

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 809
Committee Substitute Favorable 5/1/13

Short Title: Game Nights/Nonprofit Fundraisers.

(Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE NONPROFIT ORGANIZATIONS TO OPERATE "GAME NIGHTS," TO PROVIDE FOR THE REGULATION OF NONPROFIT ORGANIZATIONS HOLDING "GAME NIGHTS," AND TO ALLOW THE CONSUMPTION OF ALCOHOLIC BEVERAGES AT "GAME NIGHTS."

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-292 reads as rewritten:

"§ 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."

SECTION 2. Article 37 of Chapter 14 of the General Statutes is amended by adding a new Part to read:

"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 in the county of operation of the game night 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 and that is sponsored by or on behalf of an exempt organization for the primary purpose of raising funds for the exempt organization.
- (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.

"§ 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 and G.S. 18B-1010 if applicable. It is lawful 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.



1 **(b)** Any exempt organization that conducts a game night in violation of any provision of
2 this Part is guilty of a Class 2 misdemeanor. In addition to any fine that may be imposed, an
3 exempt organization convicted of a violation under this Part shall not conduct a game night for
4 a period of one year from the date of the conviction.

5 **"§ 14-309.27. Permit procedure.**

6 **(a)** An exempt organization shall not operate a game night without first obtaining a
7 permit as provided by this Part. The application for a game night permit shall be on a form
8 prescribed by the Alcohol Law Enforcement Section of the Department of Public Safety and
9 shall be submitted to either the central office or to the Alcohol Law Enforcement district office
10 with jurisdiction over the qualified facility agreeing to host the event. The exempt organization
11 shall apply at least 30 days in advance of the date for the game night event.

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

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

31 **(c)** A separate application shall be required for each game night event. A fee of two
32 hundred fifty dollars (\$250.00) shall be charged for each permit. The permit fees assessed
33 under this Part are payable to the Alcohol Law Enforcement Section of the Department of
34 Public Safety and shall be collected and used by the Alcohol Law Enforcement Section to
35 defray the costs of issuing game night permits.

36 **"§ 14-309.28. Limits on game night events.**

37 The number of game night events conducted or sponsored by an exempt organization shall
38 be limited to four events per year. The event shall not exceed a period of five hours each per
39 event. No more than one game night event shall be held in any quarter of a calendar year that
40 begins January 1. No more than two game night events shall be operated or conducted in any
41 one building, hall, or structure during any one calendar week, and if two events are held, they
42 must be held by different exempt organizations on different nights of the week. There shall be
43 no operation of a game night between the hours of 2:00 A.M. and 12:00 noon Monday through
44 Saturday. There shall be no game nights held on any Sunday before 2:00 P.M.

45 **"§ 14-309.29. Game night: prizes and costs.**

46 No cash prizes shall be awarded at any game night event. The cost of the prizes and
47 expenses to operate the game night event, excluding the cost of food and beverages, shall not
48 exceed fifty percent (50%) of the proceeds derived from the event.

49 **"§ 14-309.30. Operation of game night events.**

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

- 51 **(1)** Roulette.

- 1 (2) Blackjack.
- 2 (3) Poker.
- 3 (4) Craps.
- 4 (5) Keno.
- 5 (6) Merchandise wheel of fortune.

6 **"§ 14-309.31. Use of proceeds.**

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

12 **"§ 14-309.32. Violation is gambling.**

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

16 **"§ 14-309.33. Applicability.**

17 This Part is only applicable in areas of the State located east of I-26."

18 **SECTION 3.** G.S. 18B-1000 reads as rewritten:

19 **"§ 18B-1000. Definitions concerning establishments.**

20 The following requirements and definitions shall apply to this Chapter:

21 ...

22 (5a) Qualified facility. – A facility that has an on-premises malt beverage permit,
23 an on-premises unfortified wine permit, and on-premises fortified wine
24 permit, or a mixed beverages permit.

25 (5a)(5b) Residential private club. – A private club that is located in a privately
26 owned, primarily residential and recreational development.

