

South Dakota Lottery Commission Meeting June 13th, 2019



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A DIVISION OF THE SOUTH DAKOTA DEPARTMENT OF REVENUE

Executive Director Comments



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Executive Director Comments

- Wire Act-DOJ Opinion
- FY19 Audits



IGT Online and Related Services Project Update



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IGT Online and Related Services Project Update

- Project Kickoff - January 15
- Requirements Gathering
 - Weekly Reviews
 - All FRD's have been approved
 - Business Analytics Tools
- Data Conversion
- Acceptance Testing
 - New Terminal – June 3 to July 12
 - Aurora System – August 19 to October 11



IGT Online and Related Services Project Update

- New Terminal and Peripherals
 - Installation begins July 22
- Parallel Processing
 - October 13 to November 3
- Conversion Date
 - Sunday, November 3, 2019



Update on Open Meeting Laws and SB91



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Update on Open Meeting Laws and SB 91

June 2019

Michael S. Houdyshell – Chief Legal
Counsel



Objectives

- Brief overview of state open meeting laws
 - SDCL ch. 1-25
- 2019 Legislative changes (SB 91)
 - Minor substantive changes to SDCL ch. 1-25
 - Reorganization/form and style changes
 - Effective July 1, 2019

Open Meetings

- Basic Rule: “The official meetings of the state and its political subdivisions are open to the public...” SDCL 1-25-1
- Purpose: “...to prohibit actions being taken at secret meetings where it is impossible for the interested public to become fully informed and to detect improper influences.” *Olson v. Cass*, 349 N.W.2d 435 (SD 1984)

What is an Official Meeting?

- “Any meeting of a quorum of a public body at which official business or public policy of the public body is discussed or decided...whether in person or by means of teleconference.” SB 91, § 1(3)
- So, regular or special meetings of the public body...But, what about:
 - Lunches?
 - Sporting/social events?
 - Email discussions?

What is an Official Meeting?

- Email discussions?
 - Definition of teleconference includes “any...electronic medium, including the internet.” SB 91, § 1(4)

Official Meetings -- Exceptions

- All found in SDCL 1-25-1
 - **Meetings with other public bodies**
 - “provide information or attend the official meeting of another [body]...”
 - 2nd public body must meet all notice requirements of Ch. 1-25
 - **Press conferences** “called by a representative of the public body.”
SB 91, § 2

Official Meetings -- Exceptions

- **Events hosted by non-governmental entities** where the public body does not control the agenda. SB 91, § 2
 - Must post a "notice of quorum" in lieu of an agenda
 - Must meet the posting requirements of SDCL ch. 1-25

Public Notice

- SDCL 1-25-1.3 (applies to State, including all boards and agencies)
 - Must provide notice of official meeting with proposed agenda, including the date, time, and location of meeting
 - Notice must be:
 - Visible to the public, readable, and in an accessible location
 - Posted at the principal office of the public body
 - **At least 72 hours** before the meeting is scheduled to start
 - Does not include weekends or holidays SB 91, § 7
 - Must also be posted on state website designated by BFM

Questions?



South Dakota
Department of Revenue



@SDRevenue



South Dakota DOR



Sign-up for our
E-Newsletter

Declaratory Ruling 19-1



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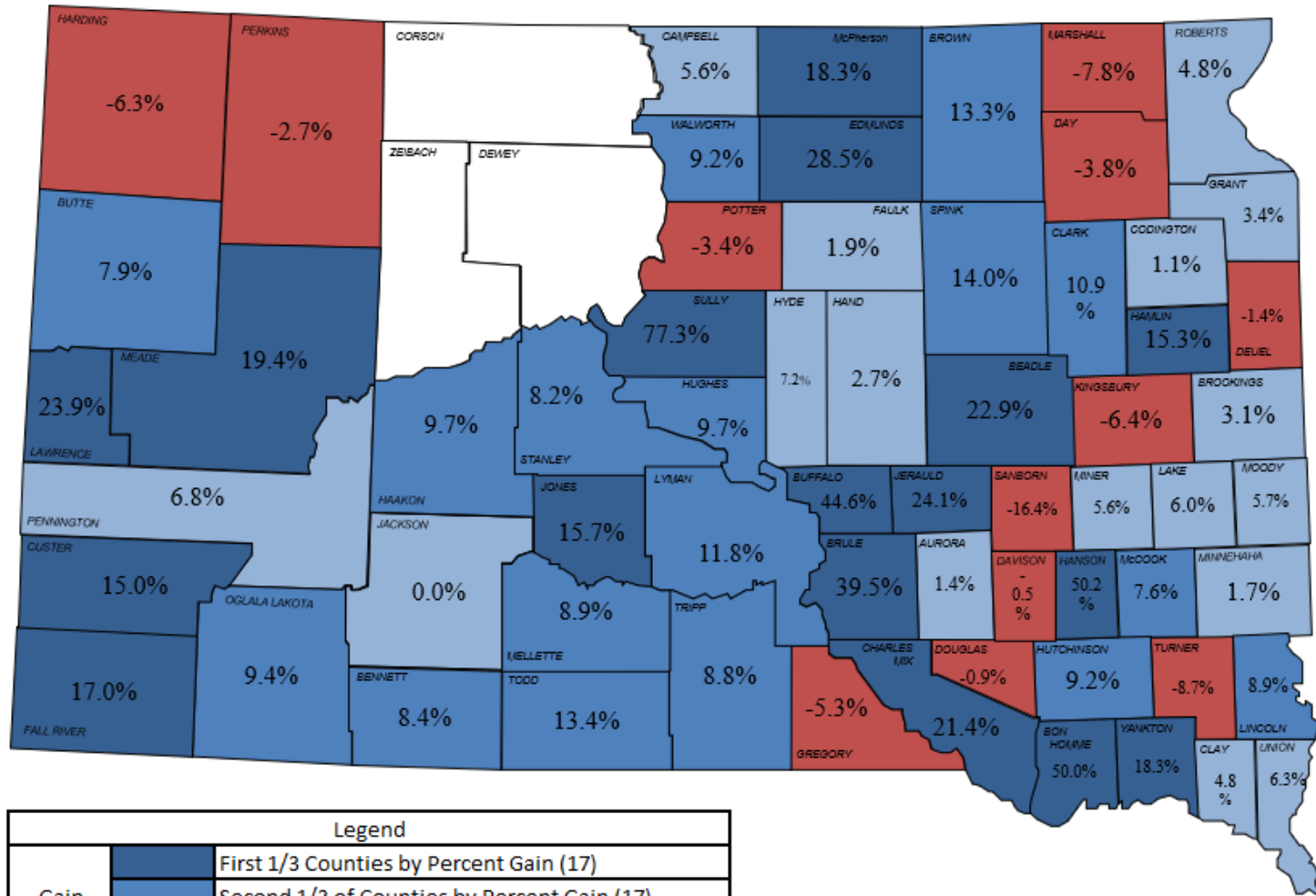
FY 19 Instant/Draw Review



