

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1857

Short Title: Coin-Operated Machine Priv. Tax.

(Public)

Sponsors: Representative Creech.

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

May 30, 2000

A BILL TO BE ENTITLED

1 AN ACT TO IMPOSE A PRIVILEGE TAX ON THE LOCATION WHERE COIN-
2 OPERATED DEVICES ARE LOCATED AND A PRIVILEGE TAX ON EACH
3 MACHINE.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. Chapter 14 of the General Statutes is amended by adding two new
7 sections to read:

8 **"§ 14-306.1. Types of machines and devices prohibited by law; penalties.**

9 (a) It shall be unlawful for any person to keep on his premises or operate or permit
10 to be kept on his premises more than three video games with a free play feature operated
11 by a slot in which is deposited a coin or thing of value, or other device operated by a slot
12 in which is deposited a coin or thing of value for the play of any form of poker,
13 blackjack, keno, lotto, bingo, or craps, or any machine or any amusement device
14 described in G.S. 14-306(b) used for gambling including machines that display different
15 pictures, words, or symbols, at different plays or different numbers, whether in words or
16 figures or, which deposit tokens, paper tickets, markers, or coins at regular intervals or in
17 varying numbers to the player or in the machine, but the provisions of this section do not
18 extend to coin-operated nonpayout pin tables, in-line pin games, or to automatic
19 weighing, measuring, musical, and vending machines which are constructed to give a

1 certain uniform and fair return in value for each coin deposited and in which there is no
2 element of chance.

3 (b) Any person violating the provisions of this section is guilty of a Class 1
4 misdemeanor and, upon conviction, shall be fined not less than one thousand dollars
5 (\$1,000). A second or subsequent violation of this section is a Class I felony.

6 **"§ 14-306.2. Privilege tax on machines regulated by G.S. 14-306.**

7 (a) Every person, firm, or corporation that is engaged in the operation of a
8 machine described in G.S. 14-306.1 shall apply for and procure from the Secretary of
9 Revenue the following State licenses for the privilege of operating those machines:

10 (1) A license for each location where the machines are located with an
11 annual fee of one thousand dollars (\$1,000) per year.

12 (2) A license for each machine with a fee of one hundred dollars (\$100.00)
13 for the 2001 calendar year.

14 (3) A license for each machine with a fee of two hundred dollars (\$200.00)
15 for the 2002 calendar year.

16 (4) A license for each machine with a fee of three hundred dollars (\$300.00)
17 for the 2003 and subsequent calendar year.

18 (b) The tax imposed by this section does not apply to machines other than those
19 described in G.S. 14-306.1.

20 (c) The tax imposed by this section shall be imposed as a State license tax for the
21 privilege of operating the taxed machines, and nothing in this section shall be construed
22 to relieve any person, firm, or corporation from the payment of any other tax or fee
23 required by law.

24 (d) A separate State license shall be required for each location at which a machine
25 described in G.S. 14-306.1(a) is located.

26 (e) The full tax imposed by this section shall be paid to the Secretary of Revenue,
27 or to one of the Secretary's deputies, shall be due and payable within 30 days after the
28 machines upon which the State license tax is imposed are obtained, whether purchased or
29 leased, and placed in the location, and are due annually, thereafter, on the first day of July
30 of each year, and after that date shall be deemed delinquent, and subject to all the
31 remedies available and the penalties imposed for the payment of delinquent State license
32 and privilege taxes.

33 (f) The Secretary of Revenue shall transfer, quarterly, the proceeds from the
34 collection of the tax imposed by this section, to the General Fund."

35 Section 2. This act is effective when it becomes law and applies to calendar
36 year 2001 and all subsequent calendar years.