

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H.B. 809
Apr 10, 2013
HOUSE PRINCIPAL CLERK

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HOUSE DRH80191-LH-24 (01/14)

Short Title: Game Nights/Nonprofit Fundraisers. (Public)

Sponsors: Representatives Boles, Moffitt, and Murry (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE NONPROFIT ORGANIZATIONS TO OPERATE "GAME
3 NIGHTS," TO PROVIDE FOR THE REGULATION OF NONPROFIT
4 ORGANIZATIONS HOLDING "GAME NIGHTS," AND TO ALLOW THE
5 CONSUMPTION OF ALCOHOLIC BEVERAGES AT "GAME NIGHTS."

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Article 37 of Chapter 14 of the General Statutes is amended by
8 adding a new Part to read:

9 "Part 4. Game Nights.

10 **"§ 14-309.25. Definitions.**

11 The following definitions apply in this Part:

- 12 (1) Exempt organization. – An organization that has been in continuous
13 existence in the county of operation of the game night for at least five years
14 and that is exempt from taxation under section 501(c)(3), 501(c)(4),
15 501(c)(5), or 501(c)(6) of the United States Internal Revenue Code.
16 (2) Game night. – A specific event at which games of chance are played and
17 prizes are awarded and that is sponsored by or on behalf of an exempt
18 organization for the primary purpose of raising funds for the exempt
19 organization.
20 (3) Local law enforcement agency. – Any county or municipal law enforcement
21 agency that has territorial and subject matter jurisdiction over the location at
22 which the game night is being held.
23 (4) Qualified facility. – As defined in G.S. 18B-1000.

24 **"§ 14-309.26. Game nights.**

25 (a) It is lawful for an exempt organization to conduct a game night at a qualified facility
26 in accordance with the provisions of this Part and G.S. 18B-1010 if applicable. It is lawful to
27 participate in a game night conducted pursuant to this Part. It shall not constitute a violation of
28 any State law to advertise a game night conducted in accordance with this Part.

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

33 **"§ 14-309.27. Permit procedure.**

34 (a) An exempt organization shall not operate a game night without first obtaining a
35 permit as provided by this Part. The application for a game night permit shall be on a form
36 prescribed by the Alcohol Law Enforcement Section of the Department of Public Safety and



1 shall be submitted to either the central office or to the Alcohol Law Enforcement district office
2 with jurisdiction over the qualified facility agreeing to host the event. The exempt organization
3 shall apply at least 30 days in advance of the date for the game night event.

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

6 (1) The name and address of the exempt organization that is applying for the
7 permit.

8 (2) The name, address, and signature of the person applying on behalf of the
9 exempt organization and who will be responsible for the event.

10 (3) Verification of the tax-exempt status of the exempt organization; except if
11 the applicant is a local chapter, division, lodge, or branch of the exempt
12 organization, then verification of the tax-exempt status of the parent
13 organization.

14 (4) The time, duration, date, and place of the event.

15 (5) The games proposed to be operated.

16 (6) The name and address of the person, firm, or corporation who will operate
17 the games and the relationship, if any, of such person, firm, or corporation to
18 the exempt organization or qualified facility.

19 (7) The area of the premises in which the event will be held.

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

25 **§ 14-309.28. Limits on game night events.**

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

34 **§ 14-309.29. Game night: prizes and costs.**

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

38 **§ 14-309.30. Operation of game night events.**

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

40 (1) Roulette.

41 (2) Blackjack.

42 (3) Poker.

43 (4) Craps.

44 (5) Keno.

45 (6) Merchandise wheel of fortune.

46 **§ 14-309.31. Use of proceeds.**

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

1 **"§ 14-309.32. Violation is gambling.**

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

5 **SECTION 2.** G.S. 18B-1000 reads as rewritten:

6 **"§ 18B-1000. Definitions concerning establishments.**

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

8 ...

9 (5a) Qualified facility. – A facility that has an on-premises malt beverage permit,
10 an on-premises unfortified wine permit, and on-premises fortified wine
11 permit, or a mixed beverages permit.

12 (~~5a~~)(5b) Residential private club. – A private club that is located in a privately
13 owned, primarily residential and recreational development.

14"

15 **SECTION 3.** Article 10 of Chapter 18B of the General Statutes is amended by
16 adding a new section to read:

17 **"§ 18B-1010. Simulated game night allowed at qualified facilities.**

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

29 (b) An exempt organization as defined in G.S. 14-309.25 shall serve as the sponsor of
30 the game night. An ABC permittee shall not serve as the sponsor of a game night. The
31 sponsoring exempt organization shall provide all of the following to be used by the patrons at
32 the game night event: play money, tokens, chips, or markers. Other than the play money,
33 tokens, chips, or markers issued by the exempt organization, no money or any other thing of
34 value shall be bet, put at stake, or put at risk. The exempt organization may provide one or
35 more prizes which may be received by the patrons; however, prizes shall be awarded only by
36 the exchange of the chips or markers issued by the exempt organization. The prizes provided by
37 the exempt organization for a game night event shall not exceed the amounts designated in
38 G.S. 14-309.29. The play money, tokens, chips, or markers shall not be redeemable for any
39 cash value or for any other thing of value, except for the prizes provided by the exempt
40 organization. The exempt organization or its agents or employees, or the qualified facility or its
41 agents or employees, may operate the game night only as allowed by the permit issued by the
42 local ABC board under Part 4 of Article 37 of Chapter 14 of the General Statutes. The game
43 night shall be limited to a private room or other area of the qualified facility to which the
44 general public is not permitted access.

45 (c) The qualified facility and the exempt organization shall conduct and operate the
46 game night in compliance with this section, with the provisions of Part 4 of Article 37 of
47 Chapter 14 of the General Statutes, and with the terms and conditions of the permit issued by
48 the local ABC board.

49 (d) A qualified facility shall not host a game night event if the qualified facility has
50 been convicted of any ABC violation or its permits have been suspended or revoked within the
51 past two years.

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

8 **SECTION 4.** The Department of Public Safety shall make a report to the 2017
9 Regular Session of the General Assembly detailing the administration of game night event
10 permits, including the total number of applications received by permittee type, the total number
11 of permits issued, the number of ABC violations reported at establishments that hosted game
12 night events, and any other information the Department deems appropriate to report regarding
13 this act and shall provide a recommendation as to whether the General Assembly should
14 modify this act. If the recommendation is to modify this act, the Department of Public Safety
15 shall submit recommended proposed legislation to the 2017 Regular Session of the General
16 Assembly.

17 **SECTION 5.** This act becomes effective October 1, 2013.