27 "

28 **SECTION 4.** Article 10 of Chapter 18B of the General Statutes is amended by
29 adding a new section to read:

30 **"§ 18B-1010. Simulated game night allowed at qualified facilities.**

31 (a) Except as provided in subsection (d) of this section, a qualified facility may host a
32 game night sponsored by an exempt organization pursuant to Part 4 of Article 37 of Chapter 14
33 of the General Statutes. Notwithstanding any provision of Part 1, Part 2, or Part 3 of Article 37
34 of Chapter 14 of the General Statutes, G.S. 18B-1005, and Chapter 18C of the General Statutes,
35 a qualified facility and the exempt organization sponsoring the game night may possess gaming
36 tables and operate games of chance on the premises of a qualified facility, may allow patrons to
37 participate in certain simulated games of chance at a game night, and may sell and serve
38 alcoholic beverages to the patrons at a game night. Patrons may purchase, possess, and
39 consume alcoholic beverages at the qualified facility during the game night event. All sales and
40 consumption of alcoholic beverages on the premises of the qualified facility shall occur only
41 during the hours of sales and consumption set out in G.S. 18B-1004.

42 (b) An exempt organization as defined in G.S. 14-309.25 shall serve as the sponsor of
43 the game night. An ABC permittee shall not serve as the sponsor of a game night. The
44 sponsoring exempt organization shall provide all of the following to be used by the patrons at
45 the game night event: play money, tokens, chips, or markers. Other than the play money,
46 tokens, chips, or markers issued by the exempt organization, no money or any other thing of
47 value shall be bet, put at stake, or put at risk. The exempt organization may provide one or
48 more prizes which may be received by the patrons; however, prizes shall be awarded only by
49 the exchange of the chips or markers issued by the exempt organization. The prizes provided by
50 the exempt organization for a game night event shall not exceed the amounts designated in
51 G.S. 14-309.29. The play money, tokens, chips, or markers shall not be redeemable for any

1 cash value or for any other thing of value, except for the prizes provided by the exempt
2 organization. The exempt organization or its agents or employees, or the qualified facility or its
3 agents or employees, may operate the game night only as allowed by the permit issued under
4 Part 4 of Article 37 of Chapter 14 of the General Statutes. The game night shall be limited to a
5 private room or other area of the qualified facility to which the general public is not permitted
6 access.

7 (c) The qualified facility and the exempt organization shall conduct and operate the
8 game night in compliance with this section, with the provisions of Part 4 of Article 37 of
9 Chapter 14 of the General Statutes, and with the terms and conditions of the permit issued
10 under Part 4 of Article 37 of Chapter 14 of the General Statutes.

11 (d) A qualified facility shall not host a game night event if the qualified facility has
12 been convicted of any ABC violation or its permits have been suspended or revoked within the
13 past two years. A qualified facility shall not host more than two games nights in any calendar
14 month.

15 (e) A qualified facility that violates this section is guilty of a Class 2 misdemeanor. An
16 exempt organization that violates this section is guilty of a Class 2 misdemeanor. In addition to
17 any fine that may be imposed, any qualified facility or exempt organization convicted of a
18 violation of this section shall not be eligible to conduct a game night for a period of one year
19 from the date of conviction. A qualified facility shall be solely responsible to the Commission
20 for any administrative penalties assessed pursuant to G.S. 18B-104 for violations of ABC law
21 that occur on the premises of the qualified facility."

22 **SECTION 5.** The Department of Public Safety shall make a report to the 2017
23 Regular Session of the General Assembly detailing the administration of game night event
24 permits, including the total number of applications received by permittee type, the total number
25 of permits issued, the number of ABC violations reported at establishments that hosted game
26 night events, and any other information the Department deems appropriate to report regarding
27 this act and shall provide a recommendation as to whether the General Assembly should
28 modify this act. If the recommendation is to modify this act, the Department of Public Safety
29 shall submit recommended proposed legislation to the 2017 Regular Session of the General
30 Assembly.

31 **SECTION 6.** This act becomes effective October 1, 2013.