

**RESOLUTION TO IMPOSE A TEMPORARY MORATORIUM FOR
NEW ELECTRONIC GAMING OPERATIONS WITHIN
THE CITY OF GREENSBORO, NORTH CAROLINA**

WHEREAS, a November 18, 2014 North Carolina Court of Appeals decision held that sweepstakes operations that use pre-reveal software are in violation of NCGS 14-306.4; and

WHEREAS, The City of Greensboro wants to await the outcome of any appeal to this ruling and wants to study and make recommendations about zoning requirements for such businesses; and

WHEREAS, the City Council finds that the zoning ordinance currently does not have an effective manner to regulate electronic gaming operations, known commonly as sweepstakes businesses, or internet cafes, or electronic sweepstakes operations, defined by Section 13-119 of the Greensboro Code of Ordinances as “any business enterprise, whether as a principal or accessory use, where persons utilize electronic machines, including but not limited to, computers or other electronic terminals (collectively the “electronic sweepstakes machines”), to reveal the content of a sweepstakes entry, whether by a simulated electronic game or otherwise, and where cash, merchandise, or other items of value are redeemed or otherwise distributed at the location where the electronic sweepstakes operation is conducted, whether or not the value of such distribution is determined by electronic games played or by predetermined odds. Electronic sweepstakes operations shall not include any lottery approved by the state of North Carolina or any nonprofit operation that is otherwise lawful under state law (for example church or civic organization fundraisers).”

WHEREAS, numerous such operations have opened throughout the City and this City has attracted such operations in far greater numbers than similar communities in this local area; and

WHEREAS, the regulatory provisions of Greensboro’s zoning ordinance with respect to these operations is far less comprehensive than nearby jurisdictions, and does not afford the protection to patrons of those businesses and to the general public as do those of other nearby cities; and

WHEREAS, the staff of the City of Greensboro has requested a temporary moratorium to permit it to further research possible legislative remedies to provide for the more orderly development of regulations to allow such business to operate in a safe manner in harmony with the commerce and greater development of the Greensboro community.

WHEREAS, in pursuance of North Carolina General Statute 160A-381(e), the Council specifically finds that:

1. The continuing addition of new sweepstakes businesses cannot be effectively regulated in the short-term without reviewing and improving the zoning ordinance, and there is no other way to address the deficiencies in the zoning ordinance to address the issue, short of a moratorium;
2. No development approvals will be subject to the moratorium, but the issuance of Privilege Licenses and Certificates of Occupancy for such businesses will cease during the moratorium;
3. A 60 day moratorium concluding on January 30, 2015 is necessary because numerous changes and additions to the zoning ordinance are contemplated; and
4. The planning and zoning staff and other employees of the city will develop proposals to address and remedy the situation.

WHEREAS, a public hearing is conducted by the City Council pursuant to North Carolina General Statutes Section 160A-381, in order to study this issue and to consider a moratorium for the purpose of developing legislative remedies, and said public hearing was properly noticed in accordance with North Carolina General Statutes Section 160A-381 for a meeting of the Council on Tuesday, December 2, 2014. The notice of hearing was published in the Greensboro News & Record as required for moratoriums of 60 days or shorter in length, in accordance with North Carolina General Statutes Section 160A-381(e).

NOW THEREFORE, be it enacted that, as of this date, a temporary moratorium for all new electronic gaming operations, commonly known as sweepstakes businesses, or internet cafes, or electronic sweepstakes operations as defined by Section 13-119 of the Greensboro Code of Ordinances, for any business using such an operation as a principal or accessory use, is hereby imposed, and the issuance of any Privilege License or Certificate of Occupancy to an electronic gaming operation, known also as a sweepstakes business, or internet café, or electronic sweepstakes operation as defined by Section 13-119 of the Greensboro Code of Ordinances, for any business using such an operation as a principal or accessory use, shall be suspended, said moratorium continuing in effect until January 30, 2015.