

**South Dakota Lottery Commission
December 2, 2016 – 10:00 a.m.
Room 412, State Capitol, Pierre, SD**

**Please read all materials provided in the packet
and print and bring the Agenda and all Exhibits*

Listen live at <http://www.sd.net/room412/>



MEETING AGENDA

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- | | |
|---|------------------|
| 1. Welcome | Chair Turbiville |
| 2. Approval of Agenda | Chair Turbiville |
| 3. Approval of Minutes – Sept. 15, 2016 meeting | Chair Turbiville |
| 4. Conflict of Interest | Chair Turbiville |
| 5. Secretary of Revenue Comments | Andy Gerlach |
| 6. Executive Director Comments | Norm Lingle |
| 7. Declaratory Ruling 16-2: Lotto Retailer Incentives | Norm Lingle |
| 8. Online License Application | Clark Hepper |
| 9. FY17 Instant and Online Performance Review | Sam Stanforth |
| 10. Video Lottery Polling Telephone Lines | Robyn Seibel |
| 11. Video Lottery Report [Exhibits A-B] | Robyn Seibel |
| 12. Public Relations/Advertising Report | Kelly Thompson |
| 13. Sales Report [Exhibits C-D-E-F] | Justin Pierson |
| 14. Next Meeting Date | Norm Lingle |
| 15. Adjournment | Chair Turbiville |

Expiration Dates of Commissioner Terms

Bob Hartford	01/01/2017	Chuck Turbiville	01/01/2019
Joe Kafka	01/01/2017	Brent Dykstra	01/01/2018
Jim Putnam	01/01/2017	Robert Faehn	01/01/2018
Vacant	01/01/2016		

*Individuals wanting to testify before the Lottery Commission must sign the attendance sheet
and in prefacing their remarks, state their name and the entity they represent.*

NOTE: This meeting is being held in a physically accessible location. Individuals needing assistance, pursuant to the Americans with Disabilities Act, should contact the South Dakota Lottery at 605.773.5770 in advance of the meeting to make any necessary arrangements.

IN RE:**DECLARATORY RULING
BY THE SOUTH DAKOTA
LOTTERY COMMISSION****RULING 17-1****ARSD 48:03:02:10****Lotto Retailer Incentive Commissions**

Ruling: Incentive commissions are authorized for on-line retailers who sell certain valid winning tickets for on-line games. Such incentive commissions are authorized in formula below. Retailers must be actively engaged in the sale of on-line tickets and current in Lottery obligations to qualify for incentive commissions which will be paid only after winning tickets have been claimed and paid. If multiple tickets eligible for incentive commissions to retailers are sold in the same drawing, incentive commissions will be paid, limited and divided equally per the formula below.

The incentives below are effective December 2, 2016, and supersedes Ruling 16-1.

Prize Commission Pay, Limit, and Equal Division of Incentive Commission

Powerball®

Jackpot	\$50,000	Pay 1; over 1 divide \$50,000 and pay all equally.
\$1,000,000	\$20,000	Pay 1; over 1 divide \$20,000 and pay all equally.
\$50,000	\$1,000	Pay 2; over 2 divide \$2,000 and pay all equally.

Powerball Power Play®

Jackpot	\$50,000	Pay 1; over 1 divide \$50,000 and pay all equally.
\$2,000,000	\$25,000	Pay 1; over 1 divide \$25,000 and pay all equally.
\$50,000	\$1,000	Pay 2; (\$1,000 x the Power Play number) over 2 divide 2x (\$1,000x the Power Play number) and pay all equally.

Mega Millions®

Jackpot	\$50,000	Pay 1; over 1 divide \$50,000 and pay all equally.
\$1,000,000	\$25,000	Pay 1; over 1 divide \$20,000 and pay all equally.
\$5,000	\$500	Pay 2; over 2 divide \$1,000 and pay all equally.

Megaplier®

Jackpot	\$50,000	Pay 1; over 1 divide \$50,000 and pay all equally.
\$1,000,000	\$25,000	Pay 1; over 1 divide \$25,000 and pay all equally.
\$5,000	\$500	Pay 2 (\$500 x the Megaplier number); over 2 divide 2 x (\$500 x the Megaplier) and pay all equally.