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YoY % Change in Instant Sales



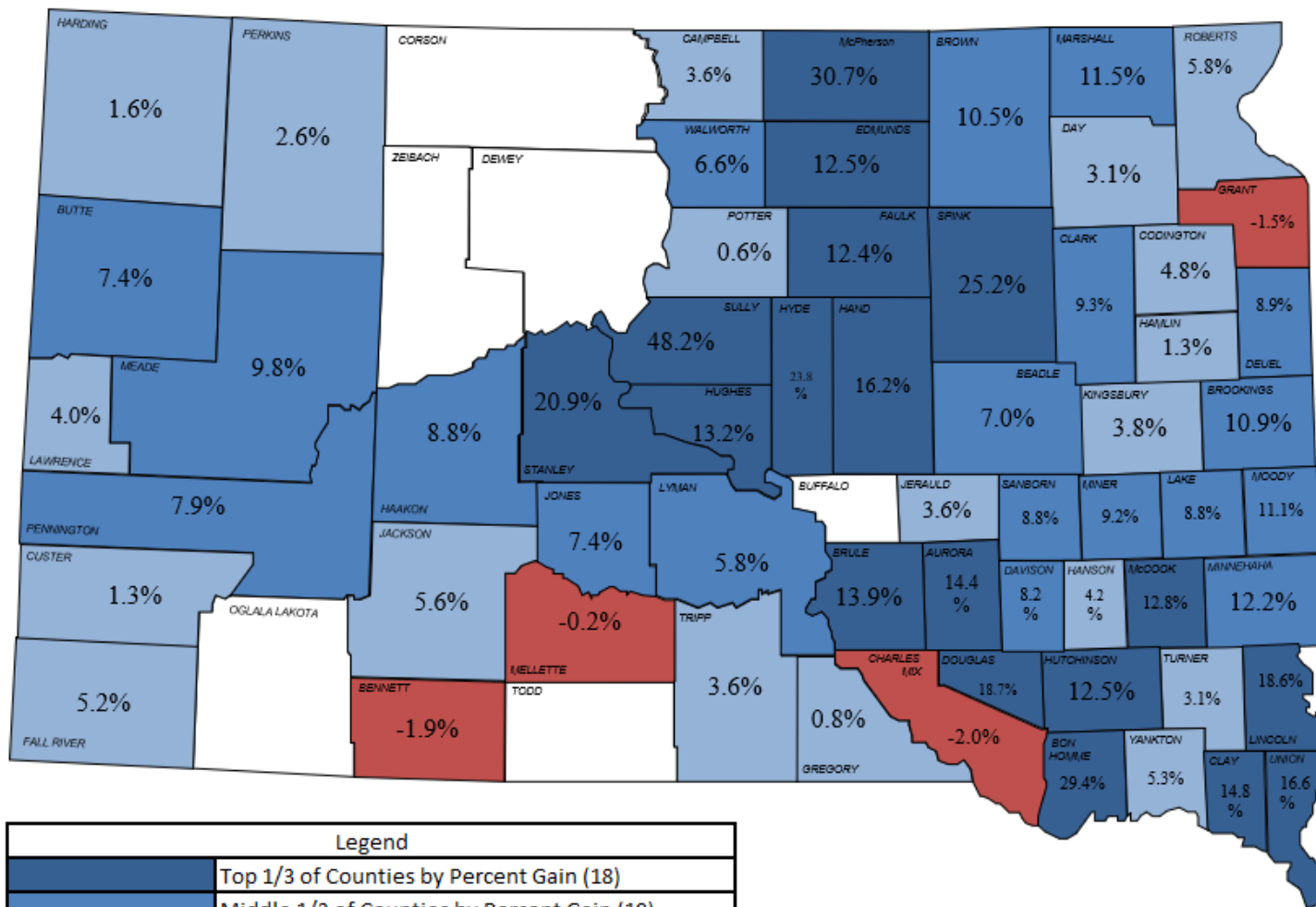
Legend		
Gain	Dark Blue	First 1/3 Counties by Percent Gain (17)
	Medium Blue	Second 1/3 of Counties by Percent Gain (17)
	Light Blue	Last 1/3 of Counties by Percent Gain (17)
N/A	White	No Instant Sales
Loss	Red	Counties by Percent Loss (12)



