

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 180
Judiciary I (Civil) Committee Substitute Adopted 4/11/07
House Committee Substitute Favorable 7/1/08

Short Title: Prohibit Certain Sweepstakes.

(Public)

Sponsors:

Referred to:

February 15, 2007

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT CERTAIN SERVER-BASED ELECTRONIC SWEEPSTAKES.

The General Assembly of North Carolina enacts:

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

"§ 14-306.3. Certain sweepstakes unlawful.

(a) It is unlawful to promote, operate, or conduct a server-based electronic sweepstakes.

(b) It is unlawful for any person to possess any game terminal with a display that simulates a game ordinarily played on a slot machine regulated under G.S. 14-306 or a video gaming machine regulated under G.S. 14-306.1A for the purpose of promoting, operating, or conducting a server-based electronic sweepstakes.

(c) As used in this section, "server-based electronic sweepstakes" means a system that meets all of the following criteria:

(1) A database contains a pool of sweepstakes entries, with each entry associated with a prize value.

(2) Participants purchase a prepaid card.

(3) With each prepaid card purchased, the participant obtains one or more sweepstakes entries.

(4) Sweepstakes entries may be revealed in any of the following ways:

a. At a point-of-sale terminal at the time of purchase or later.

b. At a game terminal with a display that simulates a game ordinarily played on a slot machine regulated under G.S. 14-306 or a video gaming machine regulated under G.S. 14-306.1A.

(d) Upon conviction or plea of guilty, all of the following held by the person shall be automatically revoked:

(1) A permit issued under Chapter 18B of the General Statutes.

1 (2) A contract to sell tickets or shares under Article 5 of Chapter 18C of
2 the General Statutes.

3 (e) It is not unlawful for any person to promote, operate, or conduct a
4 server-based electronic sweepstakes in which entries may be revealed by the seller only
5 at the point-of-sale terminal at the time of purchase or later."

6 **SECTION 2.** G.S. 14-298 reads as rewritten:

7 "**§ 14-298. Seizure of illegal gaming items.**

8 Upon a determination that probable cause exists to believe that any gaming table
9 prohibited to be used by G.S. 14-289 through G.S. 14-300, any illegal punchboard or
10 illegal slot machine, or any video game machine prohibited to be used by G.S. 14-306
11 or G.S. 14-306.1A, or any game terminal that possession is unlawful under
12 G.S. 14-306.3(b) is in the illegal possession or use of any person within the limits of
13 their jurisdiction, all sheriffs and law enforcement officers are authorized to seize the
14 items in accordance with applicable State law. Any law enforcement agency in
15 possession of that item shall retain the item pending a disposition order from a district
16 or superior court judge. Upon application by the law enforcement agency, district
17 attorney, or owner, and after notice and opportunity to be heard by all parties, if the
18 court determines that the item is unlawful to possess, it shall enter an order releasing the
19 item to the law enforcement agency for destruction or for training purposes. If the court
20 determines that the item is not unlawful to possess and will not be used in violation of
21 the law, the item shall be ordered released to its owner upon satisfactory proof of
22 ownership. The foregoing procedures for release shall not apply, however, with respect
23 to an item seized for use as evidence in any criminal action or proceeding until after
24 entry of final judgment."

25 **SECTION 3.** This act becomes effective December 1, 2008, and applies to
26 offenses committed on or after that date.