
State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214
Website Address: <http://www.sctax.org>

SC INFORMATION LETTER #04-4

SUBJECT: Electronic Bingo – Implementation of House Bill 3986
(Bingo)

DATE: February 24, 2004

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 2000)
S.C. Code Ann. Section 1-23-10(4) (Supp. 2003)
SC Revenue Procedure #03-1

SCOPE: An Information Letter is a written statement issued to the public by the Department to announce general information useful in complying with the laws administered by the Department. **An Information Letter has no precedential value, and is not binding on the public or the Department.**

As a result of the enactment of House Bill No. 3986, the Regulatory Division of the SC Department of Revenue has issued the attached notice to the bingo industry.

For further information, contact the Department's Regulatory Divisions at (803) 898-5162.

State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

TO: Members of the Bingo Industry

FROM: South Carolina Department of Revenue – Bingo Division

DATE: February 24, 2004

RE: Implementation of House Bill H3986 (Electronic Bingo)

Dear Members of the Bingo Industry:

On January 15, 2004, the General Assembly passed House Bill No.3986 which allows the use of electronic bingo aids in the play of charitable bingo in South Carolina. The bill was signed by the Governor on February 18, 2004. The purpose of this information letter is to notify the bingo industry of a time frame and method for implementation of the provisions set forth in House Bill No. 3986.

Based on S.C. Code Ann. Section 12-21-4007(A)(2)(b), a bingo ticket must be used in conjunction with the use of electronic dabbers. The use of bingo tickets will alleviate the current requirement that printed bingo cards must be used with the play of electronic bingo devices.

Due to the changes that must be made in order for the bingo industry to implement the new requirements, the Department is allowing all participants in the industry ninety (90) days in which to begin using the bingo tickets in conjunction with the play of electronic devices. In addition, bingo equipment and site systems must also be in compliance with the provisions of the new law within this ninety (90) days. With respect to the testing required to ensure bingo equipment and site systems comply with the new law, the manufacturers of the bingo equipment and site systems are solely responsible for requesting, obtaining and paying for the cost of compliance testing from a testing facility approved by the Department. To facilitate this testing, the Department will provide the manufacturers with a list of approved testing laboratories. At the conclusion of this ninety (90) day period, the Department will begin writing violations for any entity not in compliance with the provisions of House Bill No. 3986.

During this ninety (90) day period, all bingo licensees and industry participants will be required to operate electronic bingo as originally agreed upon in the Memorandum of Understanding (“MOU”). If electronic bingo is operated outside the provisions of the MOU before the ticket system is in place, violations will be assessed for illegally playing electronic bingo. As you will recall, the MOU required that electronic bingo be played with printed bingo cards given to the players in the same face value as the cards loaded

on the electronic device. Specifically, the MOU called for compliance with Sections 1 (except for subsection D and subsection A(2)(b) dealing with bingo tickets) 3, 4, 5, 6, 7, 8, 9, and 13 of House Bill No. 3986. The promoters agreed to issue printed bingo cards with each electronic dabber with the total face value of the bingo cards equaling the total value of the cards loaded in the electronic dabber. The promoters additionally agreed that the cards will be date-stamped with the date of sale at the time that they are delivered to the player. The Department fully expects the parties to continue to comply with these provisions until such time as the ninety (90) day grace period is complete. The grace period will begin to run from the date of February 18, 2004.

Once a bingo ticket manufacturer has been licensed and the ticket system is in place, the tickets will be purchased through the same voucher system currently used to purchase printed bingo paper. The promoter or charity will be able to purchase both printed bingo cards and tickets on the same voucher.

On March 2, 2004, a draft of proposed bingo ticket standards will be published for public comments and suggestions on the Policy Section's Advisory Opinion Calendar at <http://www.sctax.org/Tax+Policy/Policy/policylist2.htm>. The Calendar will provide information as to when and where to submit comments and suggestions and the date, time and location for a public conference on the draft (the public conference will be canceled if no one requests it be held),

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