

**STATE LICENSING OF COIN-OPERATED
MACHINES AND OTHER AMUSEMENT DEVICES**

SC Business Licensing Officials Association
Spring Training Institute and Advanced Academy
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**State Licensing of Coin-Operated Machines
and Other Amusement Devices**

Three Types of C.O.D. Licenses:

Type License	Biennial Fee	Six Month Fee	Eight Month Fee
• Type I	\$ 50.00	\$ 12.50	\$ 17.00
• Type II	\$ 250.00	\$ 62.50	\$ 84.00
• Type III	\$ 4,000.00	\$ 1,000.00	\$ 1,333.00

**State Licensing of Coin-Operated Machines
and Other Amusement Devices**

Machine Licensing Period

- Biennial (Two Year) Licensing Period
 - June 1st – May 31st of the second year
 - License is prorated during the first year for purchases after June 30th
- Seasonal Licensing Period
 - Six Months: April 1st – September 30th
 - Eight Months: March 1st – October 31st

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Machine Licensing Period

Recognized State or County Fairs

- Temporary license to operate machines or devices at a recognized county or state fair.
- In lieu of the biennial machine or device license and the operator's license.
- Equal to 1/24th of the biennial license required for all machines and devices operated at the fair plus 1/24th of the biennial operator's license.
- Valid for the specific location designated on the license and the number of machines for which application was made
- Expires when the designated fair officially ends

State Licensing of Coin-Operated Machines and Other Amusement Devices

Factors for Determining if a License is Required

- What "Type" of machine or device is it?
- Is it operated by a slot in which is inserted a coin or thing of value?
- Does the machine or device have a free play feature?

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What "Type" of machine or device is it?

In other words, is the machine or device for playing music, or playing a game? Is it a video game? Is it a mechanical amusement device? Or is it a billiard, skeeball or bowling lane table?

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Is it operated by a slot in which is inserted a coin or thing of value?

Most machines or devices must be operated by a slot in which is inserted a coin or thing of value (e.g., currency, tokens, electronic cards) in order to be subject to the state licensing requirements.

However, billiard tables, pocket billiard tables, foosball tables, bowling lane tables and skeeball tables when operated for profit are subject to the state licensing requirement whether or not operated by a slot in which is inserted a coin or thing of value (e.g., currency, tokens, electronic cards).

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Does the machine or device have a free play feature?

Some machines allow a player to play an entire game free of charge if the player achieves a certain score or a desired goal. For example, a player may receive a free game if (1) a certain number of points are scored; or (2) the last number of the player's score matches a number randomly selected by the machine (Score: 328,446, Randomly Selected Number: 6).

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Type I Machines

<u>Type Machine</u>	<u>Free Play Feature</u>	<u>Operated by Slot</u>
Machines for playing music	N/A	Yes
Kiddy Ride	N/A	Yes
Juke Box	N/A	Yes
Mechanical amusement device	Yes	Yes

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Type I Machines (Operated for Profit)

Type Machine	Free Play Feature	Operated by Slot
Billiard table	N/A	N/A
Pocket billiard table	N/A	N/A
Foosball table	N/A	N/A
Bowling lane table	N/A	N/A
Skee-ball table	N/A	N/A

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Type II Machines

Type Machine	Free Play Feature	Operated by Slot
Machine for playing amusement	No	Yes
Crane type machine	N/A	Yes
Machine for playing video games	No	Yes
Pin table with levers	Yes	Yes
Pin table with levers	No	Yes

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Type III Machines

Type Machine	Free Play Feature	Operated by Slot
In-line pin game without flippers	N/A	Yes

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Digital display machines that measure the following do not require a license:

- Blood pressure
- Pulse rate
- Stress level
- Breath alcohol level

Digital display machines that measure a person's "love" level and other non-medical information must be licensed – with the type of license depending on whether it has a free play feature.

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Machines subject to the State admissions do not require a license.

Example: Baseball batting cages

Machines, the primary purpose of which is to serve as "table top" ordering and payment devices at restaurants, do not require a license.

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Multi-Player Machines

Type I and II - The number of licenses depends on the facts

Type III - A license is required for each player station

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Multi-Player Machines – Type I or Type II Machine

Factors to be considered include, but are not limited to:

- The number of video or viewing screens
- The ability of two or more players to play independently of each other
- The number of slots where a coin or thing of value is deposited in order to play
- The design of the machine
- How the machine is perceived by the public – one or more than one

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Placement of License on the Machine

- Machines Operated by a Slot
 - Must be displayed “conspicuously” on the front of the machine
- Billiard tables, Pocket billiard tables, Foosball tables, Bowling lane tables and Skee-ball tables
 - Must be attached to a permanent, nontransferable part of the machine

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Owner/Operator Identification Information

- Must be placed on the machine
- Must be on the machine in order to operate the machine
- Must be visible for inspection purposes

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Three Classes of Owner/Operator Licenses:

<u>Type License</u>	<u>Biennial Fee</u>	<u>Six Month Fee</u>	<u>Eight Month Fee</u>
▫ Class A	\$ 50.00	\$ 12.50	\$ 17.00
▫ Class B	\$ 200.00	\$ 50.00	\$ 67.00
▫ Class C	\$ 4,000.00	\$ 500.00	\$ 667.00

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Licensing Period for Owner/Operator License

- Biennial (Two Year) Licensing Period
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Licensing Period

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Municipalities

- May by ordinance impose a license fee on Type III machines, not to exceed \$360 for a two year license period.
- May levy a license tax on the business taxed under the Coin-Operated Device tax law (Article 19, Chapter 21 of Title 12), but in no case may a tax exceed one-half of the amount levied by the State before March 28, 1956.
- May not limit the number of machines within its boundaries

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Counties

- May by ordinance impose a license fee on Type III machines, not to exceed \$360 for a two year license period.
- May levy a license tax on the business taxed under the Coin-Operated Device tax law (Article 19, Chapter 21 of Title 12), but in no case may a tax exceed one-half of the amount levied by the State before March 28, 1956.

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Recent Department Guidance

- SC Revenue Ruling #16-4 (General Guidance and Chart)
- SC Revenue Ruling #16-3 (Table Top Ordering and Bill Payment Devices)

State Licensing of Coin-Operated Machines
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Department Coin-Operated Device Application Forms

State Licensing of Coin-Operated Machines
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- **Questions?**
- **Contact Information**
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