

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

S

D

BILL DRAFT 2023-BAxf-5 [v.4]

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
07/11/2023 01:39:54 PM

Short Title: Rural Tourism Incentive Program.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ENACT THE RURAL TOURISM INCENTIVE PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-437.02C. Rural Tourism Incentive Program.

(a) Creation and purpose. – There is established the Rural Tourism Incentive Program to be administered by the Secretary of Commerce. The purpose of the program is to encourage and promote tourism in rural counties on the State border and along major transportation corridors. The program will allow for gaming, which is a new and expanding component of the tourism industry and is currently allowed in North Carolina on certain Indian lands. As many contiguous states allow gaming, those industry business opportunities and employment opportunities are being lost to this State.

(b) Definitions. – The following definitions apply in this section:

- (1) Agreement. – A Rural Tourism Incentive Program agreement under this section.
- (2) Base period. – The period of time set by the Secretary during which new employees are to be hired for the positions on which the agreement is based.
- (3) Business. – A corporation, sole proprietorship, cooperative association, partnership, S corporation, limited liability company, nonprofit corporation, or other form of business organization, located either within or outside this State. The term includes affiliates under common ownership with a business and organizations owned in whole or part by a tribe of Indians recognized in Chapter 71A of the General Statutes.
- (4) Commission. – The North Carolina State Lottery Commission established pursuant to G.S. 18C-110.
- (5) Eligible location. – A site that is located in a county that (i) is a development tier one area, as defined in G.S. 143B-437.08 for the 2022 calendar year, (ii) has a majority of its land area within 60 miles of an international airport, (iii) is east of counties traversed by Interstate 77, (iv) does not contain Indian lands with gaming as of July 1, 2023, (v) is either a border county or a county traversed by Interstate 95, (vi) has a population of less than 100,000 as of the most recent federal decennial census at the time the application is made, and (vii) is not in a county listed in G.S. 14-292.4(c)(5).



* 2 0 2 3 - B A X F - 5 - V - 4 *

- 1 (6) Eligible position. – A position created by a business and filled by a new
2 full-time employee in this State during the base period. Positions created in
3 the year the business achieves the minimum requirements set forth in this
4 section may be considered eligible positions even if created outside the base
5 period. In a year other than during the base period, an eligible position must
6 be filled for at least 30 weeks of the applicable agreement year.
- 7 (7) Full-time employee. – A person who is employed for consideration for at least
8 35 hours a week, whose wages are subject to withholding under Article 4A of
9 Chapter 105 of the General Statutes, who is not a worker with an H-1B visa
10 or with H-1B status, and who is determined by the Secretary to be employed in
11 a permanent position according to criteria the Secretary develops in
12 consultation with the Secretary of Administration. The term does not include
13 any person who works as an independent contractor or on a consulting basis
14 for the business.
- 15 (8) Gross gaming revenue. – Defined in G.S. 105-113-150.
- 16 (9) New employee. – A full-time employee who represents a net increase in the
17 number of the business's employees statewide.
- 18 (10) Rural Tourism District. – Real property consisting of at least 100 acres and
19 sited at an eligible location at which a business develops and operates gaming
20 and non-gaming activities pursuant to a Rural Tourism Incentive Program
21 agreement.
- 22 (11) Secretary. – The Secretary of Commerce.

23 (c) Agreement. – Notwithstanding any other provision of law, including Article 3 of
24 Chapter 143 of the General Statutes, the Secretary may enter into an agreement with a business
25 recommended by the Secretary of Administration, established pursuant to G.S. 143B-437.54, in
26 accordance with the provisions of this section. In order to ensure economically distressed
27 counties across the State benefit from this program, the agreement shall require that a district is
28 not located within 75 miles of another authorized district. Consistent with subsection (d), the
29 Secretary of Administration shall evaluate proposals submitted by businesses to determine
30 whether the proposed projects are consistent with the purposes of this program and make a
31 binding recommendation to the Secretary of the business chosen for entry into an agreement. As
32 part of his binding recommendation, the Secretary of Administration shall certify to the Secretary
33 that all the following conditions are met:

- 34 (1) The business proposes a project consisting of the development of three
35 separate districts.
- 36 (2) The project proposed by the business will create, during the term of the
37 agreement, a net increase in employment in this State by the business in an
38 amount that is at least equal to 5,250 eligible positions with at least 1,750 jobs
39 created at each district.
- 40 (3) The business plans to invest at least one billion five hundred million dollars
41 (\$1,500,000,000) in private funds in the proposed project with investments of
42 at least five hundred million dollars (\$500,000,000) at each district.
- 43 (4) The three districts proposed by the business will be sited in eligible locations.
- 44 (5) The business demonstrates at least ten years of experience in the commercial
45 gaming industry.
- 46 (6) The business demonstrates at least ten years of experience in developing and
47 operating mixed-use, non-gaming real estate projects.

