

STAFF REPORT

DOCKET # UDO-288
STAFF: Tiffany White

REQUEST

This zoning text amendment is proposed by the Winston-Salem City Attorney's Office to amend Chapters A & B of the *Unified Development Ordinances* (UDO) to modify the use of Electronic Sweepstakes Operations in the City of Winston-Salem.

BACKGROUND

On December 16, 2013, City Council approved UDO-243, which amended the Unified Development Ordinances to allow Electronic Sweepstakes Operations as a permitted use in Highway Business (HB) zoning districts. UDO-288 proposes modifying the current Electronic Sweepstakes Operations use in order to clarify the current regulations for these types of businesses operating within the City. Sweepstakes operations that pay out awards in cash are in violation of North Carolina state criminal law, and as such, the Inspections Division has not been issuing permits to the businesses who engage in this practice in the City. The current UDO language does not make the limitation clear.

ANALYSIS

In order to align the UDO with the City's practice and current state criminal law, the proposed ordinance change would clarify that permits will not be issued to sweepstakes operations which award cash prizes. If, on the other hand, a business wished to award prizes in the form of merchandise with a value of ten dollars or less, the business would be classified as Recreation Services, Indoor. Staff believes the proposed amendment will help clarify the current rules for such operations.

RECOMMENDATION

APPROVAL

**CITY-COUNTY PLANNING BOARD
PUBLIC HEARING
MINUTES FOR UDO-288
DECEMBER 13, 2018**

Tiffany White gave an overview and background of UDO-288. The amendment proposes a change in the definition of electronic sweepstakes operations. The text would now reference the North Carolina General Statutes, for anyone moving forward.

Staff recommends approval and Jerry Kontos, City Attorney, was present for questions.

PUBLIC HEARING

FOR: None

AGAINST: None

WORK SESSION

Melynda inquired as to what will happen to existing operations and whether bingo is regulated in any way.

Jerry explained that bingo does not fall within the purview of the statute, but that they would need to follow whatever statutes are in place for bingo.

With respect to businesses that exist now, the vast majority of those businesses came in under permits once it was clarified that they were no longer classified under Services A. Many of those businesses closed when the law was changed. There is a new iteration of businesses that have popped up throughout the city and none of those businesses received permits from the City, so they're all illegal. The police department has been working with the District Attorney's Office; there are currently two (2) active cases and three (3) more which are following behind it. There is now a more concerted and deliberate attempt, from a criminal standpoint, to address and shut down these cases.

Jerry and Chris Murphy explained why the change in definition is important to be able to enforce from a zoning standpoint and how difficult it was to enforce before the change.

MOTION: Clarence Lambe moved approval of the amendment.

SECOND: George Bryan

FOR: George Bryan, Melynda Dunigan, Tommy Hicks, Arnold King, Clarence Lambe, Chris Leak, Johnny Sigers, Brenda Smith

AGAINST: None

EXCUSED: None

Aaron King
Director of Planning and Development Services