

# Executive Order 1999-06

(January 1999)

**WHEREAS**, South Carolina Code § 12-21-2734 requires any person subject to the payment of tax for maintaining coin-operated devices for use in this state to apply for a license from the South Carolina Department of Revenue (hereinafter referred to as the "Department of Revenue") for two years for the privilege of making use of the machine(s) in South Carolina; and

**WHEREAS**, South Carolina Code § 12-21-2804(D) states that no owner, operator, or marketer of machines authorized under South Carolina Code § 12-21-2720(A)(3) (hereinafter referred to as "Class III" machines) may be issued a permit by the Department of Revenue for machines described in South Carolina Code § 12-21-2720(A)(3) unless the owner, operator, or marketer has been a resident of the State for two years; and

**WHEREAS**, Section 12-21-2804(D) also provides that the Department of Revenue shall require all applicants for such licenses to file a statement of residency as part of the application process on forms and in a manner the Department of Revenue considers appropriate; and

**WHEREAS**, Section 12-21-2791 requires the owner/operators of Class III video game machines to limit cash payouts per location in any twenty-four (24) hour period; and

**WHEREAS**, Section 12-21-2776 requires the owner/operators of Class III video game machines to keep detailed records about the machines, including but not limited to the payouts to players, the gross profit, and the percentage of net profits divided between the owners and the locations; and

**WHEREAS**, owner/operators of Class III video game machines are otherwise subject to detailed regulation by the State of South Carolina; and

**WHEREAS**, it is vital to the citizens of this state that the State of South Carolina deter criminals who might attempt to evade laws regulating the video gaming industry from applying for video gaming licenses; and

**WHEREAS**, the South Carolina Law Enforcement Division (SLED) has the capability to perform background checks to determine if an applicant for a Class III video game machine license has been convicted of a crime or is subject to an arrest warrant;

**NOW, THEREFORE**, I hereby direct the Department of Revenue to provide SLED with the names of all applicants (including but not limited to the principal owners, partners, or officers of any business entity applicants) for Class III video game machine licenses in South Carolina as well as any other identifying information necessary for the purpose of conducting a criminal background check on such applicants.

I further hereby direct SLED to conduct criminal background checks on such applicants to determine which applicants for Class III video game machine licenses, if any, have criminal convictions or are subject to arrest warrants, and further hereby authorize SLED to utilize the results of such background checks in its law enforcement efforts to the extent otherwise permitted by law.

This Order shall take effect immediately.