

TOP STORY ■■■**THURSDAY, SEPTEMBER 07, 2000**

S.C. Video Poker Ban Energizes Gaming Friends, Foes

A Special Report By Lisa Goddard in Columbia, S.C.

South Carolina banished the burgeoning video poker industry from its borders on July 1, and gambling foes now hope to rid other states of this form of gambling. Owners of the gaming devices say they may have lost a battle, but the war is not over..

"We're going to court," says Warren Holliday of Holliday Amusements.

Holliday owns more than 600 video-poker machines. The shiny silver devices were prominent features of South Carolina life since the early 80s, growing to number 33,000 machines by 1999. That was one machine for roughly every 100 residents of the state. A three billion dollar business at its peak, it was one of the largest coin-operated gambling industries outside of Nevada.

The Palmetto State shut all that down five weeks ago in a ban which made it illegal to even possess a video poker machine. After July 8, dozens were seized as contraband.

Holliday says operators are preparing lawsuits to allege the ban itself is illegal. "You cannot tell a business they can operate, they can hire workers, build buildings and then after a few decades tell them they have to shut down," the Charleston resident says. He says gambling operators outside the state are just as eager as those inside to restake their claim in South Carolina.

Gambling opponents say they aren't worried.

"Video poker is dead in this state," says Larry Huff, director of the Legacy Alliance, an anti-gambling coalition which brought churches and other groups together to fight video poker. Huff says the momentum from the video poker ban has many like him looking to other issues, such as lotteries, and other states, like West Virginia, as the next battlegrounds.

"Video poker marred the social fabric of our state... and poker operators got away with it for years with dozens of long court battles," he says, "But now no court will save them."

South Carolina has a constitutional provision outlawing gambling. But video poker machines squeezed through a legislative loop-hole in the 80s by dispensing paper receipts for winnings, not cash itself.

The player then turned in the receipts for cash. The subtle difference was enough to give poker machines a foothold in South Carolina courts.

As video poker swelled, small grass-roots organizations like Huff's began joining forces and putting pressure on lawmakers to specifically outlaw video poker.

The issue raised a windstorm of debate about individual liberty versus public morality.

In mid-1999 legislators sidestepped the issue by trying to put the video poker question to voters statewide. They passed a carefully-configured law that would ban the industry unless voters chose by referendum to keep video poker.

The referendum was scheduled for November of 1999. "Vote Yes" and "Vote No" campaigns quickly formed, filling land along highways and dirt roads with more yard signs than a presidential election campaign.

But the debate ended suddenly and surprisingly before the first vote was cast.

In October, the South Carolina Supreme Court ruled that the video poker referendum itself was unconstitutional because the state does not provide for a ballot initiative in its constitution.

That meant, the court ruled, video poker would be banned because voters could not specifically elect to keep it. In other words, the phrasing of the law is what sunk gambling operators. It was an enormous strategic victory for anti-gambling forces.

"It was one of our brighter moments as a people," Huff says.

Huff believes the victory in South Carolina is part of a greater trend. "In the last fifteen years, there was an expansion of gambling," he says, referring to the increase in state lotteries and video poker. "But now that pendulum is swinging back and I believe there is an anti-gambling momentum building."

Huff pointed to the defeat of a proposed Alabama lottery by referendum in 1999. He now hopes to defeat a lottery question that will be on the South Carolina ballot in November and to promote anti-gambling alliances across the East Coast. Video poker operators also are keeping busy. As plans for legal action gel, many are looking into Internet gambling. Others are considering proposals to turn carnival games into big money makers. They would replace the traditional stuffed doll prize with something a lot bigger, like a boat or car, and similarly increase the price for a try.

The video poker machines that used to dot South Carolina now sit in storage in other states such as Georgia. And the neon-lit, mirrored video pokers parlors that dot the state are all locked up.

But not forgotten. Video poker operators hold on to them in hopes of a court-ordered resurrection. And opponents point to them as symbols of a victory they hope to spread.