Hot Lotto

Jackpot	\$10,000	Pay 1; over 1 divide \$10,000 and pay all equally.
\$30,000	\$3,000	Pay 5; over 5 divide \$15,000 and pay all equally.
\$3,000	\$300	Pay 5; over 5 divide \$1,500 and pay all equally.

Hot Lotto Sizzler

Jackpot	\$10,000	Pay 1; over 1 divide \$10,000 and pay all equally.
\$90,000	\$9,000	Pay 2; over 2 divide \$18,000 and pay all equally
\$9,000	\$900	Pay 2, over 2 divide \$1,800 and pay all equally

Wild Card 2

Jackpot	1% of prize	Pay 1; over 1 divide commission and pay all equally.
		Capped @ \$10,000.
\$6,000	\$600	Pay 10; over 10 divide \$6,000 and pay all equally.

Dakota Cash

Jackpot	5% of prize	Pay 1; over 1 divide commission and pay all equally.
		Capped @ \$5,000.

Dated this 2nd day of December, 2016.

Charles M. Turbiville, Chairperson

Net Machine Revenue & Terminal and Establishment Averages

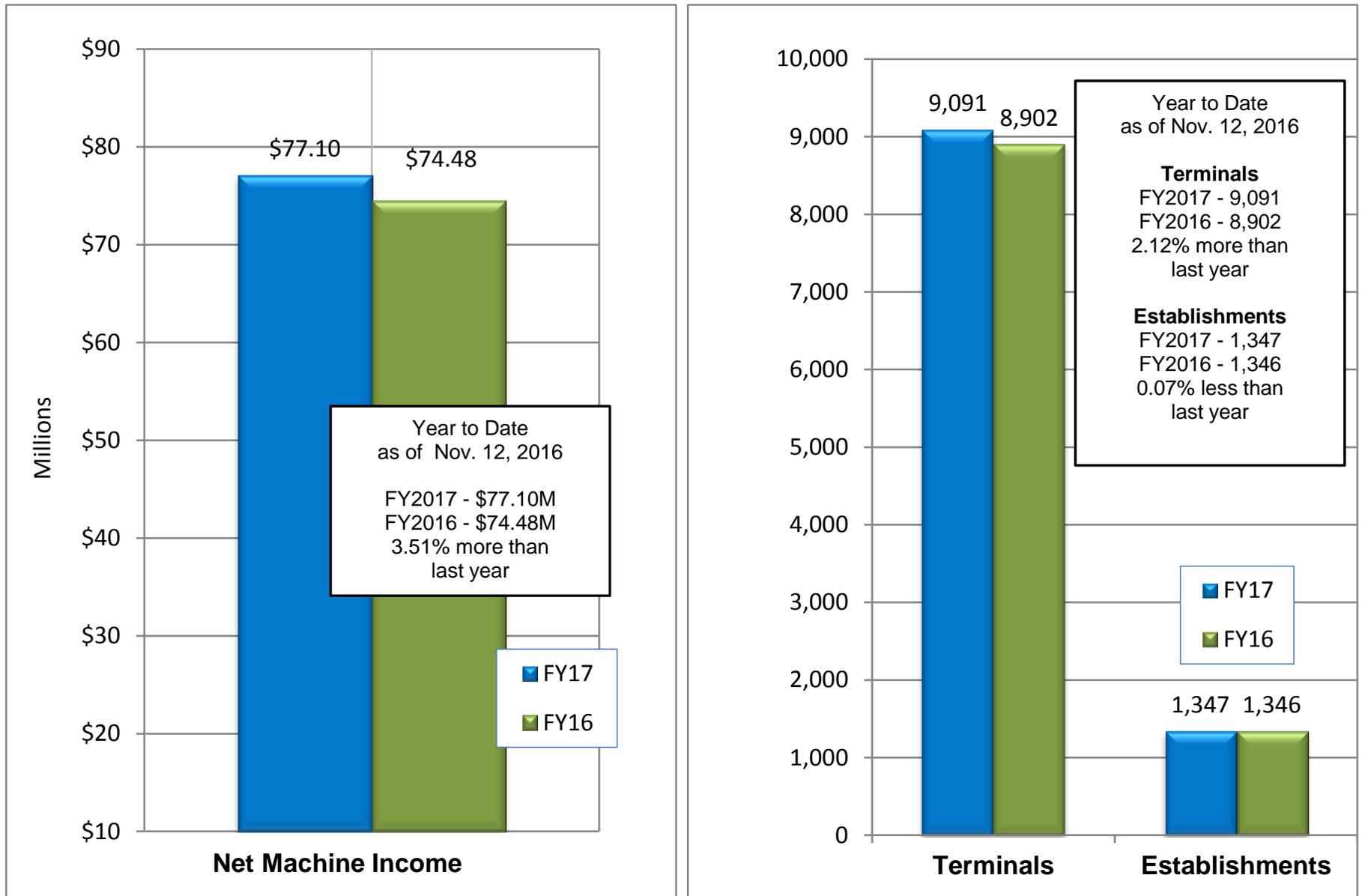
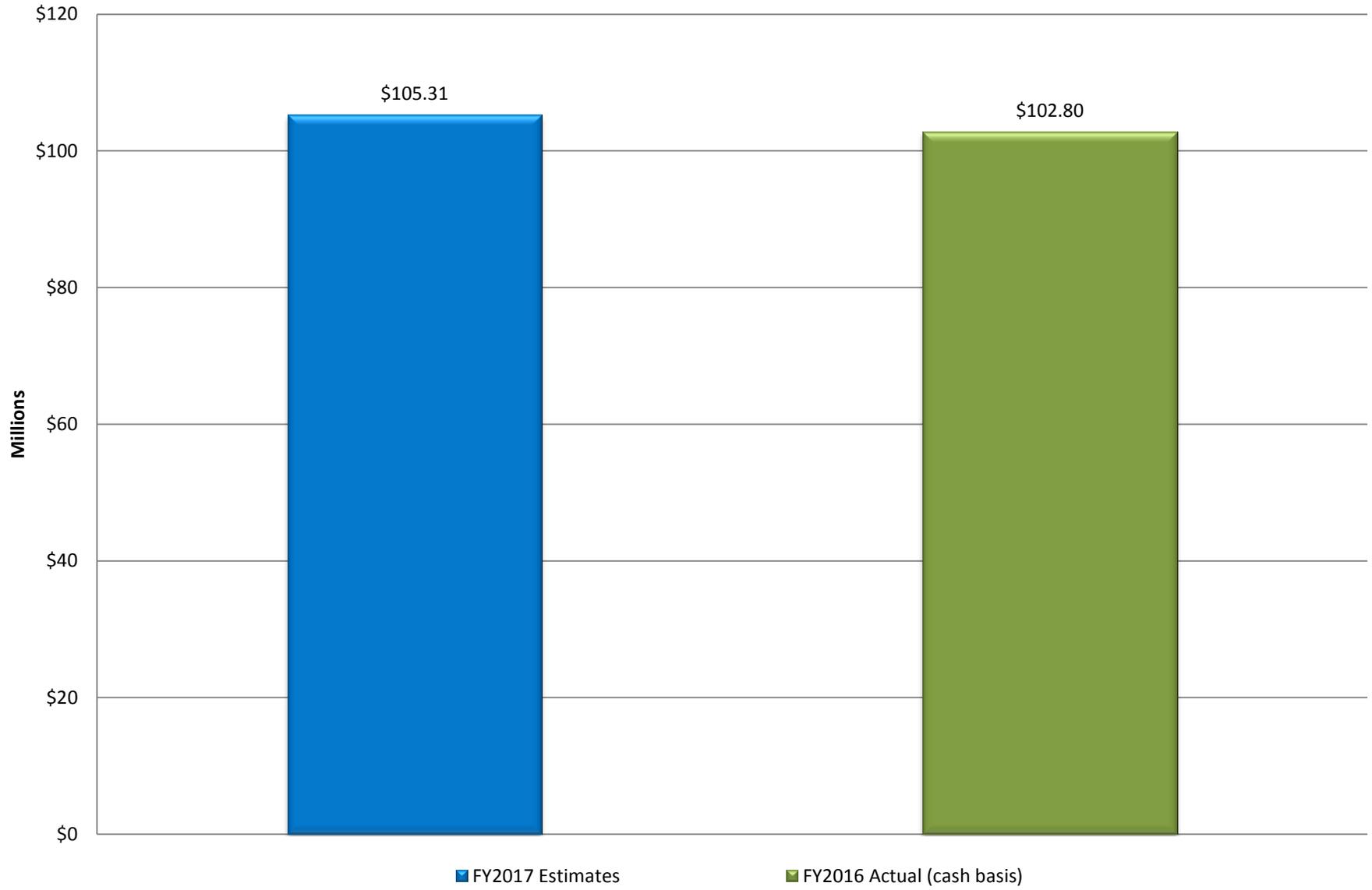
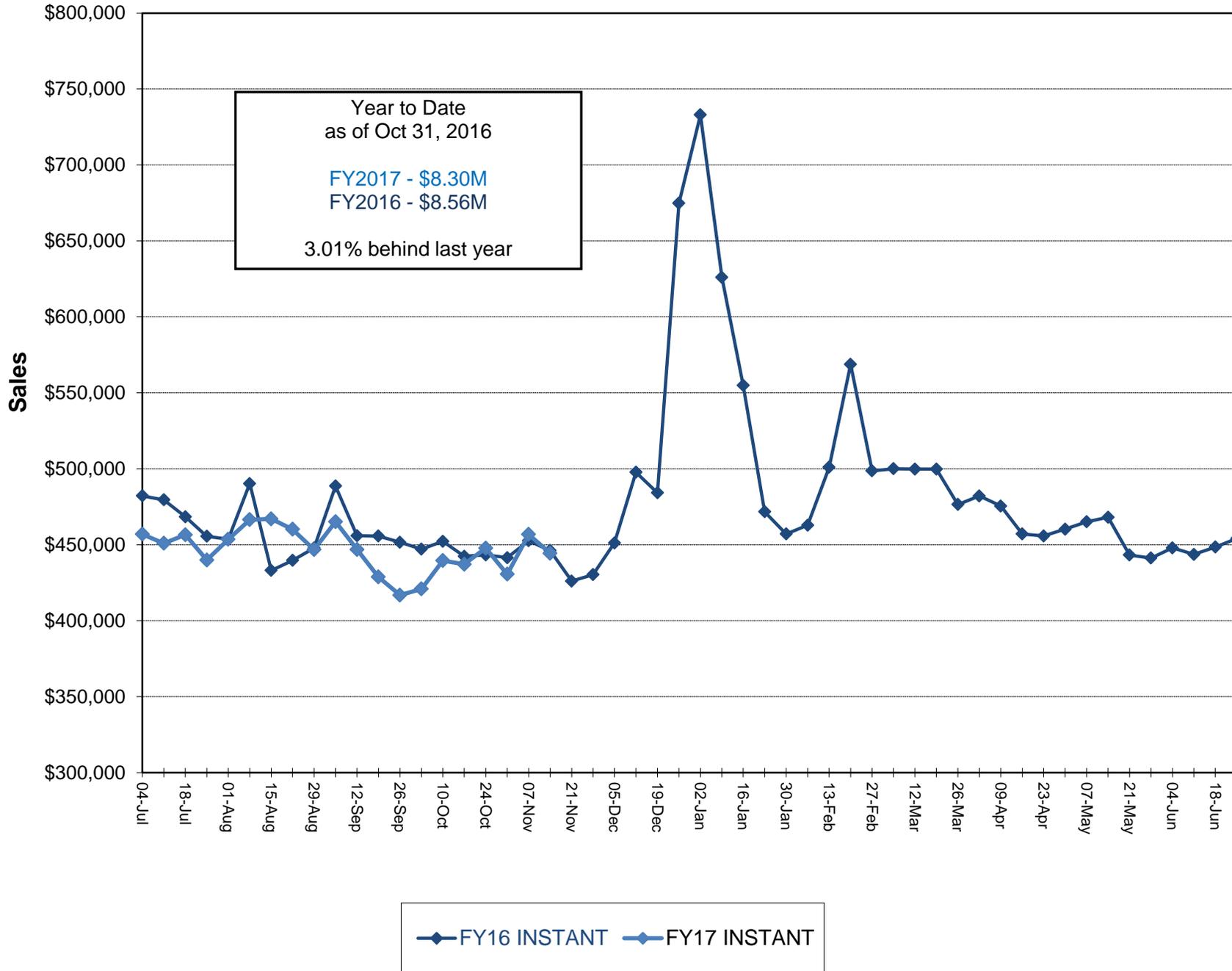