City	FY18	FY19	\$ Change	% Change
Sioux Falls	\$7,416,352	\$7,519,602	\$103,250	1.39%
Rapid City	\$3,638,756	\$3,897,296	\$258,540	7.11%
Aberdeen	\$1,025,190	\$1,163,512	\$138,322	13.49%
Watertown	\$1,083,065	\$1,102,702	\$19,637	1.81%
Brookings	\$776,903	\$801,935	\$25,032	3.22%
Mitchell	\$779,210	\$775,621	-\$3,589	-0.46%
Yankton	\$656,887	\$762,334	\$105,447	16.05%
Pierre	\$632,166	\$689,507	\$57,341	9.07%
Spearfish	\$570,031	\$689,332	\$119,301	20.93%
Huron	\$509,300	\$637,854	\$128,554	25.24%
Rest of the state	\$10,675,151	\$11,763,331	\$1,088,180	10.19%
State Total	\$27,763,011	\$29,803,026	\$2,040,015	7.35%



YoY % Change in Draw Sales



Legend	
	Top 1/3 of Counties by Percent Gain (18)
	Middle 1/3 of Counties by Percent Gain (19)
	Bottom 1/3 of Counties by Percent Gain (19)
	No Online Sales
	County by Percent Loss (4)



City	FY18	FY19	\$ Change	% Change
Sioux Falls	\$5,699,977	\$6,395,704	\$695,727	12.21%
Rapid City	\$3,484,283	\$3,751,116	\$266,833	7.66%
Aberdeen	\$1,232,887	\$1,365,135	\$132,248	10.73%
Watertown	\$1,256,329	\$1,316,259	\$59,930	4.77%
Yankton	\$881,596	\$905,257	\$23,661	2.68%
Pierre	\$774,826	\$876,600	\$101,774	13.14%
Mitchell	\$789,111	\$853,719	\$64,608	8.19%
Brookings	\$616,731	\$695,461	\$78,730	12.77%
Spearfish	\$639,999	\$684,954	\$44,955	7.02%
Huron	\$499,443	\$535,184	\$35,741	7.16%
Rest of the state	\$10,228,877	\$11,199,452	\$970,575	9.49%
State Total	\$26,104,059	\$28,578,841	\$2,474,782	9.48%



