

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 85
PROPOSED COMMITTEE SUBSTITUTE H85-PCS50209-RO-4

Short Title: Increase Raffle Prize Limit.

(Public)

Sponsors:

Referred to:

February 9, 2009

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE LIMIT ON RAFFLE PRIZES AND TO AUTHORIZE THE
RAFFLE OF REAL PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 14-309.15 reads as rewritten:

"§ 14-309.15. Raffles.

(a) It is lawful for any nonprofit organization or association, recognized by the Department of Revenue as tax-exempt pursuant to G.S. 105-130.11(a), or for any bona fide branch, chapter, or affiliate of such organization, and for any government entity within the State, to conduct raffles in accordance with this section. Any person who conducts a raffle in violation of any provision of this section shall be 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 shall not constitute 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".

(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) Raffles shall be limited to two per nonprofit organization per year.

(d) Except as provided in subsection (g) of this section, ~~The~~ the maximum cash prize that may be offered or paid for any one raffle is ~~fifty thousand dollars (\$50,000)~~ 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 ~~fifty thousand dollars (\$50,000)~~ one hundred twenty-five thousand dollars (\$125,000). ~~No real property may be offered as a prize in a raffle.~~ The total cash prizes offered or paid by any nonprofit organization or association may not exceed ~~fifty thousand dollars (\$50,000)~~ one hundred twenty-five thousand dollars (\$125,000) in any calendar year. The total fair market value of all prizes offered by any nonprofit organization or association, either in cash or in merchandise that is not redeemable for cash, may not exceed ~~fifty thousand dollars (\$50,000)~~ one hundred twenty-five thousand dollars (\$125,000) 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 or association for charitable, religious, educational, civic, or other nonprofit purposes. None of the net proceeds of the raffle may be used to pay any person



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1 to conduct the raffle, or to rent a building where the tickets are received or sold or the drawing
2 is conducted.

3 (g) Real property may be offered as a prize in a raffle. The maximum appraised value of
4 real property that may be offered for any one raffle is five hundred thousand dollars
5 (\$500,000). The total appraised value of all real estate prizes offered by any nonprofit
6 organization or association may not exceed five hundred thousand dollars (\$500,000) in any
7 calendar year."

8 **SECTION 2.** This act is effective when it becomes law.