

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

770B0728

SENATE BILL NO. 210

Introduced by: Senators Drake, Everist, Frederick, and Rounds and Representatives Cutler and Gabriel

1 FOR AN ACT ENTITLED, An Act to revise the distribution of funds from racing, to transfer
2 funds from the South Dakota racing fund to the Department of Social Services for domestic
3 and sexual abuse shelter programs and child care programs, and to make an appropriation
4 therefor.

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

6 Section 1. That § 42-7-58.1 be amended to read as follows:

7 42-7-58.1. The commission may allow licensees approved by the commission to collect and
8 disburse money under the certificate system at locations other than where licensed races are
9 conducted if the satellite locations are more than fifty miles away from any pari-mutuel horse
10 track or dog track licensed by the commission which is conducting a race meet at that time or
11 if the pari-mutuel horse or dog track agrees to the operation of such a location within the fifty
12 mile radius. The licensees shall ~~combine~~ calculate the total amount contributed at the satellite
13 location ~~with the contribution contributed at the track and such amount shall be combined with~~
14 ~~the amount withheld by the licensees as provided in §§ 42-7-79 and 42-7-79.1~~ after payment to
15 the holders of winning certificates in accordance with § 42-7-78. The state shall receive ~~one~~ four

1 and one-half percent of the total amount contributed from the satellite location, ~~and which shall~~
2 ~~go into the special South Dakota racing revolving fund in the office of the state treasurer and the~~
3 ~~South Dakota bred racing fund shall each receive one and one-half percent of the total amount~~
4 ~~contributed~~, with the remaining amount of the contribution withheld at the satellite location to
5 be retained by the licensees. No other deductions may be made from the amount withheld by the
6 licensee at the satellite location. Satellite facilities may receive contributions between the hours
7 of 9:00 a.m. and 1:00 a.m.

8 Section 2. That chapter 42-7 be amended by adding thereto a NEW SECTION to read as
9 follows:

10 There is established within the state treasury the South Dakota racing fund. All money
11 received by the state treasurer under this chapter shall be deposited in the South Dakota racing
12 fund. Money in this fund is continuously appropriated to the Commission on Gaming for the
13 purposes specified in this chapter. Funds from the racing fund shall be disbursed by the
14 commission on warrants drawn by the state auditor on vouchers approved by the commission,
15 and such funds shall be disbursed without authority of appropriations for the following purposes:

- 16 (1) Two hundred fifty thousand dollars shall be transferred on or about July 15, 1998, to
17 the Department of Social Services to provide grants to qualifying contractors under
18 the provisions of §§ 25-10-26 to 25-10-33, inclusive;
- 19 (2) One hundred thousand dollars shall be transferred on or about July 15, 1998, to the
20 Department of Social Services for the purpose of providing grants to qualifying
21 providers under the provisions of §§ 28-1-60 to 28-1-63, inclusive;
- 22 (3) The balance shall be retained in the South Dakota racing fund. Such funds may be
23 disbursed by the commission in its discretion to increase purses or, to defray the costs
24 of racing operations of any licensee authorized to conduct horse races pursuant to
25 § 42-7-58.

1 Section 3. That chapter 42-7 be amended by adding thereto a NEW SECTION to read as
2 follows:

3 On July 1, 1998, the Commission on Gaming shall transfer all moneys in or receivable by the
4 South Dakota bred racing fund, the special racing revolving fund, and the special racing fund to
5 the South Dakota racing fund established in section 2 of this Act.

6 Section 4. That § 42-7-58.4 be amended to read as follows:

7 42-7-58.4. All contributions received pursuant to §§ 42-7-58.2 to 42-7-58.5, inclusive, shall
8 be distributed pursuant to § 42-7-58.1 and sections 2 and 3 of this Act.

9 Section 5. That § 42-7-63 be amended to read as follows:

10 42-7-63. The commission may charge a fee for licenses to conduct racing of horses or dogs
11 under the certificate system commensurate with the size and attendance of such race meet, but
12 no charge less than ten dollars nor in excess of one hundred dollars per day shall be made. The
13 license fees shall be remitted to the state treasurer and placed in the special South Dakota racing
14 fund.

