



2025 South Dakota Legislature

Senate Bill 47

Introduced by: The Chair of the Committee on Commerce and Energy at the request of the Department of Revenue

1 **An Act to clarify eligibility for licensure as a video lottery operator.**

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

3 **Section 1. That § 42-7A-43 be AMENDED:**

4 **42-7A-43.** ~~Any~~ A person licensed, or applying for licensure, as a video lottery
 5 machine manufacturer, distributor, operator, or lottery retailer shall submit to a
 6 background investigation. ~~This includes each partner of a partnership and each director~~
 7 ~~and officer and all stockholders of five percent or more in a parent or subsidiary~~
 8 ~~corporation of a video lottery machine manufacturer, distributor, operator, or lottery~~
 9 ~~retailer. Every partner, member, manager, director, and officer of the person, and any~~
 10 ~~stockholder of five percent or more in the person, including a parent or subsidiary~~
 11 ~~corporation, is subject to the background investigation.~~

12 A lottery retailer, and a video lottery machine manufacturer or distributor, shall
 13 meet the same requirements of subdivisions ~~42-7A-13(1) to (4), inclusive, and § set forth~~
 14 in §§ 42-7A-13 and 42-7A-14.

15 A video lottery machine operator shall meet the same requirements of set forth in
 16 §§ 42-7A-13 and 42-7A-14, in addition to being and must be a resident of the State of
 17 ~~South Dakota and, if a partnership or corporation, the~~ this state. The majority of ownership
 18 interest ~~shall~~ of a person licensed as a video lottery machine operator must be held by
 19 residents of the state or by a public company, ~~or its subsidiary,~~ traded on any market
 20 regulated or recognized by the United States Securities and Exchange Commission, that
 21 was licensed as a video lottery machine operator pursuant to chapter 42-7A prior to
 22 January 1, 1997, ~~and traded on any market regulated or recognized by the United States~~
 23 ~~Securities and Exchange Commission.~~ A copy of any disclosure statement involving
 24 ownership of the public company required to be filed with the United States Securities and
 25 Exchange Commission ~~shall~~ must be filed with the lottery commission.

1 ~~A lottery retailer shall meet the same requirements of §§ 42-7A-13 and 42-7A-14.~~
2 ~~Any~~An applicant for ~~any~~ a license under this chapter has the burden of proving ~~his or her~~
3 the applicant's qualifications to the satisfaction of the commission and executive director.

4 The commission may adopt rules pursuant to chapter 1-26 to establish additional
5 requirements to preserve the integrity and security of the lottery.