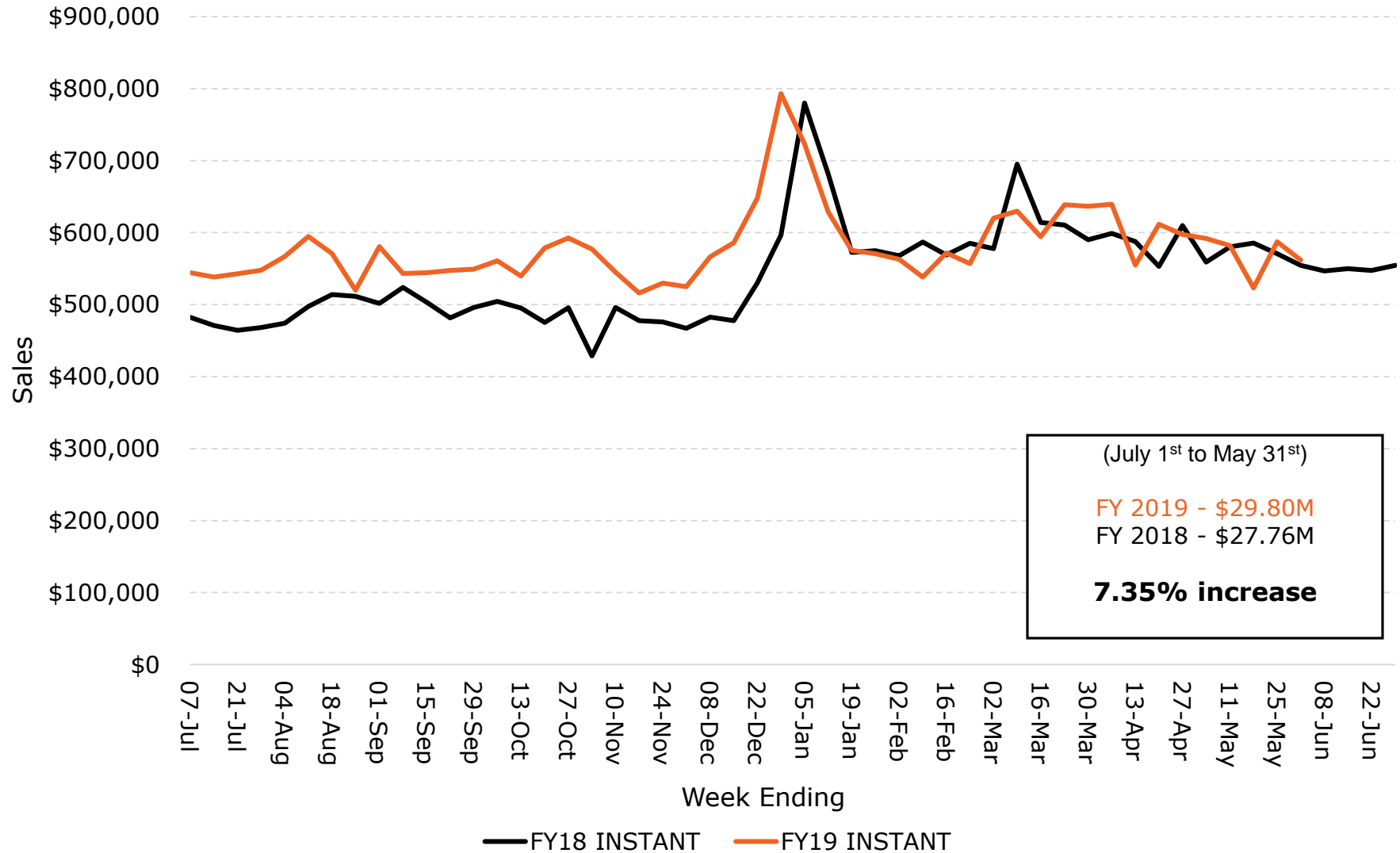
Sales Report



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Instant Ticket Sales



\$50,000 Top Prize



Drew Reiner
\$5 20X

**Instant
Top Prize
Winners
Since
March**

\$12,000 Top Prize



Todd Champagne
\$2 Deuces Wild

\$10,000 Top Prize



Rikki Schad
\$2 Super Triple 777

**10 Top Prize
Winners**



Instant Top Prize Winners

- **\$50,000 20X (Sioux Falls)**
- **\$30,000 Fireball Bingo (Rapid City)**
- **\$12,000 Deuces Wild (Rapid City)**
- **\$12,000 Deuces Wild (Wanblee)**
- **\$10,000 10X (Sioux Falls)**
- **\$10,000 Triple 777 (Lemmon)**
- **\$10,000 Triple 777 (Rapid City)**
- **\$5,000 Goat Load of Cash (Hill City)**
- **\$5,000 \$250,000 Multiplier (Sioux Falls)**
- **\$5,000 5x (Vermillion)**
- **\$5,000 \$50,000 Bonus Play (Sioux Falls)**
- **\$5,000 \$300,000 Series (Elk Point)**

**Over 45
\$1,000 Winners**

**Over 250
\$500 Winners**



Hit Family



No Top Prizes!



Polaris Dollars 'N' Dirt



\$5 POLARIS
DOLLARS 'N' DIRT
Win a Polaris Ranger® 570!
See back for details.

SOUTH DAKOTA LOTTERY

WINNING NUMBERS
\$ \$ \$ \$

YOUR NUMBERS

PRIZE	PRIZE	PRIZE	PRIZE	PRIZE
PRIZE	PRIZE	PRIZE	PRIZE	PRIZE
PRIZE	PRIZE	PRIZE	PRIZE	PRIZE

Over 1,700 Prizes \$50 and Up!

Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown. Get a KEY "🔑" symbol, win the prize automatically.
Get a HELMET "📖" symbol, win DOUBLE the prize.

- **South Dakota State Fair Special!**
- **Polaris Ranger 570**
 - **3 – Instant Wins**
 - **2- Second Chance**
- **Total of 5 ATV's Given Away**