15 Section 6. That § 42-7-71 be repealed.

16 ~~42-7-71. One-fourth of all money received by the state treasurer under this chapter from~~
17 ~~licensees operating horse racing tracks shall be placed in a special revenue fund to be known as~~
18 ~~the "South Dakota-bred racing fund." The fund shall be used by the commission to encourage~~
19 ~~horse racing and the raising and breeding of horses in South Dakota and shall be used for the~~
20 ~~purpose of providing compensation to South Dakota-bred horses by providing funds to all~~
21 ~~horsetracks licensed in South Dakota. However, not more than one-fourth of the moneys~~
22 ~~deposited in the South Dakota-bred racing fund may be used by the commission to provide purse~~
23 ~~supplements to horsetracks for horses other than South Dakota-bred horses.~~

24 Section 7. That § 42-7-77 be amended to read as follows:

25 42-7-77. The licensee shall receive such contributions on horses or dogs selected to run

1 second, third, or both, the method and procedure and the right of the licensee to be as specified
2 in §§ 42-7-76; and 42-7-78~~and 42-7-79~~, with reference to selection of a horse or dog to run
3 first. Any contributions collected or received under the provisions of this chapter may apply to
4 one or more races or to any combination of races.

5 Section 8. That § 42-7-78 be amended to read as follows:

6 42-7-78. As each ~~horse~~ live race is run the licensee conducting the race shall ~~be authorized~~
7 ~~to~~ deduct from the total sum contributed on all ~~horses~~ entries as first winners ~~eighteen and~~
8 ~~one-quarter~~ nineteen and one-half percent and the balance remaining on hand after deducting
9 such percentage shall be paid out to the holders of certificates on the winning ~~horse~~ entries
10 equally in proportion as the amount contributed by ~~such~~ the person bears to the total amount
11 contributed toward ~~the entry of all horses~~ entries in ~~such~~ the race to run first. The licensee shall
12 remit an amount equal to four and one-half percent of the total sum contributed on all entries to
13 the commission on a weekly basis for deposit in the South Dakota racing fund in the Office of
14 the State Treasurer. All funds not remitted to the state treasurer or paid out to holders of
15 certificates on winning entries shall be retained by the licensee.

16 Section 9. That § 42-7-78.1 be amended to read as follows:

17 42-7-78.1. In addition to the deductions authorized by § 42-7-78, a the licensee ~~of a horse~~
18 ~~track may~~ shall deduct from the total sum contributed on live horse races, except contributions
19 ~~on horse races~~ in the win, place or show pool, an additional three percent, which shall be retained
20 by the licensee as additional compensation, to be used only by the licensee for capital
21 improvements, increases in purses, or for such other purpose which has been approved by the
22 commission. ~~Such deduction is not subject to the provisions of § 42-7-85.~~

23 Section 10. That § 42-7-79 be repealed.

24 ~~42-7-79. As each dog race is run, the licensee shall deduct from the total sum contributed~~
25 ~~on all dogs as first winners eighteen and one-quarter percent of the amount thus contributed.~~

1 This deduction shall be made from all sums contributed on dog races under the certificate system.
2 Of this eighteen and one-quarter percent withheld, five percent of the total sum contributed shall
3 be remitted on a weekly basis to the special racing fund, one-half of one percent of the total sum
4 contributed shall be remitted on a weekly basis to the South Dakota-bred racing fund as provided
5 in § 42-7-71, and one-half of one percent of the total sum contributed shall be remitted on a
6 weekly basis to the special racing revolving fund as provided in § 42-7-79.1. The balance
7 remaining on hand after deducting the eighteen and one-quarter percent shall be paid out to the
8 holders of certificates on the winning dog equally in proportion as the amount contributed by
9 such person bears to the total amount contributed toward the entry of all dogs in such race to
10 run first. All funds not remitted to the state or paid to the South Dakota-bred racing fund or the
11 special racing revolving fund provided for in § 42-7-79.1 or paid out to holders of certificates
12 on winning dogs shall be retained by the track.

13 Section 11. That § 42-7-79.1 be repealed.

14 ~~42-7-79.1. In addition to the deductions authorized by § 42-7-79, the dog racing licensees~~
15 ~~shall deduct from the total sum contributed on dog races, except contributions on dog races in~~
16 ~~the win, place and show pool, an additional three and three-quarters percent on the dollars~~
17 ~~contributed. The licensee will retain one-quarter of one percent for capital improvements on all~~
18 ~~amounts contributed and an additional three and one-half percent shall be retained by the licensee~~
19 ~~for discretionary use. The special racing revolving fund shall be in the office of the state treasurer~~
20 ~~to be disbursed by the commission to increase purses or for operations, or upon request, funds~~
21 ~~may be granted to a political subdivision of the state for unusual or unique law enforcement~~
22 ~~expenses incidental to having a race track or off-track site in that political subdivision. Funds in~~
23 ~~the South Dakota-bred racing fund and the special racing revolving fund shall be disbursed by~~
24 ~~the commission on warrants drawn by the state auditor on vouchers approved by the commission~~
25 ~~and such funds shall be disbursed without authority of appropriation acts.~~