Exhibit B

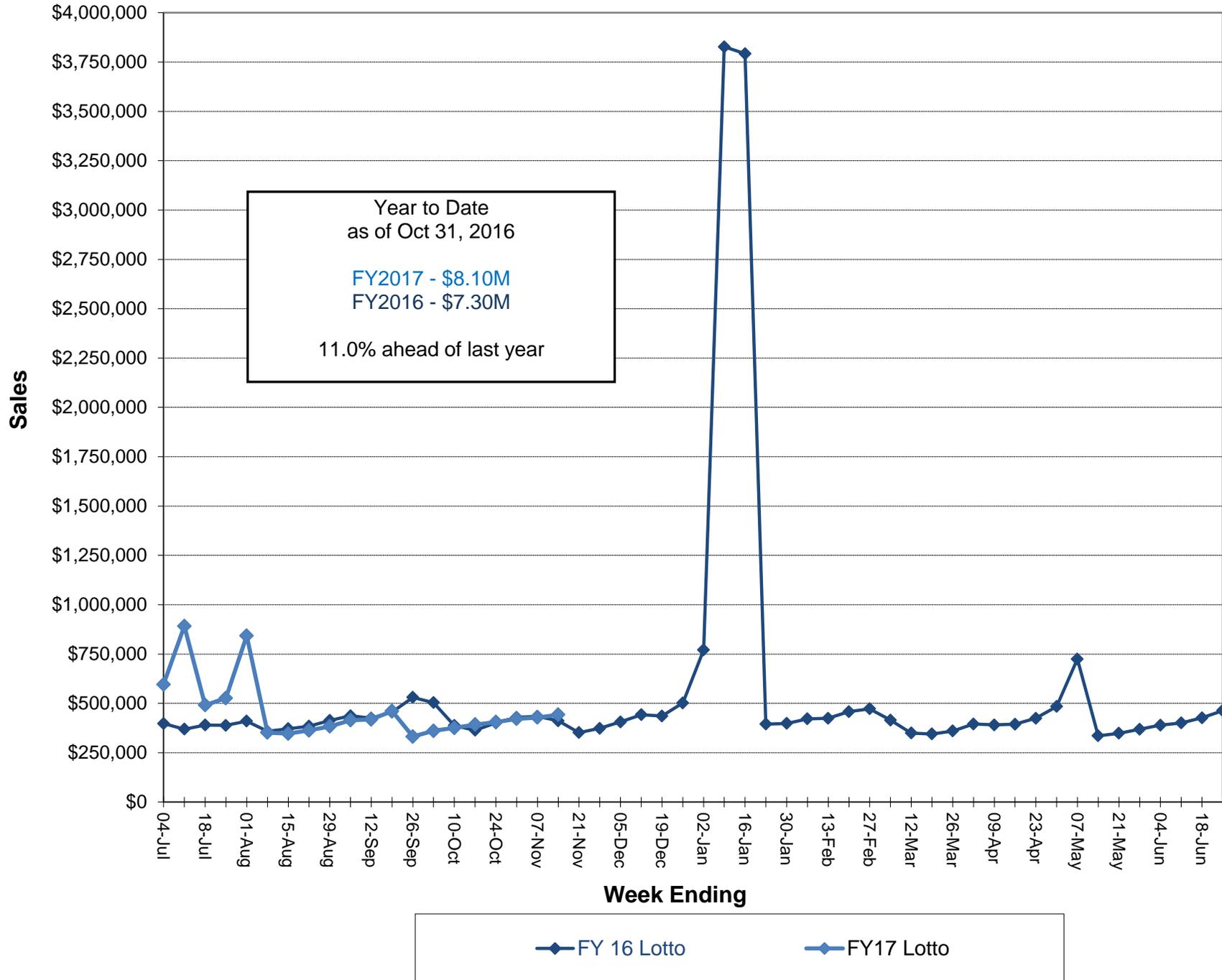
Video Lottery FY17 State Share Revenue Projection As of Oct 31, 2016