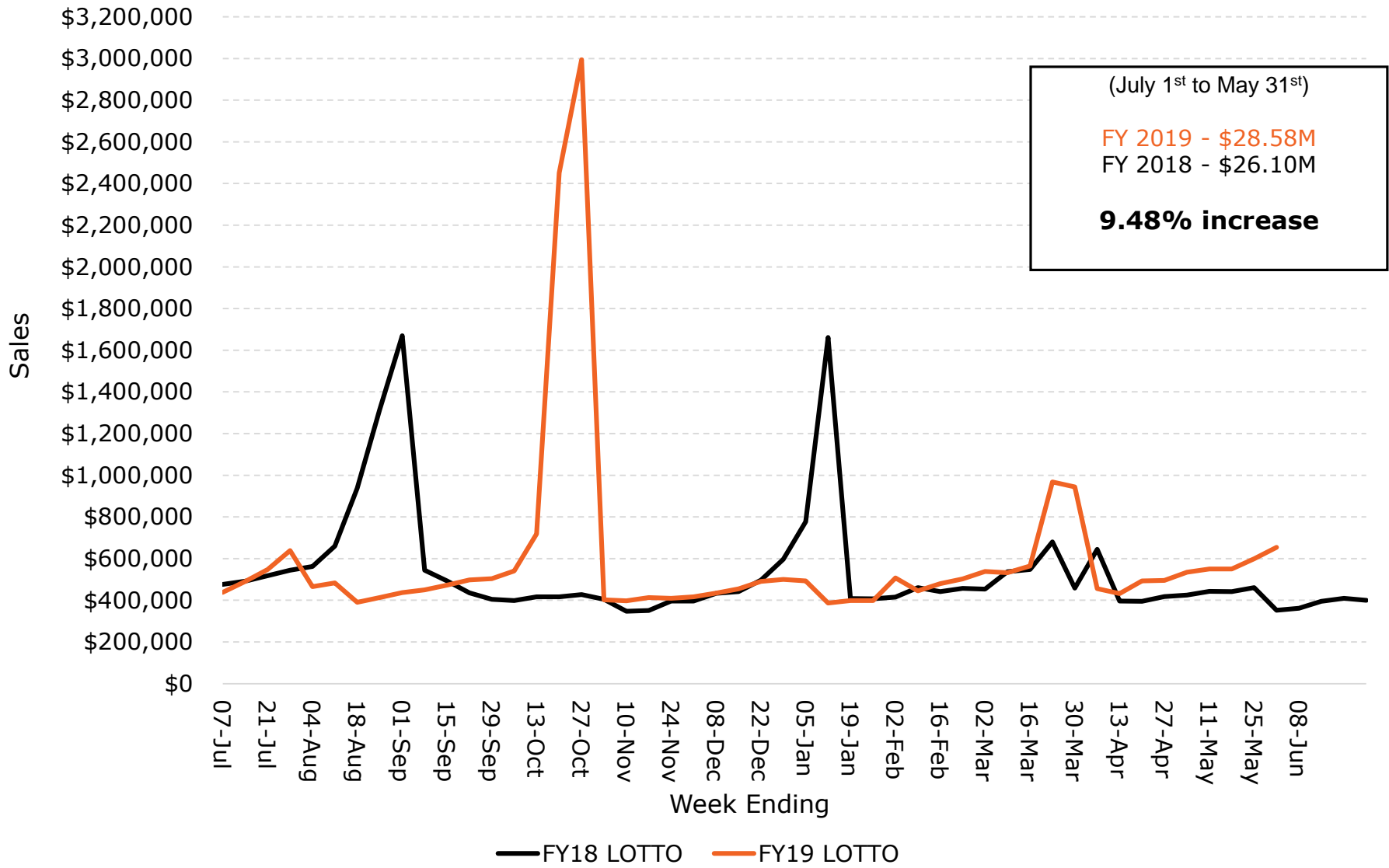


Silver & Gold

- **Non-Break Even Ticket**
- **Over 22,000 Prizes from \$50 - \$500**



Lotto Sales



Lotto Winners

**\$25,000 per Year/\$390,000
Winner**



\$200,000 Winner



Barbara Ordal (Madison)
Lucky For Life

Leo Bald Eagle (Rapid City)
Powerball Power Play



Retailer Spotlight



DJ's Convenience in Pierre has sold two winning tickets within a 30 day window.