1 Section 12. That § 42-7-84 be repealed.

2 ~~42-7-84. The licensee of each horse racing track shall withhold and retain at the end of each~~
3 ~~week of racing, as additional compensation to the licensee, one and one-quarter percent of the~~
4 ~~total sum contributed.~~

5 Section 13. That § 42-7-85 be repealed.

6 ~~42-7-85. A license to conduct racing under the certificate system shall further expressly~~
7 ~~provide that the licensee of any horse racing track shall remit to the state treasurer at the end of~~
8 ~~each week of racing, four-seventeenths of the total of all money retained as compensation by the~~
9 ~~licensee as authorized by this chapter which is in excess of the one and one-quarter percent~~
10 ~~retained by the licensee or remitted to the county treasurer wherein the site is located except~~
11 ~~breakage.~~

12 Section 14. That § 42-7-89 be amended to read as follows:

13 42-7-89. The payments required in §§ 42-7-58.1, sections 2 and 3 of this Act, 42-7-63,
14 ~~42-7-79, 42-7-85 and 42-7-88~~ 42-7-78, 42-7-78.1, and 42-7-102, to be made by the licensee to
15 the state treasurer are in lieu of all other or further excise or occupational taxes to the state or
16 any county, municipality or other political subdivision.

17 Section 15. That § 42-7-93 be amended to read as follows:

18 42-7-93. The commission, upon proof of violation by a licensee, or ~~his~~ the licensee's agents
19 or employees, of any provision of this chapter or any rule promulgated by the commission, may,
20 pursuant to chapter 1-26, after reasonable notice to the licensee and after giving the licensee an
21 opportunity to be heard, fine ~~him~~ the licensee or revoke or suspend ~~his~~ the license. In the event
22 of revocation, the licensee is not eligible to apply for another license within twelve months from
23 the date of the revocation.

24 Section 16. That § 42-7-98 be repealed.

25 ~~42-7-98. All moneys received by the state treasurer except for those moneys in the South~~

1 ~~Dakota-bred racing fund and the racing revolving fund shall be retained by the treasurer in a~~
2 ~~special racing fund.~~

3 Section 17. That § 42-7-98.1 be repealed.

4 ~~42-7-98.1. The state treasurer shall transfer the first seventy-five thousand dollars received~~
5 ~~in a special racing fund to the special racing revolving fund and any amounts received during any~~
6 ~~year in excess of seventy-five thousand dollars shall be transferred as follows:~~

7 ~~(1) One-half of the remaining revenue shall be transferred to the South Dakota-bred~~
8 ~~racing fund;~~

9 ~~(2) The other one-half of the remaining revenue shall be transferred to the special racing~~
10 ~~revolving fund.~~

11 ~~All transfers by the state treasurer except for the transfer on April 1, 1991 shall be made on~~
12 ~~a monthly basis on the first day of the month or as soon thereafter as is reasonably possible.~~

13 Section 18. That § 42-7-102 be amended to read as follows:

14 42-7-102. Notwithstanding any other provision of this chapter, the commission may
15 authorize any licensee to participate in an interstate combined wagering pool with one or more
16 other racing jurisdictions. If a licensee participates in an interstate combined wagering pool, the
17 licensee may adopt the take-out of the host jurisdiction or facility. ~~The State of South Dakota~~
18 ~~shall receive one and one-half percent of the total contributed in this state, and the special racing~~
19 ~~revolving fund and the South Dakota bred racing fund shall each receive one and one-half~~
20 ~~percent of the total contributed in this state~~ The racing fund shall receive four and one-half
21 percent of the total contributed in South Dakota.

22 Section 19. There is hereby appropriated the sum of two hundred fifty thousand dollars
23 (\$250,000) of other fund expenditure authority, or so much thereof as may be necessary, to the
24 Department of Social Services to provide grants to qualifying contractors according to the
25 provisions of §§ 25-10-26 to 25-10-33, inclusive.

1 Section 20. There is hereby appropriated the sum of one hundred thousand dollars
2 (\$100,000) of other fund expenditure authority, or so much thereof as may be necessary, to the
3 Department of Social Services to provide grants to qualifying contractors according to the
4 provisions of §§ 25-10-60 to 28-1-63, inclusive.

5 Section 21. The secretary of social services shall approve vouchers, and the state auditor
6 shall draw warrants to pay expenditures authorized by this Act.

7 Section 22. Any amounts appropriated in this Act not lawfully expended or obligated by
8 June 30, 1999, shall revert in accordance with § 4-8-21.