

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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HOUSE DRH50400-LKf-245B (5/26)

Short Title: Casino Nights by Nonprofit Organizations.

(Public)

Sponsors: Representative Owens.

Referred to:

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

**§ 14-309.16. Casino nights.**

(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), to conduct a casino night in accordance with this section. Any person who conducts a casino night in violation of any provision of this section shall be guilty of a Class 2 misdemeanor. Upon conviction, that person shall not conduct a casino night for a period of one year. It is lawful to participate in a casino night conducted pursuant to this section. It shall not constitute a violation of State law to advertise a casino night conducted in accordance with this section. A casino night conducted pursuant to this section is not "gambling".

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

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

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

(1) No person, except a bona fide member of the organization conducting the casino night, or a volunteer recruited by the organization conducting the casino night, may participate in the management of the operation of the event. A person participates in the management or operation of an event when he or she sells admission tickets to the

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

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

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

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

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

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

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

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

38 a. Roulette.

39 b. Blackjack.

40 c. Poker.

41 d. Pull tabs.

42 e. Craps.

43 f. Chuck-a-luck.

44 g. Keno.

1                   h.     Merchandise wheel of fortune.

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

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

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

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

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

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

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