- **\$20,000
Lotto
America
Ticket**

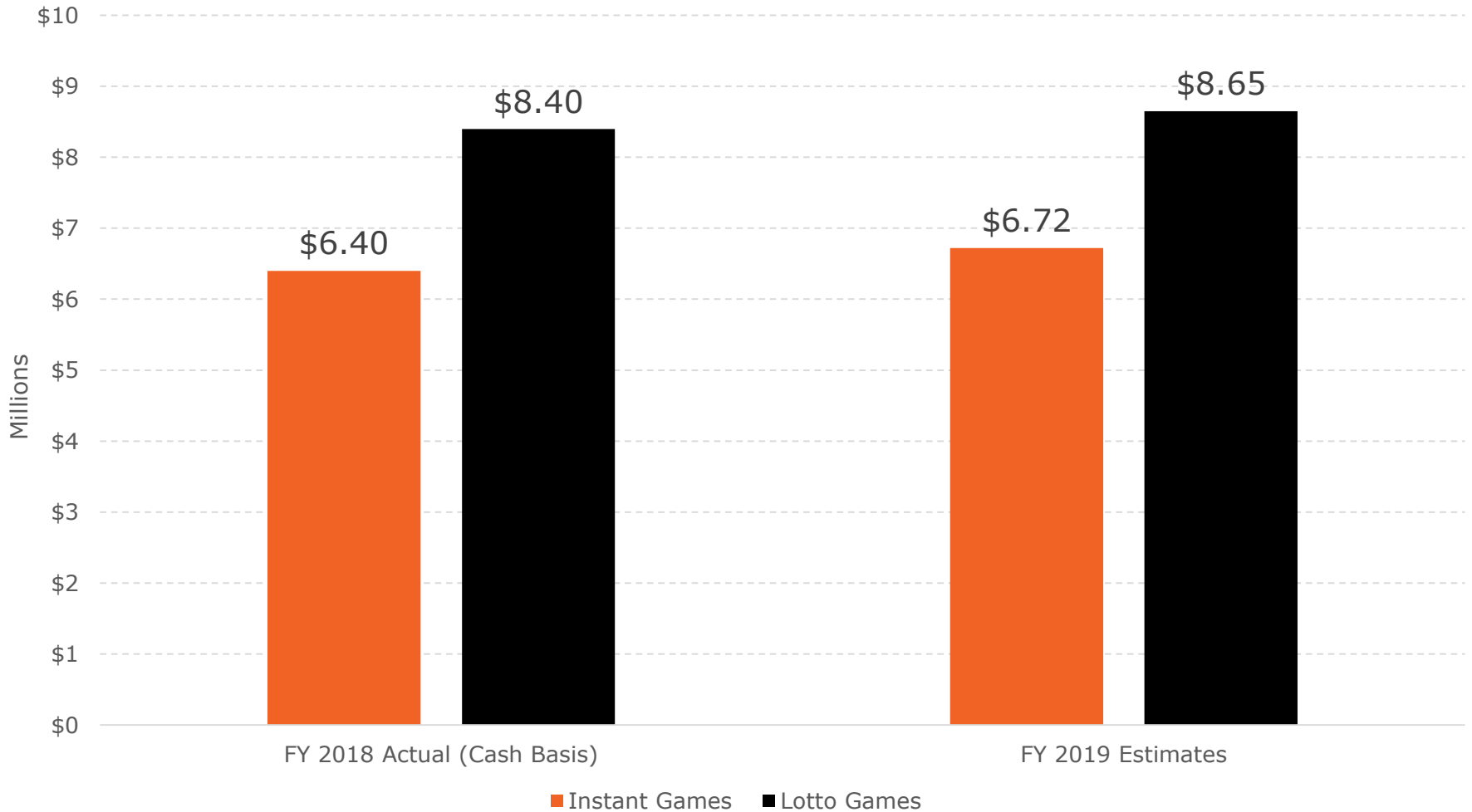


- **\$50,000
Powerball
Ticket**



Bruce Nelson - Manager

Instant and Online FY19 Revenue Projections as of May 31, 2019



Marketing/Advertising Report



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Marketing Report

1. Makin' Bacon Launch & 2nd Chance Promotion
2. New Year's Rockin' Eve Powerball Promotion
3. "Dollars N' Dirt" Polaris 2nd Chance Promotion



Makin' Bacon 2nd Chance Promotion

Trevor Mitchell, Sioux Falls Argus Leader Published 4:07 p.m. CT May 9, 2019

CONNECT TWEET LINKEDIN COMMENT EMAIL MORE



A Makin' Bacon ticket (Photo: South Dakota Lottery)

A new game from the South Dakota Lottery could send you home with a year's worth of bacon — or money, if that's what you're into.

[Makin' Bacon](#) started in April as a \$5 scratch ticket giving players a chance to win up to \$50,000. However, non-winning tickets can also be submitted for a second-chance drawing in the game.

Five winners will be drawn at the end of May and June to receive \$100 worth of scratch tickets, while five more winners will receive \$260 in pork gift certificates from the South Dakota Pork Producers Council.

The certificates can be used "anywhere pork is sold," including restaurants, supermarkets and butchers, [according to the council's website](#).

Argus Leader Story

New South Dakota Lottery scratch ticket could get you a year's worth of pork



Makin' Bacon in Rapid City



Hog Wild Radio Promotion

May 24th, 11 - 2 PM

Family Fare, Mt. View, Rapid City

The SD Lottery will attend this remote and during the remote **the SD Lottery will sell \$15 worth of Makin' Bacon Tickets and the player will receive 1 - \$5 Break the Bank, (scratch my back ticket) "Free". Purchase 3 Makin' Bacon Tickets get a 4th Break the Bank Ticket, "Free", must be 18.**

Listen to KOTA, to get free SD Lottery T-Shirts, Hats, and SD Lottery Mystery Prizes, during the remote. You must be 18 years or older to win.

Remember to use your non-winning tickets from Makin' Bacon, to 2nd Chance via Players club, for your chance to win Bacon for a Year or \$100 in "Free" Makin' Bacon Tickets.

Register during the remote for a summer prize pack from SD Pork Producers - Family Fare - Lowes - SD Lottery - Coca Cola

