6) The net return to the exempt organization; and
- (7) The disbursements from the separate account and the purpose of those disbursements, including the date of each transaction and the name and address of each payee.

(c) Any person who shall willfully furnish, supply, or otherwise give false information in any audit or statement filed pursuant to this section shall be guilty of a Class 2 misdemeanor.

(d) All books, papers, records and documents relevant to determining whether an organization has acted or is acting in compliance with this section shall be open to inspection by the law-enforcement agency or its designee, or the district attorney or his designee, or the State Bureau of Investigation at reasonable times and during reasonable hours. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, ss. 2, 3, 9; 1987, c. 866, s. 3; 1987 (Reg. Sess., 1988), c. 1001, s. 1; 1993, c. 539, s. 213; 1994, Ex. Sess., c. 24, s. 14(c); 1997-443, s. 11A.118(a); 2002-159, ss. 4(a), (b); 2011-145, s. 19.1(g); 2016-27, s. 3.)

§ 14-309.12. Violation is gambling.

A bingo game conducted otherwise than in accordance with the provisions of this Part is "gambling" within the meaning of G.S. 19-1 et seq., and proceedings against such bingo game may be instituted as provided for in Chapter 19 of the General Statutes. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, s. 2.)

§ 14-309.13. Public sessions.

Any exempt organization operating a bingo game which is open to persons other than members of the exempt organization, their spouses, and their children shall make such bingo game open to the general public. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, s. 4.)

§ 14-309.14. Beach bingo.

Nothing in this Article shall apply to "beach bingo" games except for the following subdivisions:

- (1) No beach bingo game may offer a prize having a value greater than ten dollars (\$10.00). Any person offering a greater than ten-dollar (\$10.00) but less than fifty-dollar (\$50.00) prize is guilty of a Class 2 misdemeanor. Any person offering a prize of fifty dollars (\$50.00) or greater is guilty of a Class I felony.
- (2) No beach bingo game may be held in conjunction with any other lawful bingo game, with any "promotional bingo game", or with any offering of an opportunity to obtain anything of value, whether for valuable consideration or not. No beach bingo game may offer free bingo games as a promotion, for prizes or otherwise. Any person who violates this subsection is guilty of a Class I felony.
- (3) Repealed by Session Laws 2019-182, s. 14(b), effective September 1, 2019, and applicable to offenses committed on or after that date.
- (4) Upon conviction under any provision of this section, such person shall not conduct a bingo game for a period of at least one year.
- (5) A person shall not operate a beach bingo game at any location without first obtaining a license as provided by this subdivision. Any person operating a beach bingo game without a license is guilty of a Class 2 misdemeanor. The

procedure for obtaining an application for a beach bingo license shall be as follows:

- a. The application for a beach bingo license shall be made to the State Bureau of Investigation on a form prescribed by the Bureau. The Bureau shall charge an initial application fee of three hundred dollars (\$300.00) and an annual renewal fee of three hundred dollars (\$300.00) to defray the cost of issuing beach bingo licenses and handling enforcement. The fees collected shall be deposited in the General Fund of the State. This license shall expire one year after the granting of the license but may be renewed yearly upon payment of the renewal fee.
- b. Each application and renewal application shall contain all of the following information:
 1. The name and address of the applicant and if the applicant is a corporation, association, or other similar legal entity, the name and home address of each of the officers of the organization as well as the name and address of the directors, or other persons similarly situated, of the organization.
 2. The location at which the applicant will conduct the bingo games. If the premises are leased, a copy of the lease or rental agreement.
- c. Any false information provided in an application for a beach bingo license is cause for suspension of that license and is also a Class 2 misdemeanor.
- d. All books, papers, records, and documents relevant to determining whether an individual has acted or is acting in compliance with this section shall be open to inspection by the State Bureau of Investigation at reasonable times and during reasonable hours. (1983, c. 896, s. 3; 1983 (Reg. Sess., 1984), c. 1107, s. 10; 1987, c. 701; 1989 (Reg. Sess., 1990), c. 826, s. 2; 1993, c. 539, ss. 214, 1232; 1994, Ex. Sess., c. 24, s. 14(c); 2016-27, s. 1; 2017-102, s. 5.1(b); 2019-182, s. 14(b).)

