



2022 South Dakota Legislature
Senate Bill 152
ENROLLED

AN ACT

ENTITLED An Act to provide for ticket-in, ticket-out video lottery.

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

Section 1. That § 42-7A-1 be AMENDED:

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

- (1) "Associated equipment," any proprietary device, machine, or part used in the manufacture or maintenance of a video lottery machine, including integrated circuit chips, printed wired assembly, printed wired boards, printing mechanisms, video display monitors, and metering devices;
- (2) "Commission," the South Dakota Lottery Commission;
- (3) "Credit," one, five, ten, or twenty-five cents;
- (4) "Executive director," the executive director of the South Dakota Lottery;
- (5) "Instant lottery," a game that offers preprinted tickets that indicate immediately or in a grand prize drawing whether the player has won a prize;
- (6) "Licensed establishment," a bar or lounge owned or managed by an individual, partnership, corporation, or association licensed to sell alcoholic beverages for consumption upon the premises where sold;
- (7) "Lottery" or "state lottery," any lottery operated pursuant to this chapter;
- (8) "Lottery retailer," any person with whom the South Dakota Lottery has contracted to sell lottery tickets to the public;
- (9) "Lottery vendor" or "vendor," any person who has entered into a major procurement contract with the South Dakota Lottery;
- (10) "Major procurement," any contract with any vendor directly involved in providing facilities, equipment, tickets, and services unique to the lottery, but not including materials, supplies, equipment, and services common to the ordinary operations of state agencies;

- (11) "Net machine income," money put into a video lottery machine minus credits paid out in cash;
- (12) "On-line lottery," a game linked to a central computer via a telecommunications network in which the player selects a specified group of numbers or symbols out of a predetermined range of numbers or symbols as approved by the commission;
- (13) "South Dakota Lottery," the state agency created by this chapter to operate a lottery pursuant to this chapter;
- (14) "Ticket," any tangible evidence issued or authorized by the South Dakota Lottery to prove participation in an instant, on-line, or video lottery game;
- (14A) "Video lottery," any video game of chance played on video lottery machines;
- (15) "Video lottery machine distributor," any individual, entity, partnership, corporation, or association that distributes or sells video lottery machines or associated equipment in this state;
- (16) "Video lottery machine manufacturer," any individual, entity, partnership, corporation, or association that assembles or produces video lottery machines or associated equipment for sale or use in this state;
- (17) "Video lottery machine operator," any individual, entity, partnership, corporation, or association that places video lottery machines or associated equipment for public use in this state; and
- (18) "Video lottery machines," or "machine," any electronic video game machine authorized by the commission that, upon insertion of cash or ticket voucher, is available to play or simulate the play of a video game, including video poker, keno, and blackjack, utilizing a video display and microprocessors in which, by chance, the player may receive free games or credits that can be redeemed for cash. The term does not include a machine that directly dispenses coins, cash, or tokens.

Section 2. That § 42-7A-37 be AMENDED:

42-7A-37. Each video lottery machine licensed under this chapter:

- (1) Shall offer only games licensed by the South Dakota Lottery and authorized by the commission;
- (2) May not have any means of manipulation that affect the random probabilities of winning a video lottery game;
- (3) Shall have one or more mechanisms that accept coins, cash in the form of bills, or a ticket voucher. The mechanisms shall be designed to prevent obtaining credits without paying by stringing, slamming, drilling, or other means. If such attempts

- involve physical tampering, the machine shall suspend itself from operation until reset;
- (4) Shall have nonresettable meters housed in any readily accessible locked machine area that keep a permanent record of all cash and ticket vouchers inserted into the machine, all refunds of winnings made by the machine's printer, credits played for video lottery games, and credits won by video lottery players;
 - (5) Shall be capable of printing a ticket voucher stating the value of the prize for the player at the completion of each video lottery game, the time of day in a twenty-four hour format showing hours and minutes, the date, the machine serial number, the sequential number of the ticket vouchers, and an encrypted validation number from which the validity of the prize may be determined;
 - (6) Shall have accounting software that keeps an electronic record which includes, but is not limited to, the following: total cash inserted into the machine, total cash value of ticket vouchers inserted into the machine, the value of winning tickets claimed by players, the total video lottery credits played and the total video lottery credits awarded by a video lottery game, and the payback percentage credited players of each video lottery game;
 - (7) Shall be linked under a central communications system to provide auditing program information as approved by the commission. The communications system shall be installed and all testing conducted no later than December 1, 1989. Until such time, all accounting of machine transactions shall be audited by electronic records maintained by each video lottery machine as required in subdivision (6) of this section. In no event may the communications system approved by the commission limit participation to only one manufacturer of video lottery machines by either the cost in implementing the necessary program modifications to communicate or the inability to communicate with the central communications system. Nothing in this section may be construed as requiring a machine that only offers video lottery games to be on-line or in constant communication with a central computer.

An Act to provide for ticket-in, ticket-out video lottery.

I certify that the attached Act originated in
the:
Senate as Bill No. 152

Received at this Executive Office
this ____ day of _____,
2022 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby
approved this _____ day of
_____, A.D., 2022

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2022
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 152
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State