48 (d) Proposals; Prioritization. – A business shall submit a proposal to the Secretary of
49 Administration for an agreement under this section by timely delivering the proposal to the place
50 designated by the Secretary of Administration. At a minimum, a proposal shall include:

- 51 (1) The name, business address and contact information of the business.

- 1 (2) Confirmation that each district in the proposed project is situated in an eligible
2 location and documentation establishing the ownership or control of each
3 district by the business.
- 4 (3) A description of the proposed gaming and non-gaming uses to be developed
5 at each district.
- 6 (4) The proposed number of employees at each district and the percentage of such
7 employees that will be permanent residents of this State.
- 8 (5) The proposed amount of investment by the business in each district.
- 9 (6) The projected tax revenue to the State to be generated by the proposed project.
- 10 (7) The timeline for development of the proposed project, including all three
11 districts.
- 12 (8) Information reflecting the business's culture of compliance and responsible
13 gaming.
- 14 (9) Information establishing the business's gaming and development experience,
15 including its satisfaction of the experience requirements in subdivisions (c)(5)
16 and (6) of this section.

17 The Secretary of Administration shall evaluate each proposal to determine whether the
18 project complies with the requirements of this section. A business shall provide all
19 documentation and information the Secretary of Administration deems necessary to evaluate the
20 project proposal. If only one proposal satisfies all the conditions in subsection (c) of this section,
21 then the Secretary of Administration shall recommend the business sponsoring that proposal to
22 the Secretary to enter into an agreement. If more than one proposal satisfies the conditions in
23 subsection (c), the Secretary of Administration shall prioritize proposals for agreements by
24 considering which proposal best satisfies the conditions in subsection (c) and will maximize the
25 reasonably anticipated benefits to the State, considering, at a minimum, (i) the percentage of
26 employees to be hired that are permanent residents in the State (ii) the extent to which the
27 proposed project will induce visitation to and enhance tourism in the State to the districts (iii) the
28 proposed timeline for the business to begin operation, (iv) the business's control of real property
29 comprising each proposed district, (v) resolutions of support from the county or municipality in
30 which each district is located, (vi) the extent to which the business demonstrates a culture of
31 investment in responsible gaming programs and an effective governance and compliance
32 program, and (vii) any other benefit to be realized by the State from the proposal. The Secretary
33 of Administration shall begin accepting proposals under this subsection no later than September
34 1, 2023, shall accept proposals for 60 days, and shall select a business to be its binding
35 recommendation to the Secretary to enter an agreement within 60 days of the date the period to
36 accept proposals closes.

37 (d1) Proposal Submission Fee. – A proposal submitted by a business to the Secretary of
38 Administration pursuant to subsection (d) shall include with the proposal a proposal submission
39 fee of twenty-five million dollars (\$25,000,000). The Department of Administration shall hold
40 all proposal submission fees received. The proposal submission fee paid by the business
41 recommended by the Secretary of Administration shall be credited against the excise tax
42 applicable to that business under G.S. 105-113.151 upon the Secretary's entry into an agreement
43 pursuant to subsection (e) with the business and the Commission's approval of a Class III gaming
44 license for the business. At that time, the Department of Administration shall transfer the proposal
45 submission fee paid by the recommended business to the Secretary of Revenue, who shall credit
46 the proceeds in accordance with G.S. 105-113.153. In the event the business recommended by
47 the Secretary of Administration does not enter into an agreement or is not approved by the
48 Commission for a Class III gaming license, the Department of Administration shall refund its
49 proposal submission fee. A proposal submission fee paid by a business that is not recommended
50 by the Secretary of Administration shall be refunded to the business by the Department of
51 Administration.