§ 14-309.15. Raffles.

(a) It is lawful for any nonprofit organization, candidate, political committee, or any government entity within the State, to conduct raffles in accordance with this section. Each regional or county chapter of a nonprofit organization is eligible to conduct raffles in accordance with this section independently of its parent organization. Any person who conducts a raffle in violation of any provision of this section is guilty of a Class 2 misdemeanor. Upon conviction that person shall not conduct a raffle for a period of one year. It is lawful to participate in a raffle conducted pursuant to this section. It is not a violation of State law to advertise a raffle conducted in accordance with this section. A raffle conducted pursuant to this section is not "gambling." For the purpose of this section, "candidate" and "political committee" have the meaning provided by Article 22A of Chapter 163 of the General Statutes, who have filed organization reports under that Article,

and who are in good standing with the appropriate board of elections. Receipts and expenditures of a raffle by a candidate or political committee shall be reported in accordance with Article 22A of Chapter 163 of the General Statutes, and ticket purchases are contributions within the meaning of that Article.

(b) For purposes of this section "raffle" means a game in which the prize is won by random drawing of the name or number of one or more persons purchasing chances.

(c) A nonprofit organization may hold no more than four raffles per year.

(d) Except as provided in subsection (g) of this section, the maximum cash prize that may be offered or paid for any one raffle is one hundred twenty-five thousand dollars (\$125,000) and if merchandise is used as a prize, and it is not redeemable for cash, the maximum fair market value of that prize may be one hundred twenty-five thousand dollars (\$125,000). The total cash prizes offered or paid by any nonprofit organization shall not exceed two hundred fifty thousand dollars (\$250,000) in any calendar year. The total fair market value of all prizes offered by any nonprofit organization, either in cash or in merchandise that is not redeemable for cash, shall not exceed two hundred fifty thousand dollars (\$250,000) in any calendar year.

(e) Raffles shall not be conducted in conjunction with bingo.

(f) As used in this subsection, "net proceeds of a raffle" means the receipts less the cost of prizes awarded. No less than ninety percent (90%) of the net proceeds of a raffle shall be used by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit purposes. None of the net proceeds of the raffle shall be used to pay any person to conduct the raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

(g) Real property may be offered as a prize in a raffle. The maximum appraised value of real property that may be offered for any one raffle is five hundred thousand dollars (\$500,000). The total appraised value of all real estate prizes offered by any nonprofit organization shall not exceed five hundred thousand dollars (\$500,000) in any calendar year.

(h) Notwithstanding any other subsection of this section, it is lawful for a federally insured depository institution to conduct a savings promotion raffle under G.S. 53C-6-20, 54-109.64, 54B-140, or 54C-180. (1983 (Reg. Sess., 1984), c. 1107, s. 11; 1993, c. 219, s. 1; c. 539, s. 215; 1994, Ex. Sess., c. 24, s. 14(c); 1997-10, s. 1; 2005-276, s. 17.31; 2005-345, s. 31; 2006-264, s. 3(a); 2009-49, s. 1; 2011-146, s. 1; 2013-381, s. 59.1; 2018-100, s. 5(b); 2019-173, s. 2(a).)

§§ 14-309.16 through 14-309.19. Reserved for future codification purposes.

Part 3. Greyhound Racing.

§ 14-309.20. Greyhound racing prohibited.

(a) No person shall hold, conduct, or operate any greyhound races for public exhibition in this State for monetary remuneration.

(b) No person shall transmit or receive interstate or intrastate simulcasting of greyhound races for commercial purposes in this State.

