



2020 South Dakota Legislature

House Bill 1249

Introduced by: **Representative Mills**

1 **An Act to revise certain provisions regarding the operation of the South Dakota**
 2 **Lottery.**

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

4 **Section 1.** That a NEW SECTION be added:

5 **42-7A-66. Video lottery repeal and recovery fund--Establishment--Purposes.**

6 There is established in the state treasury the video lottery repeal and recovery
 7 fund. The fund consists of all moneys deposited into the fund in accordance with § 42-7A-
 8 63, together with any interest or other earnings of the fund. The purpose of the fund is to
 9 replace lost revenue for the general fund following the repeal of video lottery. Moneys in
 10 the fund may not be expended unless video lottery is repealed.

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

12 **42-7A-2. South Dakota Lottery established--Administration by executive**
 13 **director--Overall control and operation of games.**

14 There is hereby established in the Department of Revenue a division to be called
 15 the South Dakota Lottery under the direction of the South Dakota Lottery Commission.
 16 Under the supervision of the commission, an executive director shall administer the state
 17 lottery as provided in this chapter. In all decisions, the executive director and commission
 18 shall take into account the particularly sensitive nature of the lottery, and shall act to
 19 promote and ensure the integrity, security, honesty, and fairness of its operation and
 20 administration. The overall management of the state lottery and control over the operation
 21 of its games shall rest solely with the South Dakota Lottery. The South Dakota Lottery
 22 may not promote or advertise, or cause the promotion or advertisement of, any games
 23 through any means.

24 **Section 3.** That § 42-7A-22 be AMENDED:

1 **42-7A-22. Lottery operating fund--Continuous appropriation--Informational**
2 **budget--Disbursements.**

3 There is established within the state treasury the lottery operating fund, into which
4 shall be deposited all revenues from the sale of lottery tickets, interest received on moneys
5 in the lottery operating fund, and all other fees and moneys collected. For the purposes
6 of this section, the award of a free ticket or free play does not constitute revenue. All
7 money in the funds created by this section are continuously appropriated for the purposes
8 specified in this section. All funds received by the state lottery shall be set forth in an
9 informational budget as described in § 4-7-7.2 and be annually reviewed by the
10 Legislature. Each year one million dollars shall be transferred to the video lottery repeal
11 and recovery fund established under § 42-7A-66. Any disbursement from the lottery
12 operating fund shall be by authorization of the executive director for any of the following
13 purposes:

- 14 (1) The payment of prizes to the holders of valid, winning lottery tickets;
15 (2) Expenses of the lottery, which shall include all costs incurred in the operation and
16 administration of the South Dakota Lottery; all costs resulting from contracts
17 entered into for the purchase or lease of goods and services needed for operation
18 of the lottery, including supplies, materials, tickets, independent studies and
19 surveys, data transmission, ~~advertising,~~ printing, ~~promotion,~~ incentives, public
20 relations, communications, compensation paid to lottery retailers; distribution of
21 tickets; and reimbursement of costs of facilities and services provided by other state
22 agencies; ~~and~~
23 (3) Transfers of net proceeds to the state general fund; and
24 (4) Transfers to the video lottery repeal and recovery fund.