



2022 South Dakota Legislature

Senate Bill 152

Introduced by: **Senator Rohl**

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

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

3 **Section 1. That § 42-7A-1 be AMENDED:**

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
13 in 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
16 consumption upon the premises where sold;
- 17 (7) "Lottery" or "state lottery," any lottery operated pursuant to this chapter;
- 18 (8) "Lottery retailer," any person with whom the South Dakota Lottery has contracted
19 to sell lottery tickets to the public;
- 20 (9) "Lottery vendor" or "vendor," any person who has entered into a major procurement
21 contract with the South Dakota Lottery;
- 22 (10) "Major procurement," any contract with any vendor directly involved in providing
23 facilities, equipment, tickets, and services unique to the lottery, but not including
24 materials, supplies, equipment, and services common to the ordinary operations
25 of state agencies;

- 1 (11) "Net machine income," money put into a video lottery machine minus credits paid
2 out in cash;
- 3 (12) "On-line lottery," a game linked to a central computer via a telecommunications
4 network in which the player selects a specified group of numbers or symbols out
5 of a predetermined range of numbers or symbols as approved by the commission;
- 6 (13) "South Dakota Lottery," the state agency created by this chapter to operate a
7 lottery pursuant to this chapter;
- 8 (14) "Ticket," any tangible evidence issued or authorized by the South Dakota Lottery to
9 prove participation in an instant, on-line, or video lottery game;
- 10 (14A) "Video lottery," any video game of chance played on video lottery machines;
- 11 (15) "Video lottery machine distributor," any individual, entity, partnership, corporation,
12 or association that distributes or sells video lottery machines or associated
13 equipment in this state;
- 14 (16) "Video lottery machine manufacturer," any individual, entity, partnership,
15 corporation, or association that assembles or produces video lottery machines or
16 associated equipment for sale or use in this state;
- 17 (17) "Video lottery machine operator," any individual, entity, partnership, corporation,
18 or association that places video lottery machines or associated equipment for public
19 use in this state; and
- 20 (18) "Video lottery machines," or "machine," any electronic video game machine
21 authorized by the commission that, upon insertion of cash or ticket voucher, is
22 available to play or simulate the play of a video game, including video poker, keno,
23 and blackjack, ~~authorized by the commission~~ utilizing a video display and
24 microprocessors in which, by chance, the player may receive free games or credits
25 that can be redeemed for cash. The term does not include a machine that directly
26 dispenses coins, cash, or tokens.

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

- 28 **42-7A-37.** Each video lottery machine licensed under this chapter:
- 29 (1) Shall offer only games licensed by the South Dakota Lottery and authorized by the
30 commission;
- 31 (2) May not have any means of manipulation that affect the random probabilities of
32 winning a video lottery game;
- 33 (3) Shall have one or more mechanisms that accept coins ~~or~~ cash in the form of bills,
34 or a ticket voucher. The mechanisms shall be designed to prevent obtaining credits

- 1 without paying by stringing, slamming, drilling, or other means. If such attempts
2 involve physical tampering, the machine shall suspend itself from operation until
3 reset;
- 4 (4) Shall have nonresettable meters housed in any readily accessible locked machine
5 area that keep a permanent record of all cash and ticket vouchers inserted into the
6 machine, all refunds of winnings made by the machine's printer, credits played for
7 video lottery games, and credits won by video lottery players;
- 8 (5) Shall be capable of printing a ticket voucher stating the value of the prize for the
9 player at the completion of each video lottery game; ~~the~~ the time of day in a
10 twenty-four hour format showing hours and minutes; ~~the~~ the date; ~~the~~ the machine serial
11 number; ~~the~~ the sequential number of the ticket vouchers; ~~and~~ an encrypted
12 validation number from which the validity of the prize may be determined;
- 13 (6) Shall have accounting software that keeps an electronic record which includes, but
14 is not limited to, ~~the~~ the following: total cash inserted into the machine; ~~the~~ total cash
15 value of ticket vouchers inserted into the machine, the value of winning tickets
16 claimed by players; ~~the~~ the total video lottery credits played and the total video lottery
17 credits awarded by a video lottery game; ~~and~~ the payback percentage credited
18 players of each video lottery game;
- 19 (7) Shall be linked under a central communications system to provide auditing program
20 information as approved by the commission. The communications system shall be
21 installed and all testing conducted no later than December 1, 1989. Until such time,
22 all accounting of machine transactions shall be audited by electronic records
23 maintained by each video lottery machine as required in subdivision (6) of this
24 section. In no event may the communications system approved by the commission
25 limit participation to only one manufacturer of video lottery machines by either the
26 cost in implementing the necessary program modifications to communicate or the
27 inability to communicate with the central communications system. Nothing in this
28 section may be construed as requiring a machine ~~which~~ that only offers video
29 lottery games to be on-line or in constant communication with a central computer.