(c) Any person who violates this section shall be guilty of a Class 1 misdemeanor. (1998-212, s. 17.16(d).)

Part 4. Game Nights.

§ 14-309.25. Definitions.

The following definitions apply in this Part:

- (1) Exempt organization. – An organization that has been in continuous existence for at least five years and that is exempt from taxation under section 501(c)(3), 501(c)(4), 501(c)(5), or 501(c)(6) of the United States Internal Revenue Code.
- (2) Game night. – A specific event at which games of chance are played and prizes are awarded by raffle and that is sponsored by or on behalf of an exempt organization for the primary purpose of raising funds for the exempt organization or is sponsored by an employer or trade association pursuant to G.S. 14-309.34.
- (3) Local law enforcement agency. – Any county or municipal law enforcement agency that has territorial and subject matter jurisdiction over the location at which the game night is being held.
- (4) Qualified facility. – As defined in G.S. 18B-1000. (2019-13, s. 2.)

§ 14-309.26. Game nights.

(a) It is lawful for an exempt organization to conduct a game night at a qualified facility in accordance with the provisions of this Part. Each regional or county chapter of an exempt organization shall be eligible to conduct game nights in accordance with this Part independently of its parent organization, provided that the regional or county chapter has been in continuous existence for at least five years. It is lawful for persons to participate in a game night conducted pursuant to this Part. It shall not constitute a violation of any State law to advertise a game night conducted in accordance with this Part.

(b) If any exempt organization conducts a game night in violation of any provision of this Part, the person indicated in G.S. 14-309.27(b)(2) is guilty of a Class 2 misdemeanor. In addition to any fine that may be imposed, an exempt organization convicted of a violation under this Part shall not conduct a game night for a period of one year from the date of the conviction. (2019-13, s. 2.)

§ 14-309.27. Permit procedure.

(a) An exempt organization shall not operate a game night without first obtaining a permit as provided by this Part. The application for a game night permit shall be on a form prescribed by the Alcohol Law Enforcement Branch [Division] of the Department of Public Safety and shall be submitted to the Alcohol Law Enforcement Headquarters at least 30 days in advance of the date for the game night event.

(b) Each application for a permit under this Part shall contain the following information:

- (1) The name and address of the exempt organization that is applying for the permit.
- (2) The name, address, and signature of the person applying on behalf of the exempt organization and who will be responsible for the event.
- (3) Verification of the tax-exempt status of the exempt organization, except, if the applicant is a local chapter, division, lodge, or branch of the exempt organization, then verification of the tax-exempt status of the parent organization.
- (4) Verification of the exempt organization's status as a licensed or exempt charitable or sponsor organization pursuant to Chapter 131F of the General Statutes.
- (5) The time, duration, date, and place of the event.
- (6) The games proposed to be operated.
- (7) The name and address of the person, firm, or corporation who will operate the games and the relationship, if any, of such person, firm, or corporation to the exempt organization or qualified facility.
- (8) The area of the premises in which the event will be held.

(c) A separate application shall be required for each game night event. A fee of one hundred dollars (\$100.00) shall be charged for each permit. The permit fees assessed under this Part are payable to the Alcohol Law Enforcement Branch [Division] of the Department of Public Safety and shall be collected and used by the Alcohol Law Enforcement Branch [Division] to defray the costs of issuing game night permits. The permit shall be displayed at the event. A qualified facility shall not be subject to civil or criminal liability for violating this Part if the exempt organization provides the facility with a permit for the game night event. (2019-13, s. 2.)

§ 14-309.28. Limits on game night events.

