

# State of South Dakota

NINETY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2019

400B0241

## SENATE BILL NO. 26

Introduced by: The Committee on State Affairs at the request of the Department of Revenue

1 FOR AN ACT ENTITLED, An Act to clarify certain provisions regarding the regulation of  
2 limited gaming in Deadwood, South Dakota.

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

4 Section 1. That subdivision (1B) of § 42-7B-4 be amended to read:

5 (1B) "Associated equipment manufacturer or distributor," any person who designs,  
6 assembles, fabricates, produces, constructs, sells, leases, distributes, or otherwise  
7 prepares a product or component of any associated equipment;

8 Section 2. That subdivision (22) of § 42-7B-4 be amended to read:

9 (22) "Slot machine manufacturer or distributor," any person ~~or distributor~~ who designs,  
10 assembles, fabricates, produces, constructs, sells, leases, distributes, or who  
11 otherwise prepares a product or a component part of a slot machine, other than tables  
12 or cabinetry;

13 Section 3. That § 42-7B-32 be amended to read:

14 42-7B-32. Any license granted pursuant to this chapter may be suspended or revoked for any  
15 cause which may have prevented its issuance, or for violation by the licensee, or any officer,



1 director, agent, member, or employee of the licensee, of this chapter or any rule adopted by the  
2 commission or for conviction of a crime of moral turpitude or a felony, after notice to the  
3 licensee and a hearing, upon grounds determined adequate by the commission. In addition to  
4 revocation or suspension or in lieu of revocation or suspension, the commission may impose a  
5 reprimand or a monetary penalty for each offense not to exceed the following amounts:

- 6 (1) If the licensee is a slot machine manufacturer or distributor, two hundred fifty  
7 thousand dollars;
- 8 (2) If the licensee is an operator or associated equipment manufacturer or distributor, one  
9 hundred thousand dollars;
- 10 (3) If the licensee is a retailer or gaming property owner, twenty-five thousand dollars;
- 11 (4) If the licensee is a key employee, five thousand dollars; and
- 12 (5) If the licensee has a support license, two thousand five hundred dollars.

13 Any monetary penalty received by the commission under this section shall be deposited in  
14 the gaming commission fund established by § 42-7B-48 and is to be used solely for the purposes  
15 prescribed by subdivision 42-7B-48(2) and is not subject to the provisions of subdivision ~~42-7B-~~  
16 ~~48(4)~~ 42-7B-48(3).

17 Section 4. That § 42-7B-33 be amended to read:

18 42-7B-33. Any person, any stockholder owning five percent or more of any corporation or  
19 limited liability company, and any officer or director, or any partner in any partnership involved  
20 as a manufacturer, distributor, operator, retailer, or gaming property owner, or key employee or  
21 support licensee involved with the conduct of gaming shall be:

- 22 (1) A person of good character, honesty, and integrity;
- 23 (2) A person whose prior activities, criminal record, reputation, habits, and associations  
24 do not pose a threat to the public interests of this state or to the control of the gaming,

1 or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods,  
2 and activities in the conduct of gaming or the carrying on of the business and  
3 financial arrangements incidental to the conduct of gaming; and

4 (3) A person who has not entered a plea of guilty or nolo contendere to a felony charge  
5 or has not been convicted of a felony in this or any other jurisdiction, has not been  
6 found to have violated the provisions of this chapter or any rule adopted pursuant to  
7 this chapter, and has not knowingly made a false statement of material facts to the  
8 commission or its legal counsel.