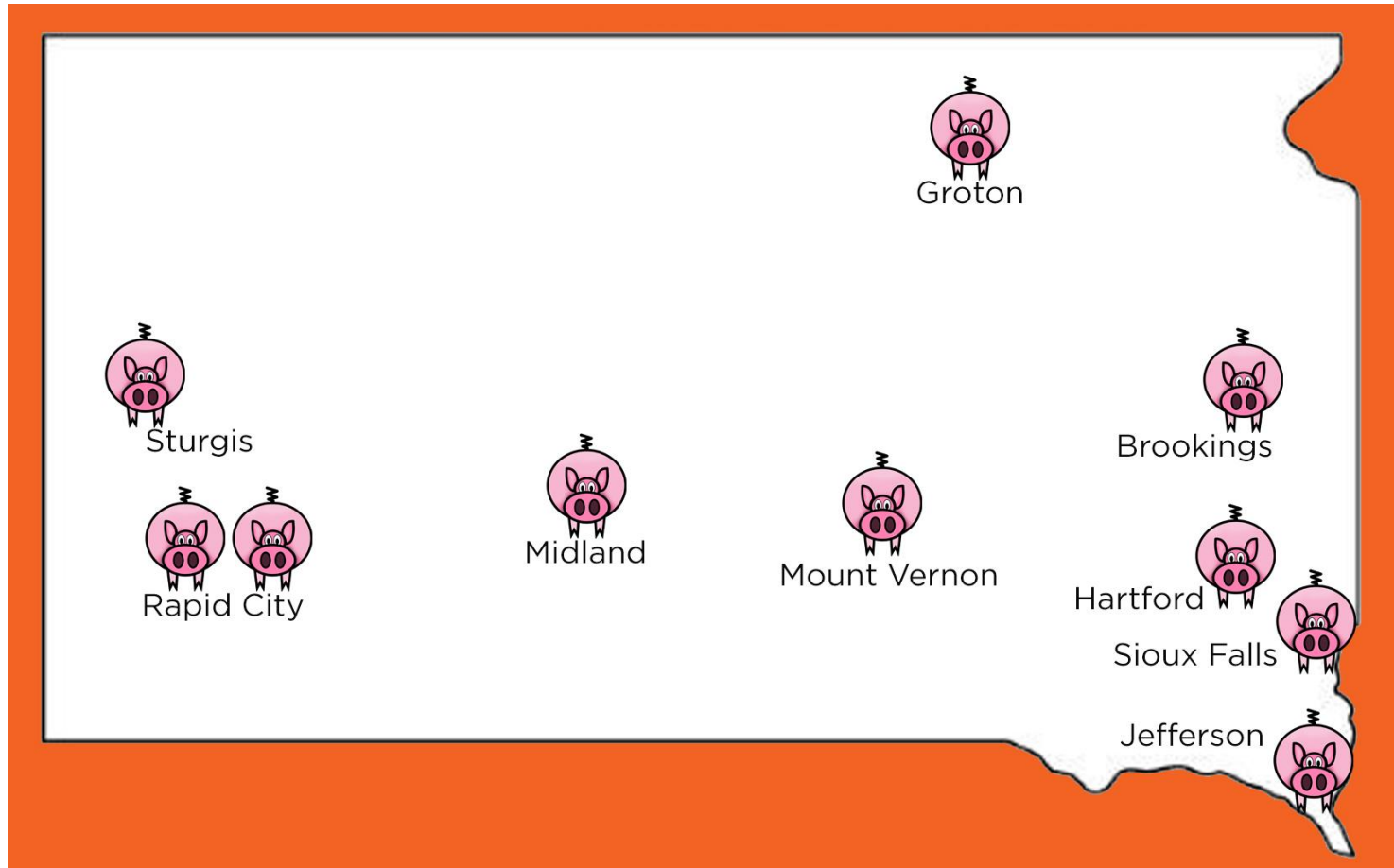
**Text the keyword to KOTA TEXT 50352
Or register online at kotaradio.com
Must be 18 to register.**



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Pork Winners



New Year's Rockin' Eve Powerball Promotion

- Promotion Dates: June 15 – September 15
- Drawing on September 20
- Promote 2 SD Winners leading up to NYE



“Dollars N’ Dirt”

Polaris 2nd Chance Promotion

- Looking at August Launch
- State Fair Special
- 3 Instant Win / Two 2nd Chance Winners



