

2025 South Dakota Legislature

House Bill 1203**AMENDMENT 1203A
FOR THE INTRODUCED BILL**

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

1 **An Act to authorize the operation of pari-mutuel historical horse racing machines,**
2 **and to authorize a new tax.**

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

4 **Section 1. That § 42-7-48 be AMENDED:**

5 **42-7-48.** Terms as used in this chapter mean:

- 6 (1) "Commission," the South Dakota Commission on Gaming;
- 7 (2) "Dog racing day," a period of twenty-four hours, beginning at midnight, during
8 which period of time a license has been granted by the commission to an
9 association to conduct a contest between dogs for purse, stakes, premium, wager
10 for money or entrance fees on a course;
- 11 (3) "Executive secretary," the executive secretary of the South Dakota Commission on
12 Gaming;
- 13 (4) "Horse racing day," a period of twenty-four hours, beginning at midnight, during
14 which period of time a license has been granted by the commission to an
15 association to conduct a contest between horses for purse, stakes, premium, wager
16 for money or entrance fees on a course;
- 17 (5) "Host facility," the racetrack at which the race is run, or the facility which is
18 designated as the host facility if the race is run in a jurisdiction which is not
19 participating in the interstate combined wagering pool;
- 20 (6) "Host jurisdiction," the jurisdiction in which the host facility is located;
- 21 (7) "Interstate combined wagering pool," a pari-mutuel pool established in one
22 jurisdiction which is combined with comparable pari- mutuel pools from one or
23 more racing jurisdictions if such pool is established for the purpose of establishing
24 pay-off prices in the various jurisdictions;

- 1 (8) "Pair-mutuel historical horse race," a form of horse race that creates pari-mutuel
2 pools from wagers placed on previously conducted horse races;
3 ~~(8)(9)~~ "Racing," horse and dog racing under the certificate system; and
4 ~~(9)(10)~~ "Racing jurisdiction," a governmental jurisdiction responsible for the regulation
5 of pari-mutuel racing in that jurisdiction.

6 **Section 2. That § 42-7-56 be AMENDED:**

7 **42-7-56.** The commission shall:

- 8 (1) Provide for racing under the certificate system;
9 (2) Perform quasi-legislative, quasi-judicial, and advisory functions excluding special
10 budgetary functions as defined in § 1-32-1;
11 (3) Set racing dates;
12 (4) Promulgate rules pursuant to chapter 1-26 for effectively preventing the use of any
13 substance, compound items, or combination thereof of any medicine, narcotic,
14 stimulant, depressant, or anesthetic which could alter the normal performance of
15 a racing animal unless specifically authorized by the commission;
16 (5) Supervise and check the making of pari-mutuel pools, pari-mutuel machines, and
17 equipment used within the state;
18 (6) Promulgate rules pursuant to chapter 1-26 governing, restricting, or regulating
19 bids on licensees' concessions and leases on equipment;
20 (7) Approve all proposed extensions, additions, or improvements to the buildings,
21 stables, or tracts upon property owned or leased by a licensee;
22 (8) Exclude from race courses or other pari-mutuel facilities any person who violates
23 the racing laws or any rule or order of the commission or is not eligible for licensing
24 in another racing jurisdiction;
25 (9) Compel the production of all documents showing the receipts and disbursements
26 of any licensee and determine the manner in which the financial records shall be
27 kept;
28 (10) Investigate the operations of any licensee and cause the various places where the
29 certificate system is operated to be visited and inspected at reasonable intervals
30 for the purpose of satisfying itself that the rules are strictly complied with;
31 (11) Request appropriate state officials to perform inspections necessary for the health
32 and safety of spectators, employees, participants, and animals that are lawfully on
33 the race track;

- 1 (12) License all participants in the racing industry and require and obtain such
2 information as the commission deems necessary from licensed applicants;
- 3 (13) Promulgate and enforce additional rules pursuant to chapter 1-26, and conditions
4 under which all horse and dog races held shall be conducted and promulgate rules
5 pursuant to chapter 1-26 to preserve the integrity and security of racing;
- 6 (14) License all facilities at which money is collected or disbursed under the certificate
7 system;
- 8 (15) Promulgate rules pursuant to chapter 1-26 for the authorization, regulation, and
9 auditing of account wagering on horse and dog racing authorized by this chapter;
- 10 (16) Promulgate rules pursuant to chapter 1-26 regarding the licensing and regulation
11 of multi-jurisdictional totalizator hubs and the employees of such facilities; ~~and~~
- 12 (17) Promulgate rules pursuant to chapter 1-26 to establish application fees and initial
13 system audit fees that shall be used to conduct the background investigation of
14 the applicant and the initial system audit of the multi-jurisdictional totalizator hub.
15 If the commission or the executive secretary determines that the actual cost of the
16 background investigation or initial system audit will exceed the amount of the fees
17 paid, the commission may assess the actual cost of the background investigation
18 or initial system audit, including the costs for personnel and travel, against the
19 applicant; and
- 20 (18) Promulgate rules pursuant to chapter 1-26 regarding the filing and remittance of
21 taxes imposed on pari-mutuel historical horse race machines, and regarding the
22 authorization, regulation, and operation of pari-mutuel historical horse race
23 machines, which may be located only within the City of Deadwood.

24

25 **Section 3. That a NEW SECTION be added to chapter 42-7:**

26 There is imposed on pari-mutuel historical horse race wagering, a tax of nine
27 percent on the net winnings of pari-mutuel historical horse race wagering. The tax must
28 be paid to the commission on a monthly basis, to be deposited in accordance with section
29 4 of this Act.

30 For purposes of taxation, net winnings are the total payout from a pari-mutuel
31 betting pool in a historical horse race.

32 **Section 4. That a NEW SECTION be added to chapter 42-7:**

33 Moneys collected pursuant to section 3 of this Act must be distributed as follows:

- 1 (1) Forty-five percent to the special racing revolving fund;
- 2 (2) Five percent to the South Dakota-bred racing fund; and
- 3 (3) Fifty percent according to the distribution provided in § 42-7B-48.1.
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AMENDED