Instant Ticket Sales



Lotto Sales



Instant and Online FY17 Revenue Projections As of Oct 31, 2016

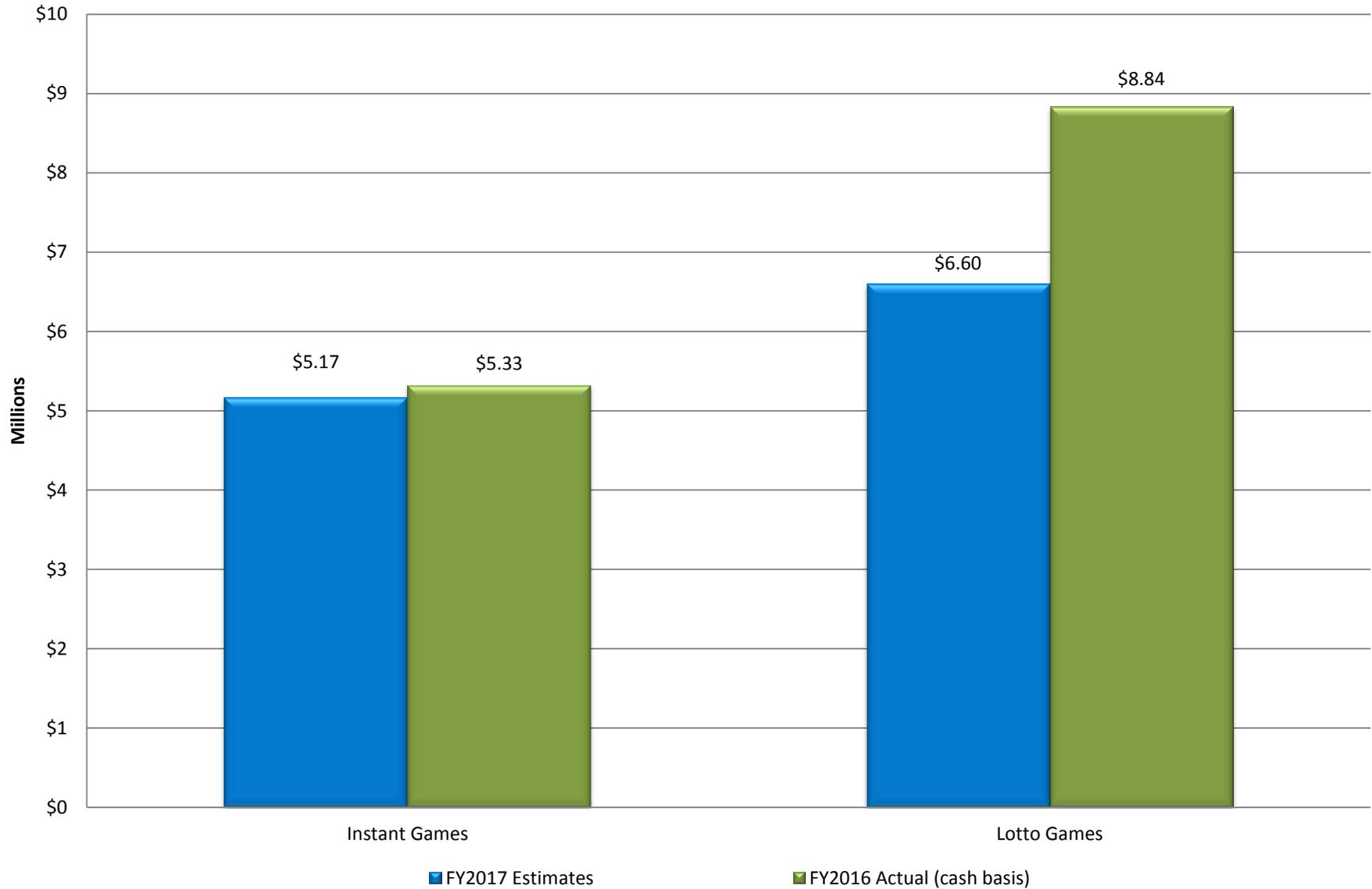
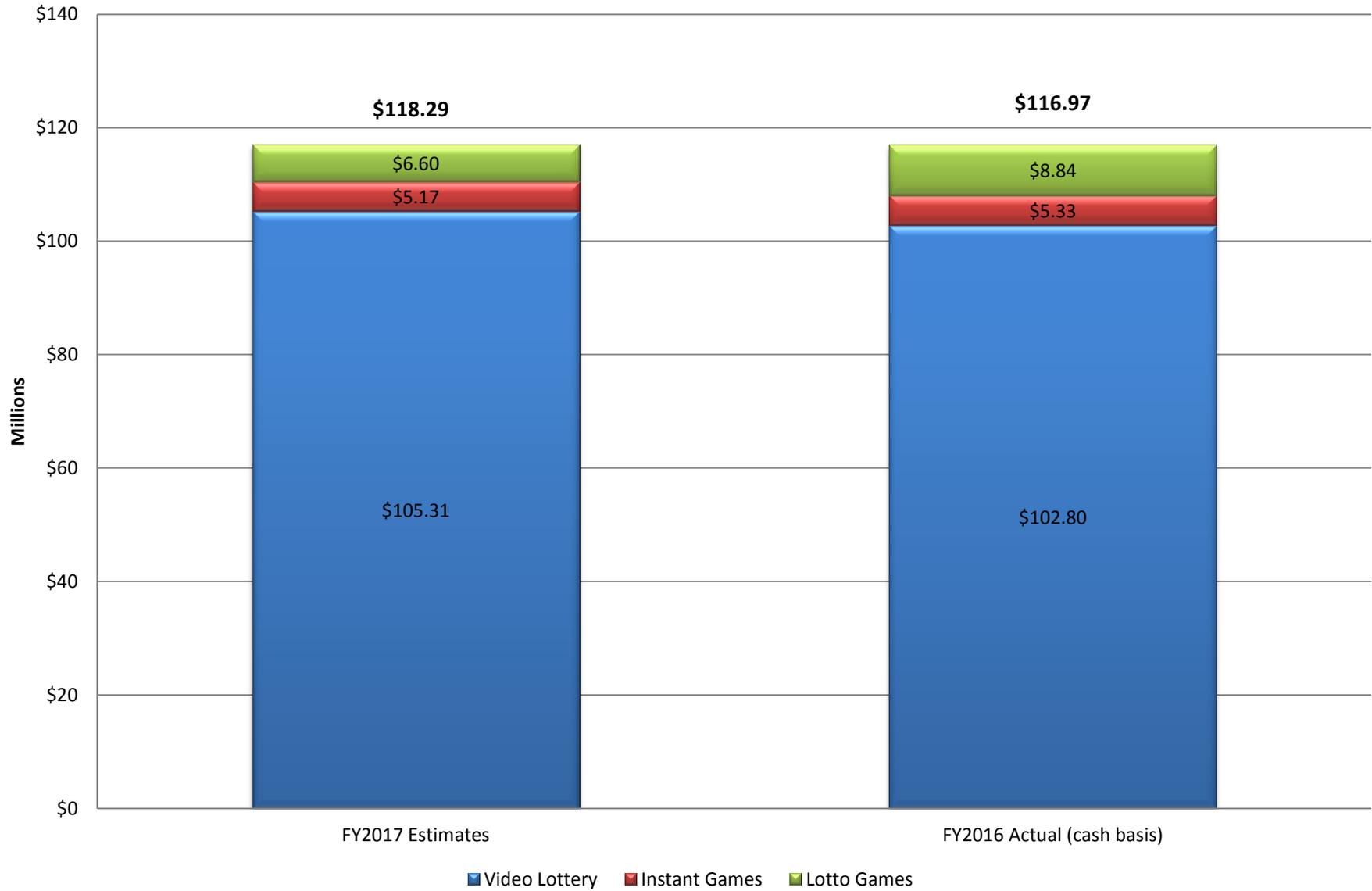


Exhibit F

Total FY17 Revenue Projections As of Oct 31, 2016



EZ-Match sales have not only been incremental thus far but have also caused a large increase in base game sales.

	Base Game Sales	Total Sales	EZ-Match Participation
13 Weeks Pre	\$16,859	\$16,859	-
11 Weeks Post	\$31,684	\$38,346	21.0%
% Change	87.9%	127.4%	-

Dakota Cash w EZ Match Draw Sales