1 (e) Agreement Contingencies, Terms, Duration, and Expiration. – If, having found all the
2 conditions of subsection (c) of this section to have been met and the proposal submitted by the
3 business is the appropriately prioritized proposal pursuant to subsection (d) of this section, the
4 Secretary of Administration recommends a business to the Secretary, the Secretary shall enter
5 into an agreement with the business. The agreement shall create a rebuttable presumption the
6 business is also qualified to receive a Class III gaming license issued by the North Carolina State
7 Lottery Commission pursuant to G.S. 18C-176. The agreement is effective only if the business
8 subsequently applies for and receives a Class III gaming license issued to the business by the
9 North Carolina State Lottery Commission pursuant to G.S. 18C-176. The initial term of an
10 agreement under this section is 30 years and may be extended by the Secretary. For any
11 agreement that is so extended, the business's Class III gaming license shall remain in effect
12 pending the extension and be deemed renewed upon extension of the agreement. The authority
13 of the Secretary to enter into agreements under this section expires December 31, 2024; provided,
14 however, the Secretary shall have continuing authority pursuant to subsection (c) of this section
15 to grant extensions to agreements entered into prior to December 31, 2024. Each agreement must
16 include at least all of the following:

- 17 (1) A detailed description of the proposed project that will result in job creation
18 and the number of new employees to be hired during the base period.
- 19 (2) The term of the agreement and the criteria used to determine the first year of
20 the agreement.
- 21 (3) The number of eligible positions that are subjects of the agreement.
- 22 (4) A method for determining the number of new employees hired during an
23 agreement year and for the business to report annually to the Secretary the
24 number of eligible positions.
- 25 (5) A provision that makes the agreement effective only in the event the business,
26 subsequent to entering into the agreement, applies for and receives a Class III
27 gaming license issued to the business by the Commission pursuant to
28 G.S. 18C-176.
- 29 (6) A provision requiring the business to satisfy the minimum job creation and
30 private investment program criteria no later than 60 months after the date the
31 business receives a Class III gaming license from the Commission.
- 32 (7) A provision establishing the conditions, other than statutory provisions under
33 this section, under which the agreement may be terminated.
- 34 (8) A provision stating that the business agrees to submit to an audit at any time
35 that the Secretary requires.
- 36 (9) A provision allowing the Secretary to require any information from the
37 business the Secretary considers necessary to effectuate the agreement.

38 (f) Noncompliance. – If the business fails to meet or comply with a condition or
39 requirement set forth in the agreement or the criteria developed by the Secretary and if the
40 provisions of subsection (g) of this section do not apply, the following provisions apply:

- 41 (1) If the failure is related to not having the required number of jobs, the Secretary
42 shall impose a civil fine on the business of no less than two and one-half
43 percent (2.5%) and up to seven and one-half percent (7.5%) of gross gaming
44 revenue for the period of noncompliance, which shall be imposed on the basis
45 of each district with respect to which noncompliance has occurred. The
46 amount of the civil fine shall be determined by the Secretary.
- 47 (2) If the failure is related to not having made the required private investment, the
48 Secretary shall impose a civil fine on the business of no less than two and
49 one-half percent (2.5%) and up to seven and one-half percent (7.5%) of gross
50 gaming revenue for the period of noncompliance, which shall be imposed on

- 1 the basis of each district with respect to which noncompliance has occurred.
 2 The amount of the civil fine shall be determined by the Secretary.
 3 (3) If the failure is related to refusal to submit to an audit or provide information,
 4 as either are required by the Secretary or Commission, the Secretary shall
 5 inform the Commission within 10 days and the Commission shall suspend the
 6 Class III gaming license until such time as the failure has been cured.
 7 (4) For any other failure, the Secretary shall impose a civil fine in an amount that
 8 is proportionate to the failure on the part of the business. The determination
 9 of the civil fine imposed is within the Secretary's sole discretion but shall not
 10 exceed fifty thousand dollars (\$50,000) per violation with respect to each
 11 district in which noncompliance has occurred.
 12 (5) The civil fines imposed under subsection (f)(1) and (2) are cumulative. In the
 13 event of noncompliance under both paragraphs, the Secretary shall impose a
 14 single civil fine of up to seven and one-half percent (7.5%) of gross gaming
 15 revenue for the period of noncompliance.

