**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑21‑2700 SO AS TO DEFINE, SPECIFICALLY AND WITH EXAMPLES AND EXCLUSIONS, “AN AMUSEMENT REDEMPTION MACHINE”, AND TO PROVIDE FOR CRIMINAL PENALTIES FOR REWARDING PLAYERS WITH ITEMS OTHER THAN FREE REPLAYS OR NONCASH MERCHANDISE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 19, Chapter 21, Title 12 of the 1976 Code is amended by adding:

“Section 12‑21‑2700. (A) For purposes of this article:

(1) ‘Amusement redemption machine’ means every machine and device of any kind or character used by the public to provide redemption or entertainment which requires the payment of or the insertion of a bill, other money, token, ticket, or similar object and the result of whose operation depends in whole or in part upon the skill of the player, whether or not it affords an award to a successful player, and which legally can be shipped interstate according to federal law. An amusement redemption machine includes, but is not limited to, the following: pinball machine, console machine, crane machine, claw machine, bowling machine, novelty arcade game, foosball, miniature racetrack, football or golf machine, shuffleboard game, skeeball machine, air hockey machine, trivia machine, simulator game, maze game, racing game, or other redemption machine that may be operated legally in South Carolina.

(2) ‘An element of skill’ means the presence of the following factors, alone or in combination with one another: a learned power of doing a thing competently; a particular craft, art, ability, strategy, or tactic; a developed or acquired aptitude or ability; a coordinated set of actions including, but not limited to, hand‑eye coordination, dexterity, fluency, or coordination in the execution of learned physical or mental tasks; technical proficiency or expertise; development of implementation of strategy or tactics in order to achieve a goal; or knowledge of the means or methods of accomplishing a task. The term ‘an element of skill’ refers to a particular craft, coordinated effort, art, ability, strategy, or tactic employed by the player to affect in some way the outcome of the game played on a bona fide South Carolina operated redemption machine as defined below.

(3) The term ‘amusement redemption machine’ does not include the following:

(a) a direct merchandise machine or device that:

(i) is designed and manufactured only for bona fide amusement purposes and involves at least some skill in its operation; and

(ii) rewards a winning player exclusively with free replays or merchandise contained within the machine itself and that merchandise is limited to noncash merchandise, prizes, toys, gift certificates, or novelties. A player may be rewarded with both free replays and noncash merchandise, prices, toys, or novelties for a single play of the game or device as provided in this section.

(b) coin‑operated washing machines or dryers, vending machines that dispense products or services for payment of money, gas and electric meters, pay telephones, pay toilets, cigarette vending machines, coin‑operated scales, coin‑operated gumball machines, coin‑operated parking meters, coin‑operated massage beds, or coin‑operated television sets;

(c) a game or device classified by the United States government as requiring a federal gaming tax stamp under applicable provisions of the Internal Revenue Code; or

(d) a machine prohibited by Section 12‑21‑2710, 16‑19‑40, or 16‑19‑50.

(B) A player of an amusement redemption machine may accumulate winnings for the successful play of the amusement redemption machine through tokens, vouchers, points, or tickets. Points may be accrued on the machine. A player may carry over points on one play to subsequent plays. A player may redeem accumulated tokens, vouchers, or tickets for noncash merchandise, prizes, toys, gift certificates, or novelties so long as the amount of tokens, vouchers, or tickets received does not exceed ten dollars for a single play.

(C)(1) A person who gives to another person money for free replays or any noncash merchandise, prize, toy, gift certificate, or novelty received as a reward in playing the amusement redemption game is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars for each offense.

(2) The merchandise, prizes, toys, gift certificates, novelties, or rewards that may be awarded pursuant to this section may not include, or be redeemable or exchangeable for, firearms or alcohol. A person who violates this item is guilty of a misdemeanor and, upon conviction, must be fined not more than five thousand dollars or imprisoned not more than six months, or both, for each offense.

(D)(1) The burden of proof that a machine or game meets the required standards and requirements of an amusement redemption machine provided in this section is on the manufacturer or machine owner. The department may require the manufacturer or machine owner to obtain documentation that the machine, game, or a part of a machine meets the standards and requirements of an amusement redemption machine. The department may use physical inspection of a game’s operations and machine testing laboratory findings in determining that the game meets the required standards and requirements.

(2) When the department approves a machine that uses software and logic board, it may use a prescribed security seal process to guard against unauthorized tampering or changes to the erasable programmable read only memory (EPROM) chip or chips, or future similar technology.

(3) A machine not meeting the standards of this section, as enforced by the department, must not be licensed. The license of a machine that fails to maintain the standards of this section, as enforced by the department, must be revoked.”

SECTION 2. This act takes effect upon approval by the Governor.

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