

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 154
Commerce and Insurance Committee Substitute Adopted 3/30/17

Short Title: Charitable Fund-Raising for Nonprofit Orgs.

(Public)

Sponsors:

Referred to:

March 2, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE ABILITY OF NONPROFIT ORGANIZATIONS TO HOLD
3 FUND-RAISING RAFFLES AND TO AUTHORIZE REISSUANCE OF CERTAIN
4 ONE-TIME ALCOHOLIC BEVERAGE CONTROL COMMISSION PERMITS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 14-309.6 is amended by adding a new subdivision to read:

7 "(8) "Nonprofit organization" means an organization or association recognized
8 by the Department of Revenue as tax-exempt pursuant to
9 G.S. 105-130.11(a), or any bona fide branch, chapter, or affiliate of that
10 organization."

11 SECTION 2. G.S. 14-309.15 reads as rewritten:

12 "§ 14-309.15. Raffles.

13 (a) It is lawful for any nonprofit ~~organization or association, recognized by the~~
14 ~~Department of Revenue as tax-exempt pursuant to G.S. 105-130.11(a), or for any bona fide~~
15 ~~branch, chapter, or affiliate of such organization, organization, candidate, political committee,~~
16 ~~and for~~ any government entity within the State, to conduct raffles in accordance with this
17 section. Each regional or county chapter of a nonprofit organization shall be eligible to conduct
18 raffles in accordance with this section independently of its parent organization. Any person
19 who conducts a raffle in violation of any provision of this section shall be guilty of a Class 2
20 misdemeanor. Upon conviction that person shall not conduct a raffle for a period of one year. It
21 is lawful to participate in a raffle conducted pursuant to this section. It shall not constitute a
22 violation of State law to advertise a raffle conducted in accordance with this section. A raffle
23 conducted pursuant to this section is not "gambling". For the purpose of this section,
24 "candidate" and "political committee" have the meaning provided by Article 22A of Chapter
25 163A of the General Statutes, who have filed organization reports under that Article, and who
26 are in good standing with the appropriate board of elections. Receipts and expenditures of a
27 raffle by a candidate or political committee shall be reported in accordance with Article 22A of
28 Chapter 163A of the General Statutes, and ticket purchases are contributions within the
29 meaning of that Article.

30 (b) For purposes of this section "raffle" means a game in which the prize is won by
31 random drawing of the name or number of one or more persons purchasing chances.

32 (c) ~~Raffles shall be limited to two per nonprofit organization per year.~~ A nonprofit
33 organization may hold no more than four raffles per year, with no more than one raffle
34 occurring per quarter.

35 (d) Except as provided in subsection (g) of this section, the maximum cash prize that
36 may be offered or paid for any one raffle is one hundred twenty-five thousand dollars



1 (\$125,000) and if merchandise is used as a prize, and it is not redeemable for cash, the
2 maximum fair market value of that prize may be one hundred twenty-five thousand dollars
3 (\$125,000). The total cash prizes offered or paid by any nonprofit organization ~~or association~~
4 may not exceed ~~one hundred twenty five~~ two hundred fifty thousand dollars
5 ~~(\$125,000)~~ (\$250,000) in any calendar year. The total fair market value of all prizes offered by
6 any nonprofit ~~organization or association,~~ organization, either in cash or in merchandise that is
7 not redeemable for cash, may not exceed ~~one hundred twenty five~~ two hundred fifty thousand
8 dollars ~~(\$125,000)~~ (\$250,000) in any calendar year.

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

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

16 (g) Real property may be offered as a prize in a raffle. The maximum appraised value of
17 real property that may be offered for any one raffle is five hundred thousand dollars
18 (\$500,000). The total appraised value of all real estate prizes offered by any nonprofit
19 organization ~~or association~~ may not exceed five hundred thousand dollars (\$500,000) in any
20 calendar year.

21 (h) Notwithstanding any other subsection of this section, it is lawful for a credit union
22 to conduct a savings promotion raffle under G.S. 54-109.64."

23 **SECTION 3.** G.S. 18B-308 reads as rewritten:

24 **"§ 18B-308. Sale and consumption at bingo games.**

25 It shall be unlawful to sell or consume, or for the owner or other person in charge of the
26 premises to allow the sale or consumption of, any alcoholic beverage in any room while a ~~raffle~~
27 ~~or~~ bingo game is being conducted in that room under Part 2 of Article 37 of Chapter 14 of the
28 General Statutes."