16 (g) Force majeure. – In the event the business fails to meet or comply with a condition or
 17 requirement set forth in the agreement as a result of force majeure, then the Secretary, in the
 18 Secretary's sole discretion, reasonably exercised, may waive some or all of the civil fine imposed
 19 pursuant to subsection (f) of this section for the period of time to which the Secretary determines
 20 the force majeure event applies. Force majeure includes events beyond the control of the
 21 business, including (i) flood, (ii) earthquake or other natural disaster, (iii) fire or other casualty,
 22 (iv) riot or other civil unrest, (v) court order issued by a court of competent jurisdiction, (vi) act
 23 of God, (vii) act of terrorism, (viii) war, (ix) destruction of all or substantially all of the facilities
 24 of the business, (x) exposure to toxic substances, and (xi) condemnation or other taking of all or
 25 a sufficient portion of the facilities so as to prevent gaming activities."

26 **SECTION 2.(a)** G.S. 18C-114(a) reads as rewritten:

- 27 (a) The Commission shall have the following powers and duties:

28 ...

29 (12a) To develop, review, and approve applications from, and issue licenses to,
 30 eligible businesses to conduct activities that are designated as Class III
 31 gaming, as defined in G.S. 18C-176, as provided in this Chapter."

32 **SECTION 2.(b)** Article 8 of Chapter 18C of the General Statutes is amended by
 33 adding a new section to read:

34 **"§ 18C-176. Class III gaming license approval.**

- 35 (a) Definitions. – As used in this section, the following definitions shall apply:

- 36 (1) Class III gaming. – An activity listed under G.S. 14-292.2(b) that is conducted
 37 on the premises of an entity licensed under this section.
 38 (2) Eligible business. – A business that enters into a Rural Tourism Incentive
 39 Program agreement under G.S. 143B-437.02C.
 40 (3) Eligible location. – Defined in G.S. 143B-437.93.
 41 (4) Secretary. – The Secretary of Commerce.

42 (b) Approval. – Notwithstanding any provision of law to the contrary, the Commission
 43 may review and approve applications from an eligible business seeking licensure to conduct
 44 activities at an eligible location that are designated as Class III gaming. A license issued pursuant
 45 to this section shall expire 30 years after issuance, unless revoked, and may be extended for a
 46 term consistent with an extension of a Rural Tourism Incentive Program agreement pursuant to
 47 G.S. 143B-437.02C upon submission of a renewal application and the provision of evidence
 48 satisfactory to the Commission that the licensee remains in compliance with the initial terms and
 49 conditions for the licensure. Prizes that remain unclaimed after the period set by the Commission
 50 for claiming the prizes shall be considered abandoned property and dealt with pursuant to
 51 applicable State law.

1 (c) Limitations. – The Commission shall not approve an application from an eligible
2 business if any of the following apply:

3 (1) The applicant, or any of its owners, officers, or directors, has been convicted
4 of a felony in any state or federal court of the United States within 10 years of
5 issuance of the license or employs officers and directors who have been
6 convicted of a felony in any state or federal court of the United States within
7 10 years of issuance of the license, and within a reasonable period of time, the
8 applicant fails to remove the owner, officer, or director.

9 (2) The applicant is less than 21 years of age.

10 (3) The applicant has falsified the application.

11 (4) The applicant is not current in filing all applicable tax returns to the State and
12 in payment of all taxes, interest, and penalties owed to the State, excluding
13 items under formal appeal under applicable statutes. Upon request of the
14 Director, the Department of Revenue shall provide information relevant to this
15 subdivision about a specific person to the Commission.

16 (5) The applicant fails to provide all information and documentation required by
17 the Commission.

18 (6) The applicant, or any of it officers or directors, has had any license, permit,
19 certificate, or other authority related to gaming suspended or revoked in this
20 State or in any other jurisdiction.

21 (7) The Commission is not satisfied that the applicant is all of the following:

22 a. A person of good character, honesty, and integrity.

23 b. A person whose background, including criminal record, reputation,
24 and associations do not pose a threat to the public interest of the State
25 or the security and integrity of the Commission.

26 c. A person who, either individually or through employees, demonstrates
27 business ability and experience to establish, operate, and maintain the
28 business proposed.

29 d. A person who demonstrates adequate financing for the business
30 proposed.

31 e. A person who demonstrates a culture of an investments in responsible
32 gaming programs and an effective governance and compliance
33 program.