The following limitations apply to game night events:

- (1) The number of game night events conducted or sponsored by an exempt organization shall be limited to four events per year.
- (2) The event shall not exceed a period of five hours each per event. No more than one game night event shall be held in any quarter of a calendar year that begins January 1.
- (3) No more than two game night events shall be operated or conducted in any one building, hall, or structure during any one calendar week, and if two events are held, they must be held by different exempt organizations on different nights of the week.
- (4) There shall be no operation of a game night event between the hours of 2:00 A.M. and 12:00 noon Monday through Saturday or between the hours of 2:00 A.M. and 2:00 P.M. Sunday.
- (5) A qualified facility, as defined in G.S. 18B-1000(5a), shall not host more than two game nights in any calendar month. (2019-13, s. 2.)

§ 14-309.29. Game night; prizes and costs.

(a) Prizes. – No games at a game night event may be played for cash or a cash prize. Prizes shall be awarded only through a raffle. Participants may exchange chips, markers, or tokens from the game night event for raffle tickets. For purposes of this subsection, the term "cash prize" includes gift cards that are issued by a financial institution or its operating subsidiary and that are usable at multiple unaffiliated sellers of goods or services.

(b) Costs. – The cost of the prizes and expenses to operate the game night event, excluding the cost of food, beverages, and entertainment, shall not exceed the proceeds derived from the event. If the exempt organization hires a game night vendor for the event, payment shall be by fixed fee. (2019-13, s. 2.)

§ 14-309.30. Operation of game night events.

The following games are the only games that may be played at a game night event:

- (1) Roulette.
- (2) Blackjack.
- (3) Poker.
- (4) Craps.
- (5) Simulated horse race.
- (6) Merchandise wheel of fortune. (2019-13, s. 2.)

§ 14-309.31. Use of proceeds.

The exempt organization may use its own funds or funds received in connection with the game night for prizes, advertising, utilities, space rental, and the purchase or rental of supplies and equipment, including game night tables and related equipment, used in conducting the games. Net proceeds from the game night shall inure to the benefit of the exempt organization and shall be used to further the organization's tax-exempt purposes. (2019-13, s. 2.)

§ 14-309.32. Violation is gambling.

A game night conducted other than in accordance with the provisions of this Part is "gambling" within the meaning of G.S. 14-292 and G.S. 19-1, et seq., and proceedings against such game night may be instituted as provided for in Chapter 19 of the General Statutes. (2019-13, s. 2.)

§ 14-309.33. Applicability.

This Part is only applicable in areas of the State located east of I-26 as that interstate highway was located on November 28, 2011. (2019-13, s. 2.)

§ 14-309.34. Applicability to employer paid events.

(a) It shall be lawful (i) for an employer, with 25 or more employees, to hold a game night event for employees and guests or a trade association, with 25 or more members, to

hold a game night event for its members and guests, and (ii) for persons to participate in a game night conducted pursuant to this section, provided all of the following conditions are met:

- (1) There is no cost or charge to the attendees.
- (2) The employer or trade association obtains a permit and pays the required fee, as provided in G.S. 14-309.27.
- (3) The game night event is held at a qualified facility.

(b) Game night events conducted pursuant to this section shall be subject to the limitations of G.S. 14-309.28, 14-309.29(a), and 14-309.30.

(c) For purposes of this section, any reference to "exempt organization" in G.S. 14-309.27 shall include the employer or trade association submitting an application as required by this section, except that the verification required by subdivisions (3) and (4) of subsection (b) of G.S. 14-309.27 shall not be required from an applicant for a permit if the applicant is required to obtain the permit pursuant to subsection (a) of this section.

(d) If any employer or trade association conducts a game night in violation of any provision of this section, the person indicated in G.S. 14-309.27(b)(2) is guilty of a Class 2 misdemeanor. In addition to any fine that may be imposed, the employer or trade association convicted of a violation of this section shall not conduct a game night for a period of one year from the date of the conviction. (2019-13, s. 2.)

§ 14-309.35. Registration, possession, and transportation of gaming equipment.

