



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10 the fund may not be expended unless video lottery is repealed.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:

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

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

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