34 (d) The applicant must furnish all information, documents, certification, consents,
35 waivers, individual history forms, and other materials required or requested by the Commission
36 for purposes of determining qualification for that type of license. If the applicant is a public
37 company, the applicant must file with the Commission a copy of any disclosure statement
38 involving ownership of the public Company required to be filed with the United States Securities
39 and Exchange Commission.

40 (e) The applicant must submit to a background investigation, including each partner,
41 director, officer, and all stockholders of five percent (5%) or more of any business entity, except
42 for institutional investors. The application shall be accompanied by a fee, established by the
43 Commission, to cover the cost of the criminal and financial record check conducted by the
44 Commission.

45 (f) A business that has entered into an agreement pursuant to G.S. 143B-437.02C shall
46 be subject to a rebuttable presumption the business is also qualified to receive a Class III gaming
47 license issued by the Commission and the Commission shall approve the application unless the
48 Commission finds by clear and convincing evidence the business does not meet the requirements
49 of this section. The applicant shall agree to allow for periodic inspections of records, at least
50 semi-annually, to verify that the criteria for licensure eligibility is being maintained.

1 (a) Rate. – An excise tax of twenty-two and one-half percent (22.5%) is levied on gross
2 gaming revenue in this State. A gaming operator who accepts wagers subject to the tax imposed
3 by this section is liable for the tax imposed by this section.

4 (b) Report. – Taxes levied by this Article are payable when a report is required to be filed.
5 A report is due on a monthly basis. A monthly report covers the total amount of gross gaming
6 receipts received by a gaming operator during the previous calendar month and is due within 20
7 days after the end of the month covered by the report. A report is filed on a form prescribed by
8 the Secretary.

9 (c) Records. – A person who is required to file a report under this Article must keep a
10 record of all documents used to determine information the person provides in a report. These
11 records shall be open at all times for inspection by the Secretary or an authorized representative
12 of the Secretary and shall be kept for the applicable period of statute of limitations as set forth
13 under Article 9 of this Chapter.

14 **"§ 105-113.152. Bond or irrevocable letter of credit.**

15 The Secretary may require a gaming operator to furnish a bond in an amount that adequately
16 protects the State from a gaming operator's failure to pay taxes due under this Article. A bond
17 must be conditioned on compliance with this Article, payable to the State, and in the form
18 required by the Secretary. The amount of the bond is equal to the gaming operator's expected
19 monthly tax liability under this Article, as determined by the Secretary. The secretary shall
20 periodically review the sufficiency of bonds required of gaming operators and increase the
21 amount of a required bond when the amount of the bond furnished no longer cover the anticipated
22 tax liability of the gaming operator and decrease the amount when the Secretary determines that
23 a smaller bond amount will adequately protect the State from loss.

24 For purposes of this section, a gaming operator may substitute an irrevocable letter of credit
25 for the secured bond required by this section. The letter of credit must be issued by a commercial
26 bank acceptable to the Secretary and available to the State as a beneficiary. The letter of credit
27 must be in a from acceptable to the Secretary, conditioned upon compliance with this Article,
28 and in the amounts stipulated in this section.

29 **"§ 105-113.153. Use of tax proceeds.**

30 Except as allocated to a county as provided in this section, the Secretary shall credit the net
31 proceeds of the tax collected under this Article to the General Fund. The Secretary shall divide
32 the amount allocated to a county under this section among the county and its municipalities in
33 accordance with the method determined by the county pursuant to G.S. 105-472. The Secretary
34 shall make the following county allocations:

35 (1) For a county in which a gaming operator is located and receives wagers, five
36 percent (5%) of the net proceeds of the tax collected in that county under this
37 Article.

38 (2) For counties that do not receive an allocation under subdivision (1) of this
39 section:

40 a. Five percent (5%) of the net proceeds of the tax collected under this
41 Article split on a per capita basis between the counties that are
42 development tier one areas, as defined in G.S. 143B-437.08.

43 b. Five percent (5%) of the net proceeds of the tax collected under this
44 Article split on a per capita basis between the counties that are
45 development tier two areas, as defined in G.S. 143B-437.08."

46 **SECTION 4.(a)** Article 37 of Chapter 14 of the General Statutes is amended by
47 adding the following new sections to read:

48 **"§ 14-292.3 Class III gaming at approved economic development project sites.**

49 Except as otherwise provided in this section, and notwithstanding any laws which make Class
50 III gaming unlawful in this State, the Class III gaming activities described in G.S. 18C-176 may
51 legally be conducted on the site that is the subject of a Rural Tourism Incentive Program

1 agreement pursuant to G.S. 143B-437.02C, if the Class III games are conducted in accordance
2 with a valid Class III gaming license issued by the North Carolina Education Lottery Commission
3 pursuant to G.S. 18C-176.

