

## **Currituck waits on court for sweepstakes decision**

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CURRITUCK — Currituck commissioners say they will wait for a N.C. Supreme Court ruling before deciding how to regulate Internet sweepstakes businesses the county has cited for operating illegally.

Commissioners voted unanimously last week to delay any county action until the state's top court decides if a state law banning Internet sweepstakes is legal. The N.C. Supreme Court is expected to hear the case in October and could deliver a decision by early next year.

Board members said there is no need to enact county regulations if the court upholds the statewide ban.

"It's premature for us to make a decision right now," said Commissioner Marion Gilbert.

Earlier this year, the county planning staff and some Internet sweepstakes businesses suggested some new rules for the businesses. In January, commissioners asked the planning staff to recommend changes after several new Internet sweepstakes cafes popped up in Moyock.

As it stands, the county has cited 15 businesses for operating illegally. Planning Director Ben Woody said all the electronic gaming sites in the county have too many terminals to be considered an "accessory use" as allowed under the county ordinance.

Eight businesses have appealed the violation notices issued in January and afterward. So far, the county's Board of Adjustment has not heard any of the cases — and may not until after the state Supreme Court ruling. Commissioners said they will not push for the hearings unless the businesses do.

The businesses would benefit from the delay. Until a hearing, county law allows the businesses to operate without being fined.

Not all the businesses have filed appeals. At least one business has reportedly racked up \$38,000 in fines.

Commissioner Paul Martin said he was surprised that the business is still open.

"I think I would close my business to keep from being fined," he said.

Another commissioner suggested some businesses may have figured the fines into the cost of doing business.

"It is a lucrative business obviously," Martin said.

Commissioner Paul O'Neal said the board's delay in setting new rules for Internet sweepstakes businesses should not keep the county from enforcing its sign ordinance. O'Neal said one electronic gaming business with a flashing sign on Caratoke Highway clearly violates the county sign ordinance.

"It's not a smart idea to have those types of signs out there in addition to the other violations," said O'Neal.

A number of sweepstakes cafes have popped up in Currituck, especially Moyock, since last year when Virginia outlawed them.

The North Carolina General Assembly has sought to ban electronic gaming since 2007, but the effort has been thwarted by litigation. Most recently in March, the N.C. Court of Appeals ruled the state law was too vague. The state has appealed that ruling to the N.C. Supreme Court.

Earlier this year, some lawmakers, including state Rep. Bill Owens, D-Pasquotank, pushed for a new law that would allow counties to tax Internet sweepstakes cafes. The proposal failed to gain enough support in the General Assembly to pass into law, however.

Commissioner Butch Petrey said he hopes lawmakers will reconsider the taxation measure.

"I hope we can get some benefit (from sweepstakes cafes) through taxes," said Petrey.

Commissioner Owen Etheridge said he doubted that would happen.

"I don't think it's going to come to the forefront again ... not with the present General Assembly," Etheridge said.

During last week's meeting several owners of Internet sweepstakes businesses waited for word on what may happen next in Currituck.

Southland owner Linda Williams said afterward she agreed with the delay.

"I think its a good decision for now," said Williams.

Louise Harrell, Williams' business partner at Southland, said she hopes the county eventually will find a fair way to regulate the businesses without banning them.

"I would like to see it benefit everybody involved, including the county," said Harrell, noting that Currituck already benefits from the sales taxes and jobs her business creates.