

Sweepstakes Future; No Sure Bet

Written by Steve Frank

Monday, 17 December 2012 09:46

So what's next for video gaming? Just as the sweepstakes games were popping up all over, the state Supreme Court on Friday upheld the state's ban on video sweepstakes machines, overturning the state Appeals Court rulings that said regulating the games violated the constitutional right to free speech. But the Raleigh News & Observer says it's unclear whether the decision will be the end of the industry. Sweepstakes operators have in the past found ways around the laws, and an industry spokesman told the paper Friday that owners will seek to keep their establishments open by making adjustments to their business model to meet the letter of the law. Chase Brooks, a sweepstakes operator in Alamance County and president of the Internet Based Sweepstakes Operators, said in a statement that the companies would modify their operations to stay open, "The operators and software companies will now look at the law and our operating systems to see how we can adjust our computer programs and business models to continue operations," and he said. "We will look at morphing into whatever we need to be under the rule of law to continue our business."

But Senate leader Phil Berger said he expects law enforcement to start shutting down sweepstakes parlors, and said, "I'm pleased every member of the Supreme Court chose to uphold the law the General Assembly passed overwhelmingly with bipartisan support." And he said, "Now that the question is settled, I expect our law enforcement officials will begin enforcing the law." The N&O wrote that Lawyers for gaming companies had argued that the machines were entertainment and protected by the First Amendment, but that, in its opinion, the court said the sweepstakes companies "have attempted to 'skillfully disguise' conduct with a facade of speech to gain First Amendment protection for their conduct." The Supreme Court justices said the ban did not infringe on free speech rights, with Justice Robin E. Hudson writing, "We conclude that this legislation regulates conduct and not protected speech." The N&O said that state and local law enforcement officials are waiting for guidance from state Attorney General Roy Cooper's office on their response to the court opinion. Cooper's office said in a statement that state attorneys are reviewing the ruling to determine what advice to give. "I stood with law enforcement to push for a ban on this kind of gambling and our lawyers have argued for years for the right to enforce it," Cooper said in a statement. "The Supreme Court got this one right."