4 **"§ 14-292.4. Class III gaming by Lumbee Tribe; exclusive right in certain counties.**

5 (a) The General Assembly of North Carolina makes the following findings of fact:

6 (1) The federal law, entitled An Act Related to the Lumbee Indians of North
7 Carolina, 70 Stat. 254 (1956), terminated the United States government's
8 relationship with the Lumbee Tribe and has resulted in long-lasting economic
9 burdens and difficulties for the Lumbee Tribe.

10 (2) The State of North Carolina has recognized the Lumbee Tribe in Chapter 71A
11 of the General Statutes as governments carrying out substantial governmental
12 responsibilities.

13 (3) The Lumbee Tribe has suffered unique burdens and barriers as a result of An
14 Act Related to the Lumbee Indians of North Carolina.

15 (4) It is the intent of the General Assembly to ensure equitable treatment of all
16 Indian tribes recognized by this State and to provide appropriate redress for
17 dissimilar treatment resulting from the federal legislation cited in subdivision
18 (1) of this subsection, which the Rural Tourism Incentive Program agreement
19 authorized in subsection (b) of this section is intended to achieve.

20 (b) Notwithstanding any other provision of law, if requested by the Lumbee Tribe, the
21 Secretary of Commerce shall enter into a Rural Tourism Incentive Program agreement pursuant
22 to G.S. 143B-437.02C with an entity owned wholly by the Lumbee Tribe or its affiliate for the
23 development of one district, including the conduct of commercial gaming, to be located within
24 the areas identified in subdivision (c)(5) of this section. The eligible location, employment and
25 investment requirements, and proposal submission fee required under G.S. 143B-437.02C shall
26 not apply to the agreement authorized under this subsection. Consistent with G.S. 143B-437.02C,
27 the entity established by the Lumbee Tribe that enters into the Rural Tourism Incentive Program
28 agreement with the Secretary shall enjoy a rebuttable presumption that it is qualified to receive a
29 Class III gaming license issued by the North Carolina State Lottery Commission pursuant to
30 G.S. 18C-176 and shall be deemed an eligible business under that section. The provisions of
31 G.S. 105-113.150 through 105-113.153 shall apply to the entity conducting commercial Class III
32 gaming on behalf of the Lumbee Tribe under an agreement authorized under this subsection.

33 (c) Except as otherwise provided in this section, and notwithstanding any laws that make
34 Class III gaming, as defined by the federal Indian Gaming Regulatory Act, 25 U.S.C. § 2701, et
35 seq., unlawful in this State, the Class III gaming activities described in G.S. 14-292.2 may legally
36 be conducted by the Lumbee Tribe if all of the following apply:

37 (1) The United States government grants federal recognition to the Lumbee Tribe.

38 (2) The Class III games are conducted in accordance with a valid Class III
39 Tribal-State Gaming Compact or an amendment to a Compact, applicable to
40 the tribe, that has been negotiated and entered into by the Governor under the
41 authority provided in G.S. 147-12(a)(14) and G.S. 71A-8.

42 (3) The Tribal-State Gaming Compact has been approved by the U.S. Department
43 of the Interior.

44 (4) The Tribal-State Gaming Compact requires that all monies paid by the tribe
45 under the Compact be paid to the Indian Gaming Education Revenue Fund
46 established by law.

47 (5) The Class III games are conducted only in one or more of the following
48 counties:

49 a. Bladen.

50 b. Brunswick.

51 c. Columbus.

- 1 d. Cumberland
 2 e. Hoke.
 3 f. Moore.
 4 g. New Hanover.
 5 h. Richmond.
 6 i. Robeson.
 7 j. Scotland.

8 (d) Subject to the conditions of subdivisions (c)(1) through (c)(4) of this section, the
 9 Lumbee Tribe shall have the exclusive right to lawfully conduct Class III gaming activities
 10 described in G.S. 14-292.2 in the counties listed in subdivision (c)(5) of this section.

