



## 2024 South Dakota Legislature

# House Bill 1217

Introduced by: **Representative Mills**

1 **An Act to allow a city or county to impose local restrictions and regulations on video**  
 2 **lottery.**

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

4 **Section 1. That § 42-7A-37 be AMENDED:**

5 **42-7A-37.** Each video lottery machine licensed under this chapter:

- 6 (1) ~~Shall~~May offer only games licensed by the South Dakota Lottery and authorized by  
 7 the commission;
- 8 (2) May not have any means of manipulation that affect the random probabilities of  
 9 winning a video lottery game;
- 10 (3) ~~Shall~~Must have one or more mechanisms that accept coins, cash in the form of  
 11 bills, or a ticket voucher. The mechanisms~~shall~~must be designed to prevent  
 12 obtaining credits without paying by stringing, slamming, drilling, or other means.  
 13 If ~~such~~the attempts involve physical tampering, the machine~~shall~~must suspend  
 14 itself from operation until reset;
- 15 (4) ~~Shall~~Must have nonresettable meters housed in any readily accessible locked  
 16 machine area that keep a permanent record of all cash and ticket vouchers inserted  
 17 into the machine, all refunds of winnings made by the machine's printer, credits  
 18 played for video lottery games, and credits won by video lottery players;
- 19 (5) ~~Shall~~Must be capable of printing a ticket voucher stating the value of the prize for  
 20 the player at the completion of each video lottery game, the time of day in a  
 21 ~~twenty-four hour~~twenty-four-hour format showing hours and minutes, the date,  
 22 the machine serial number, the sequential number of the ticket vouchers, and an  
 23 encrypted validation number from which the validity of the prize may be  
 24 determined;
- 25 (6) ~~Shall~~May have accounting software that keeps an electronic record which includes,  
 26 ~~but is not limited to,~~ the following: total cash inserted into the machine, total cash

1 value of ticket vouchers inserted into the machine, the value of winning tickets  
 2 claimed by players, the total video lottery credits played and the total video lottery  
 3 credits awarded by a video lottery game, and the payback percentage credited  
 4 players of each video lottery game;

5 (7) ~~Shall~~Must be linked under a central communications system to provide auditing  
 6 program information as approved by the commission. ~~The communications system~~  
 7 ~~shall be installed and all testing conducted no later than December 1, 1989.~~ Until  
 8 such time, all accounting of machine transactions ~~shall~~must be audited by  
 9 electronic records maintained by each video lottery machine as required in  
 10 subdivision (6) of this section. In no event may the communications system  
 11 approved by the commission limit participation to only one manufacturer of video  
 12 lottery machines by either the cost in implementing the necessary program  
 13 modifications to communicate or the inability to communicate with the central  
 14 communications system. Nothing in this section ~~may be construed as requiring~~  
 15 requires a machine that only offers video lottery games to be on-line or in constant  
 16 communication with a central computer; and

17 (8) May not be placed for public use unless the placement of the video lottery machine  
 18 is allowed pursuant to any ordinance or regulation enacted by a municipality or  
 19 county pursuant to section 3 of this Act.

20 **Section 2. That § 42-7A-37.1 be AMENDED:**

21 **42-7A-37.1.** A business licensed pursuant to subdivisions 35-4-2(12) and (16)  
 22 may not be a licensed establishment for video lottery placement pursuant to subdivision  
 23 42-7A-1(6) ~~unless it is a bar or lounge:~~

24 (1) It is a bar or lounge; and

25 (2) It is located in a municipality and county where a video lottery machine is allowed  
 26 pursuant to any ordinance or regulation enacted by the municipality or county.

27 For the purposes of this section, a bar or lounge is an enterprise primarily  
 28 maintained and operated for the selling, dispensing, and consumption of alcoholic  
 29 beverages on the premises and may also include the sale and service of food. A bar or  
 30 lounge may be physically connected to another enterprise within the same building, which  
 31 enterprise may be owned or operated by the same person. There may be interior access  
 32 between a bar or lounge and a connected enterprise. However, there ~~shall~~must be a floor  
 33 to ceiling opaque wall separation between the two enterprises. A separation wall may be  
 34 constructed to provide visual and physical access for employees from areas in the building

1 not open to the public. The bar or lounge ~~shall~~ must have a separate entrance and exit. A  
 2 separate entrance and exit is not required if entrance to the bar may only be obtained  
 3 from the other distinct enterprise and the public may not enter the other enterprise by  
 4 first passing through the bar or lounge. All video lottery machines ~~shall~~ must be adequately  
 5 monitored during business hours. Adequate monitoring ~~shall~~ must be accomplished by the  
 6 personal presence of an employee or by an employee using video cameras or mirrors and  
 7 periodic inspections of the bar or lounge. No new license may be issued to any  
 8 establishment after July 1, 1992, unless such establishment complies with this section. No  
 9 license may be renewed to any establishment after July 1, 1993, unless such  
 10 establishment complies with this section.

11 **Section 3. That § 42-7A-44 be AMENDED:**

12 **42-7A-44.** The placement of video lottery machines in licensed establishments  
 13 ~~shall be~~ is subject to the rules of the commission promulgated pursuant to chapter 1-26  
 14 and are subject to any ordinance or regulation enacted by a municipality or county  
 15 pursuant to section 3 of this Act. No more than ten video lottery machines may be placed  
 16 in any licensed establishment. The bar or lounge with an on-sale license issued pursuant  
 17 to subdivision 35-4-2(12) or (16) ~~shall be~~ are restricted to persons twenty-one years of  
 18 age or older. The entrance to the area where video lottery machines are located ~~shall~~ must  
 19 display a sign that the premises are restricted to persons twenty-one years or older.  
 20 Notwithstanding the restrictions in § 35-4-79, persons under the age of twenty-one may  
 21 only enter the premises where video lottery machines are located provided they are  
 22 accompanied by a parent, guardian, or spouse of twenty-one years or older.

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

24 A municipality or county may enact any ordinance or regulation disallowing video  
 25 lottery machines within its jurisdictional boundaries. A municipality or county may enact  
 26 any ordinance or regulation, that is more restrictive of video lottery than the provisions of  
 27 this chapter, to regulate the quantity or location of video lottery machines within the  
 28 jurisdictional boundaries of the municipality or county.