

State of South Dakota

NINETY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2017

664Y0615

HOUSE BILL NO. 1199

Introduced by: Representative Haugaard

1 FOR AN ACT ENTITLED, An Act to repeal the lottery and certain gambling in South Dakota.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 42-7A-1 be repealed.

4 ~~—42-7A-1. Terms used in this chapter mean:~~

5 ~~—(1)—"Associated equipment," any proprietary device, machine, or part used in the~~
6 ~~manufacture or maintenance of a video lottery machine, including integrated circuit~~
7 ~~chips, printed wired assembly, printed wired boards, printing mechanisms, video~~
8 ~~display monitors, and metering devices;~~

9 ~~—(2)—"Commission," the South Dakota Lottery Commission;~~

10 ~~—(3)—"Credit," one, five, ten, or twenty-five cents;~~

11 ~~—(4)—"Executive director," the executive director of the South Dakota Lottery;~~

12 ~~—(5)—"Instant lottery," a game that offers preprinted tickets that indicate immediately or in~~
13 ~~a grand prize drawing whether the player has won a prize;~~

14 ~~—(6)—"Licensed establishment," a bar or lounge owned or managed by an individual,~~
15 ~~partnership, corporation, or association licensed to sell alcoholic beverages for~~



- 1 consumption upon the premises where sold;
- 2 ~~— (7) — "Lottery" or "state lottery," any lottery operated pursuant to this chapter;~~
- 3 ~~— (8) — "Lottery retailer," any person with whom the South Dakota Lottery has contracted to~~
4 ~~sell lottery tickets to the public;~~
- 5 ~~— (9) — "Lottery vendor" or "vendor," any person who has entered into a major procurement~~
6 ~~contract with the South Dakota Lottery;~~
- 7 ~~— (10) — "Major procurement," any contract with any vendor directly involved in providing~~
8 ~~facilities, equipment, tickets, and services unique to the lottery, but not including~~
9 ~~materials, supplies, equipment, and services common to the ordinary operations of~~
10 ~~state agencies;~~
- 11 ~~— (11) — "Net machine income," money put into a video lottery machine minus credits paid~~
12 ~~out in cash;~~
- 13 ~~— (12) — "On-line lottery," a game linked to a central computer via a telecommunications~~
14 ~~network in which the player selects a specified group of numbers or symbols out of~~
15 ~~a predetermined range of numbers or symbols as approved by the commission;~~
- 16 ~~— (13) — "South Dakota Lottery," the state agency created by this chapter to operate a lottery~~
17 ~~pursuant to this chapter;~~
- 18 ~~— (14) — "Ticket," any tangible evidence issued or authorized by the South Dakota Lottery to~~
19 ~~prove participation in an instant, on-line, or video lottery game;~~
- 20 ~~— (14A) "Video lottery," any video game of chance played on video lottery machines;~~
- 21 ~~— (15) — "Video lottery machine distributor," any individual, entity, partnership, corporation,~~
22 ~~or association that distributes or sells video lottery machines or associated equipment~~
23 ~~in this state;~~
- 24 ~~— (16) — "Video lottery machine manufacturer," any individual, entity, partnership,~~

1 corporation, or association that assembles or produces video lottery machines or
2 associated equipment for sale or use in this state;

3 ~~—(17)—~~ "Video lottery machine operator," any individual, entity, partnership, corporation, or
4 association that places video lottery machines or associated equipment for public use
5 in this state; and

6 ~~—(18)—~~ "Video lottery machines," or "machine," any electronic video game machine that,
7 upon insertion of cash, is available to play or simulate the play of a video game,
8 including video poker, keno, and blackjack, authorized by the commission utilizing
9 a video display and microprocessors in which, by chance, the player may receive free
10 games or credits that can be redeemed for cash. The term does not include a machine
11 that directly dispenses coins, cash, or tokens.

12 Section 2. That § 42-7A-2 be repealed.

13 ~~—42-7A-2. There is hereby established in the Department of Revenue a division to be called~~
14 ~~the South Dakota Lottery under the direction of the South Dakota Lottery Commission. Under~~
15 ~~the supervision of the commission, an executive director shall administer the state lottery as~~
16 ~~provided in this chapter. In all decisions, the executive director and commission shall take into~~
17 ~~account the particularly sensitive nature of the lottery, and shall act to promote and ensure the~~
18 ~~integrity, security, honesty, and fairness of its operation and administration. The overall~~
19 ~~management of the state lottery and control over the operation of its games shall rest solely with~~
20 ~~the South Dakota Lottery.~~

21 Section 3. That § 42-7A-3 be repealed.

22 ~~—42-7A-3. The executive director shall be the secretary of revenue or his designee. The~~
23 ~~executive director shall be exempt from the South Dakota Career Service Act and shall receive~~
24 ~~an annual salary fixed by the Governor. The executive director may employ such persons as may~~

1 ~~be necessary to operate the South Dakota Lottery.~~

2 Section 4. That § 42-7A-4 to 42-7A-65, inclusive, be repealed.

3 Section 5. That § 22-25-25 to 22-25-52, inclusive, be repealed.