(a) Notwithstanding the provisions of G.S. 14-295 or G.S. 14-297, it shall be lawful to possess or transport gaming tables and other gaming equipment, if the possession or transportation is solely for use in game night events conducted pursuant to this Part. Gaming tables and other gaming equipment possessed or transported pursuant to this Part shall not be subject to seizure pursuant to G.S. 14-298 if they have been registered pursuant to the provisions of this Article and are used solely in game night events conducted pursuant to this Part.

(b) A gaming table or other gaming equipment possessed or transported for use in a game night event must be registered with the Alcohol Law Enforcement Branch [Division] of the Department of Public Safety and must have a sticker affixed with a unique number. A fee of twenty-five dollars (\$25.00) shall be charged for each sticker and each sticker shall be renewed annually. The sticker fees assessed under this section are payable to the Alcohol Law Enforcement Branch [Division] of the Department of Public Safety and shall be collected and used by the Alcohol Law Enforcement Branch [Division] to defray the costs of registering the gaming tables and gaming equipment. The Alcohol Law Enforcement Branch [Division] may inspect, without prior notice, any gaming table or other gaming equipment used in a game night event at any time immediately prior to or during the game night event. Use of a gaming table or gaming equipment in a game night event that does not comply with the requirements of this subsection shall be a Class 1 misdemeanor. (2019-13, s. 2.)

§ 14-309.36. Permit procedure for game night vendors.

(a) No person, firm, or corporation may receive compensation for providing gaming tables or gaming equipment for use in a game night without first obtaining a permit as provided by this section. The application for a game night vendor permit shall be on a form prescribed by the Alcohol Law Enforcement Branch [Division] of the Department of Public Safety and shall be submitted to the Alcohol Law Enforcement Headquarters.

(b) A fee of two thousand five hundred dollars (\$2,500) shall be charged annually for each permit. The permit fees assessed under this section are payable to the Alcohol Law Enforcement Branch [Division] of the Department of Public Safety and shall be collected and used by the Alcohol Law Enforcement Branch [Division] to defray the costs of issuing game night vendor permits and ensuring compliance with this section. The game night vendor permit shall be displayed at any event the game night vendor conducts.

(c) The Alcohol Law Enforcement Branch [Division] shall deny a permit to a person, firm, or corporation that meets any of the following disqualifying conditions:

- (1) Has a conviction for any violation of State or federal gambling laws within the five years prior to the date of application.
- (2) Has pending charges for any violation of State or federal gambling laws.
- (3) Is subject to an active criminal or civil court order prohibiting involvement in gambling activities.
- (4) Has a conviction for any felony.

(d) A person, firm, or corporation with a game night vendor permit may not employ a person that meets any of the following disqualifying conditions:

- (1) Has a conviction for any violation of State or federal gambling laws within the five years prior to the date of employment.
- (2) Has pending charges for any violation of State or federal gambling laws.
- (3) Is subject to an active criminal or civil court order prohibiting involvement in gambling activities.
- (4) Has a conviction for any felony.

(e) All gaming tables and gaming equipment owned or possessed by a game night vendor must be registered pursuant to G.S. 14-309.35. The Alcohol Law Enforcement Branch [Division] of the Department of Public Safety shall inspect the gaming tables and equipment of each game night vendor at least one time per calendar year and may conduct any additional inspections reasonably necessary to ensure compliance with G.S. 14-309.35 and this section. Inspections of gaming tables and equipment shall occur (i) on the premises of a game night event that the game night vendor has been employed to conduct, (ii) immediately prior to or during the game night event, (iii) at locations, times, and dates chosen by the Alcohol Law Enforcement Branch [Division], and (iv) without prior notice to the game night vendor or any party that has obtained a permit pursuant to G.S. 14-309.27. (2019-13, s. 2.)

§ 14-309.37. Slot machines, video gaming machines, electronic sweepstakes machines not authorized.

Nothing in this Part shall be construed to authorize the possession, transportation, or use of any slot machine, video gaming machine, or electronic machine or device prohibited pursuant to G.S. 14-304 through 14-309. (2019-13, s. 2.)