11 **SECTION 4.(b)** G.S. 14-294 reads as rewritten:

12 **"§ 14-292. ~~Gambling.~~Gambling with faro banks and tables.**

13 Except as provided in Chapter 18C of the General Statutes ~~or in Part 2 or Part 4 of this~~
 14 ~~Article, Statutes, if~~ any person ~~or organization that operates any game of chance or any person~~
 15 ~~who plays at or bets on any game of chance at which any money, property or other thing of value~~
 16 ~~is bet, shall open, establish, use, or keep a faro bank, or a faro table, with the intent that games of~~
 17 ~~chance may be played thereat, or shall play or bet thereat any money, property, or other thing of~~
 18 ~~value, whether the same be in stake or not, the person shall be guilty of a Class 2 misdemeanor.~~
 19 ~~This section shall not apply to a person who plays at or bets on any lottery game being lawfully~~
 20 ~~conducted in any state."~~

21 **SECTION 4.(c)** G.S. 14-295 reads as rewritten:

22 **"§ 14-295. Keeping gaming tables, illegal punchboards or slot machines, or betting thereat.**

23 ~~If~~ Except as provided in Chapter 18C of the General Statutes, if any person shall establish,
 24 use or keep any gaming table (other than a faro bank), by whatever name such table may be
 25 called, an illegal punchboard or an illegal slot machine, at which games of chance shall be played,
 26 he shall be guilty of a Class 2 misdemeanor; and every person who shall play thereat or thereat
 27 bet any money, property or other thing of value, whether the same be in stake or not, shall be
 28 guilty of a Class 2 misdemeanor."

29 **SECTION 4.(d)** G.S. 14-296 reads as rewritten:

30 **"§ 14-296. Illegal slot machines and punchboards defined.**

31 An illegal slot machine or punchboard within the contemplation of G.S. 14-295 through
 32 14-298 is defined as a device where the user may become entitled to receive any money, credit,
 33 allowance, or any thing of value, as defined in G.S. 14-306. This section does not apply to Class
 34 III gaming conducted pursuant to G.S. 14-292.3."

35 **SECTION 4.(e)** G.S. 14-297 reads as rewritten:

36 **"§ 14-297. Allowing gaming tables, illegal punchboards or slot machines on premises.**

37 ~~If~~ Except as provided in G.S. 18C of the General Statutes, if any person shall knowingly
 38 suffer to be opened, kept or used in his house or on any part of the premises occupied therewith,
 39 any of the gaming tables prohibited by G.S. 14-289 through 14-300 or any illegal punchboard or
 40 illegal slot machine, he shall forfeit and pay to any one who will sue therefor two hundred dollars
 41 (\$200.00), and shall also be guilty of a Class 2 misdemeanor."

42 **SECTION 4.(f)** G.S. 14-301 reads as rewritten:

43 **"§ 14-301. Operation or possession of slot machine; separate offenses.**

44 It shall be unlawful for any person, firm or corporation to operate, keep in his possession or
 45 in the possession of any other person, firm or corporation, for the purpose of being operated, any
 46 slot machine or device where the user may become entitled to receive any money, credit,
 47 allowance, or any thing of value, as defined in G.S. 14-306. Each time said machine is operated
 48 as aforesaid shall constitute a separate offense. This section does not apply to Class III gaming
 49 conducted pursuant to G.S. 14-292.3."

50 **SECTION 4.(g)** G.S. 14-302 reads as rewritten:

51 **"§ 14-302. Punchboards, vending machines, and other gambling devices; separate offenses.**

1 It shall be unlawful for any person, firm or corporation to operate or keep in his possession,
2 or the possession of any other person, firm or corporation, for the purpose of being operated, any
3 punchboard, slot machine or device where the user may become entitled to receive any money,
4 credit, allowance, or any thing of value, as defined in G.S. 14-306. Each time said punchboard,
5 slot machine or device where the user may become entitled to receive any money, credit,
6 allowance, or any thing of value, as defined in G.S. 14-306 is operated, played, or patronized by
7 the paying of money or other thing of value therefor, shall constitute a separate violation of this
8 section as to operation thereunder. This section shall not apply to Class III gaming conducted
9 pursuant to G.S. 14-292.3."