29 **SECTION 4.** Article 9 of Chapter 18B of the General Statutes is amended by
30 adding a new section to read:

31 **"§ 18B-903A. Reissuance of certain permits.**

32 (a) Reissuance. – Notwithstanding G.S. 18B-902(b) or G.S. 18B-903, if a nonprofit
33 organization has received a limited special occasion permit pursuant to G.S. 18B-1001(9) or a
34 special one-time permit pursuant to G.S. 18B-1002(a)(2) or (a)(5) within the previous 18
35 months, the Commission shall reissue the permit to the nonprofit organization if the same
36 individual representing the organization requests reissuance of the permit for the same location.
37 The Commission shall require only the following information in order to reissue the permit:

38 (1) The street address of the location where the event will take place.

39 (2) The county in which the event will take place.

40 (3) The date of the event.

41 (4) A description of the event.

42 (5) The name, address, date of birth, and contact information of the individual
43 representing the nonprofit organization.

44 (b) Duration. – Once issued, a reissued limited special occasion permit shall be valid for
45 48 hours before and after the occasion for which the permit was issued and a reissued special
46 one-time permit shall be valid only for the period stated on the permit.

47 (c) Reissuance Fee. – Application for reissuance of a limited special occasion permit or
48 a special one-time permit shall be on a form provided by the Commission. The application fee
49 shall be the same as the initial fee set in G.S. 18B-902. A reissuance fee shall not be refundable.

50 (d) Investigation. – The Commission, with the assistance of the ALE Branch, shall not
51 investigate the applicant and the premises for which the reissuance is requested more than once

1 every three years. The Commission may request the assistance of local ABC officers in
2 investigating applications. An applicant shall cooperate fully with the investigation.

3 (e) False Information. – Knowingly making a false statement in an application for a
4 permit reissuance pursuant to this section shall be grounds for denying, suspending, revoking,
5 or taking other action against the permit as provided in G.S. 18B-104 and shall also be a Class
6 1 misdemeanor."

7 **SECTION 5.** G.S. 18B-1002(a)(5) reads as rewritten:

8 "**§ 18B-1002. Special one-time permits.**

9 (a) Kinds of Permits. – In addition to the other permits authorized by this Chapter, the
10 Commission may issue permits for the following activities:

11 ...

12 (5) A permit may be issued to a unit of local government, or to a nonprofit
13 organization or a political organization to serve wine, malt beverages, and
14 spirituous liquor at a ticketed event held to allow the unit of local
15 government or organization to raise funds. For purposes of this subdivision
16 "nonprofit organization" means an organization that is exempt from taxation
17 under Section 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(8), 501(c)(10),
18 501(c)(19), or 501(d) of the Internal Revenue Code or is exempt under
19 similar provisions of the General Statutes as a bona fide nonprofit charitable,
20 civic, religious, fraternal, patriotic, or veterans' organization or as a nonprofit
21 volunteer fire department, or as a nonprofit volunteer rescue squad or a bona
22 fide homeowners' or property owners' association. For purposes of this
23 subdivision "political organization" means an organization covered by the
24 provisions of G.S. 163-96(a)(1) or (2) or a campaign organization
25 established by or for a person who is a candidate who has filed a notice of
26 candidacy, paid the filing fees or filed the required petition, and been
27 certified as a candidate. The issuance of this permit ~~will~~shall also allow the
28 issuance of a purchase-transportation permit under G.S. 18B-403 and
29 18B-404 and the use for culinary purposes of spirituous liquor lawfully
30 purchased for use in mixed beverages. The issuance of this permit shall also
31 allow a nonprofit organization to offer alcoholic beverages in the
32 manufacturer's original closed container as a prize in a raffle or sell alcoholic
33 beverages in the manufacturer's original closed container at auction at the
34 ticketed event to allow the nonprofit organization to raise funds."

35 **SECTION 6.** Section 4 of this act becomes effective December 1, 2017, and
36 applies to offenses committed on or after that date. The remainder of this act becomes effective
37 October 1, 2017.