

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

H

1

HOUSE BILL 1735

Short Title: Casino Nights by Nonprofit Organizations.

(Public)

Sponsors: Representative Owens.

Referred to: Rules, Calendar, and Operations of the House.

May 27, 2004

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE NONPROFIT ORGANIZATIONS TO OPERATE
2 "CASINO NIGHTS" AND TO REQUIRE A FEE FOR AUDITING THE
3 PROCEEDS.
4

5 The General Assembly of North Carolina enacts:

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

8 **"§ 14-309.16. Casino nights.**

9 (a) It is lawful for any nonprofit organization or association, recognized by the
10 Department of Revenue as tax-exempt pursuant to G.S. 105-130.11(a), to conduct a
11 casino night in accordance with this section. Any person who conducts a casino night in
12 violation of any provision of this section shall be guilty of a Class 2 misdemeanor. Upon
13 conviction, that person shall not conduct a casino night for a period of one year. It is
14 lawful to participate in a casino night conducted pursuant to this section. It shall not
15 constitute a violation of State law to advertise a casino night conducted in accordance
16 with this section. A casino night conducted pursuant to this section is not "gambling".

17 (b) For purposes of this section, "casino night" includes "Monte Carlo night,"
18 "Millionaire night," or any event, by whatever name, conducted in accordance with this
19 section.

20 (c) Casino nights shall be limited to four nights per nonprofit organization per
21 year.

22 (d) The conducting of casino nights shall be subject to the following restrictions:

23 (1) No person, except a bona fide member of the organization conducting
24 the casino night, or a volunteer recruited by the organization
25 conducting the casino night, may participate in the management of the
26 operation of the event. A person participates in the management or
27 operation of an event when he or she sells admission tickets to the
28 event; sells, redeems, or in any way assists in the selling or redeeming
29 of chips, scrip, or play money; participates in the conducting of any of

1 the games played during the event, or supervises, directs, or instructs
2 anyone conducting a game; or at any time during the hours of the event
3 counts, handles, or supervises anyone counting or handling any of the
4 proceeds or chips, scrip, or play money at the event. A person who is
5 present to ensure that the games are being conducted in conformance
6 with the rules established by the organization conducting the event or
7 is present to ensure that the equipment is working properly is
8 considered to be participating in the management of the operation of
9 the event. Setting up, cleaning up, selling food and drink, or providing
10 security for persons or property at the event does not constitute
11 participation in the management or operation of the event.

12 (2) No person may receive any remuneration or compensation either
13 directly or indirectly from any source for participating in the
14 management of the casino night.

15 (3) No single bet at any game may exceed ten dollars (\$10.00).

16 (4) A bank shall be established on the premises to convert currency into
17 chips, scrip, or other form of play money that shall then be used to
18 play at games of chance that the participant chooses. Chips, scrip, or
19 play money shall be marked with the logo of the organization
20 conducting the casino night or the logo of the supplier of the chips,
21 scrip, or play money. Each participant shall be issued a receipt
22 indicating the amount of chips, scrip, or play money purchased.

23 (5) At the conclusion of the casino night or when the participant leaves, he
24 or she may be permitted by the organization conducting the event to
25 cash in his or her chips, scrip, or play money in exchange for noncash
26 prizes. Each participant shall sign for any receipt of prizes.

27 (6) Casino nights shall not be conducted between the hours of 2:00 A.M.
28 and noon.

29 (7) No person under the age of 18 years may play or participate in the
30 conducting of a casino night. Any person under the age of 18 years
31 may be within the area where the event is being conducted only when
32 accompanied by his or her parent or guardian.

33 (8) Only the following games may be conducted at a casino night and only
34 after the rules for the games are posted or printed and made available
35 to all participants by the organization conducting the event:

36 a. Roulette.

37 b. Blackjack.

38 c. Poker.

39 d. Pull tabs.

40 e. Craps.

41 f. Chuck-a-luck.

42 g. Keno.

43 h. Merchandise wheel of fortune.

1 (9) No slot machines or coin-operated devices that allow a participant to
2 play games of chance based on cards or dice shall be permitted at the
3 location and during the time the casino night is operated.

4 (10) No cards, dice, wheels, or other equipment may be modified or altered
5 so as to give the organization conducting the casino night a greater
6 advantage in winning, other than as provided under the normal rules of
7 play of a particular game.

8 (11) No credit shall be extended to any of the participants.

9 (e) Casino nights shall not be conducted in conjunction with bingo.

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

16 **SECTION 2.** Each nonprofit organization shall pay a ten-dollar (\$10.00) fee
17 to the Department of Revenue for each casino night operation to cover the costs of
18 auditing the use of the net proceeds of the casino night to ensure compliance with
19 G.S. 14-309.16(f) as enacted by Section 1 of this act.

20 **SECTION 3.** This act is effective when it becomes law.