10 **SECTION 4.(h)** G.S. 14-304 reads as rewritten:

11 "**§ 14-304. Manufacture, sale, etc., of slot machines and devices.**

12 It shall be unlawful to manufacture, own, store, keep, possess, sell, rent, lease, let on shares,
13 lend or give away, transport, or expose for sale or lease, or to offer to sell, rent, lease, let on
14 shares, lend or give away, or to permit the operation of, or for any person to permit to be placed,
15 maintained, used or kept in any room, space or building owned, leased or occupied by him or
16 under his management or control, any slot machine or device where the user may become entitled
17 to receive any money, credit, allowance, or any thing of value, as defined in G.S. 14-306. This
18 section shall not apply to Class III gaming conducted pursuant to G.S. 14-292.3."

19 **SECTION 4.(i)** G.S. 14-305 reads as rewritten:

20 "**§ 14-305. Agreements with reference to slot machines or devices made unlawful.**

21 It shall be unlawful to make or permit to be made with any person any agreement with
22 reference to any slot machines or device where the user may become entitled to receive any
23 money, credit, allowance, or any thing of value, as defined in G.S. 14-306 pursuant to which the
24 user thereof may become entitled to receive any money, credit, allowance, or anything of value
25 or additional chance or right to use such machines or devices, or to receive any check, slug, token
26 or memorandum entitling the holder to receive any money, credit, allowance or thing of value.
27 This section shall not apply to Class III gaming conducted pursuant to G.S. 14-292.3."

28 **SECTION 4.(j)** G.S. 14-306.1A(a) reads as rewritten:

29 "(a) Ban on Machines. – It shall be unlawful for any person to operate, allow to be
30 operated, place into operation, or keep in that person's possession for the purpose of operation
31 any video gaming machine as defined in subsection (b) of this section, except for the exemption
32 for (i) a federally recognized Indian tribe under subsection (e) of this section for whom it shall
33 be lawful to operate and possess machines as listed in subsection (b) of this section if conducted
34 in accordance with an approved Class III Tribal-State Compact applicable to that tribe, as
35 provided in G.S. 147-12(14) and G.S. ~~71A-8~~ 71A-8 or (ii) an entity licensed pursuant to
36 G.S. 18C-176."

37 **SECTION 4.(k)** G.S. 14-306.3(e) reads as rewritten:

38 "(e) Nothing in this section shall apply to the form of Class III gaming legally conducted
39 (i) on Indian lands which are held in trust by the United States government for and on behalf of
40 federally recognized Indian tribes if conducted in accordance with an approved Class III
41 Tribal-State Gaming Compact applicable to that tribe as provided in G.S. 147-12(14) and
42 G.S. ~~71A-8~~ 71A-8 or (ii) by an entity licensed pursuant to G.S. 18C-176."

43 **SECTION 4.(l)** G.S. 14-306.4(d) reads as rewritten:

44 "(d) Nothing in this section shall be construed to make illegal any activity which is
45 lawfully conducted (i) on Indian lands pursuant to, and in accordance with, an approved
46 Tribal-State Gaming Compact applicable to that Tribe as provided in G.S. 147-12(14) and
47 G.S. ~~71A-8~~ 71A-8 or (ii) by an entity licensed pursuant to G.S. 18C-176."

48 **SECTION 4.(m)** G.S. 14-307 reads as rewritten:

49 "**§ 14-307. Issuance of license prohibited.**

1 ~~There~~ Except as provided in G.S. 105-114.124, there shall be no State, county, or municipal
2 tax levied for the privilege of operating the machines or devices the operation of which is
3 prohibited by G.S. 14-304 through 14-309."

4 **SECTION 5.(a)** G.S. 105-259(b)(33) reads as rewritten:

5 "(33) To provide to the North Carolina State Lottery Commission the information
6 required under G.S. ~~18C-141~~, 18C-141 and G.S. 18C-176."

7 **SECTION 5.(b)** Subsection (d) of Section 4 of Session Law 2023-42 is repealed.

8 **SECTION 5.(c)** G.S. 105-259(b)(33), as amended by subsection (a) of this section,
9 reads as rewritten:

10 "(33) To provide to the North Carolina State Lottery Commission the information
11 (i) required under G.S. 18C-141 and G.S. ~~18C-176~~, 18C-176 and (ii) agreed
12 upon under G.S. 18C-114(c)."

13 **SECTION 6.** Subsection 5(c) of this act becomes effective January 8, 2024. Section
14 3 of this act is effective when it becomes law and applies to wagers made with gaming operators
15 on or after that date. The remainder of this act is effective when it becomes law.