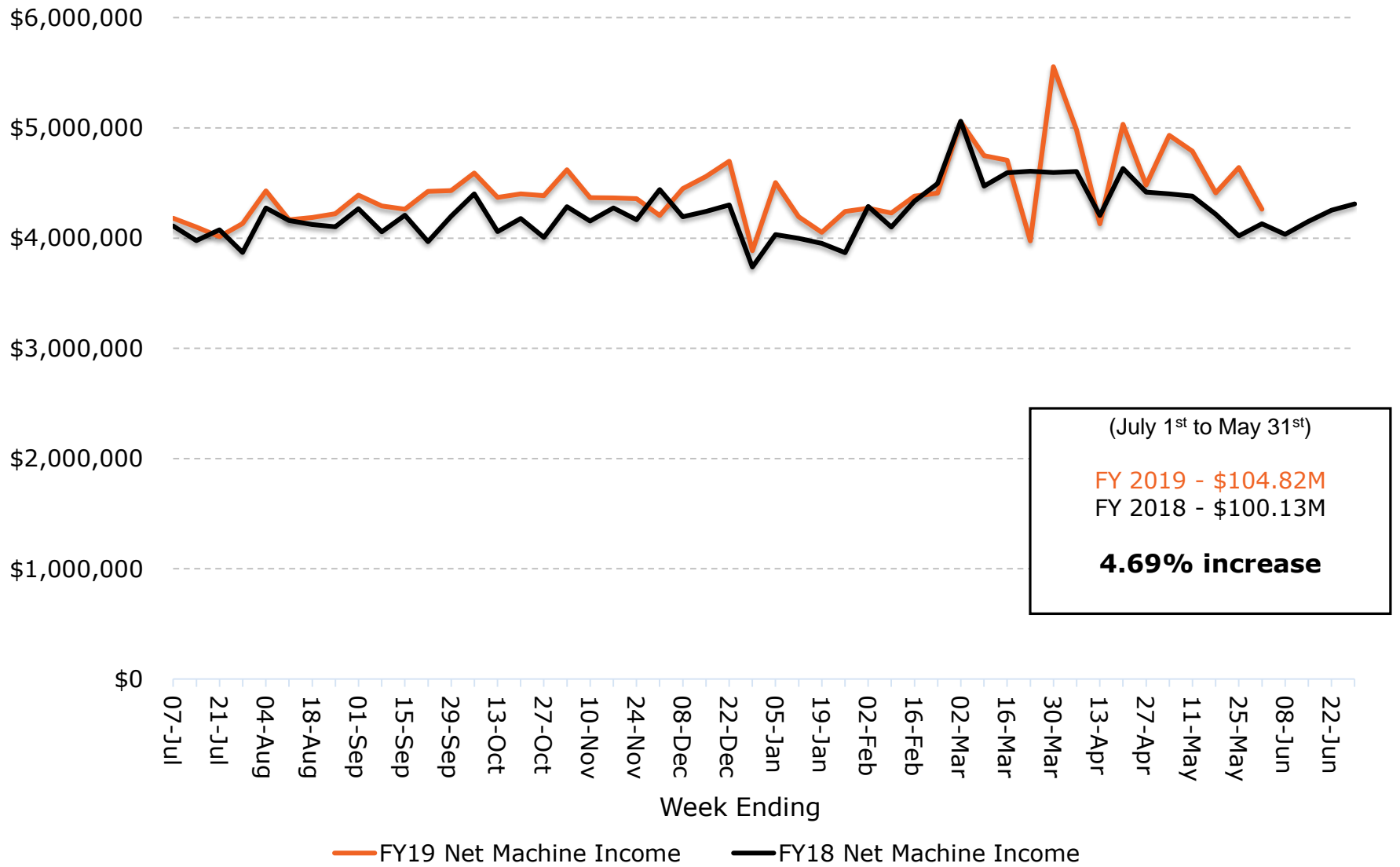
Video Lottery Report



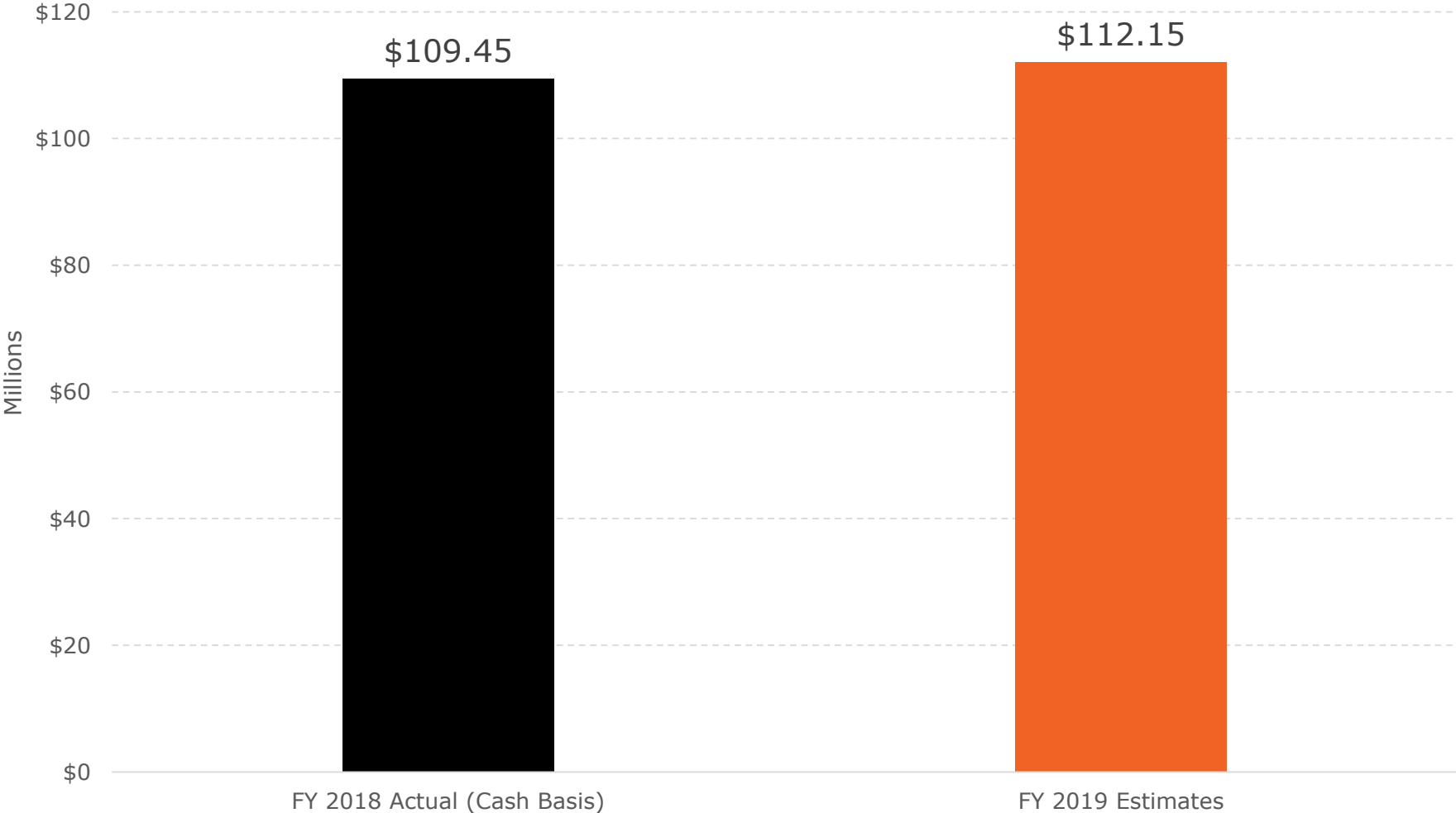
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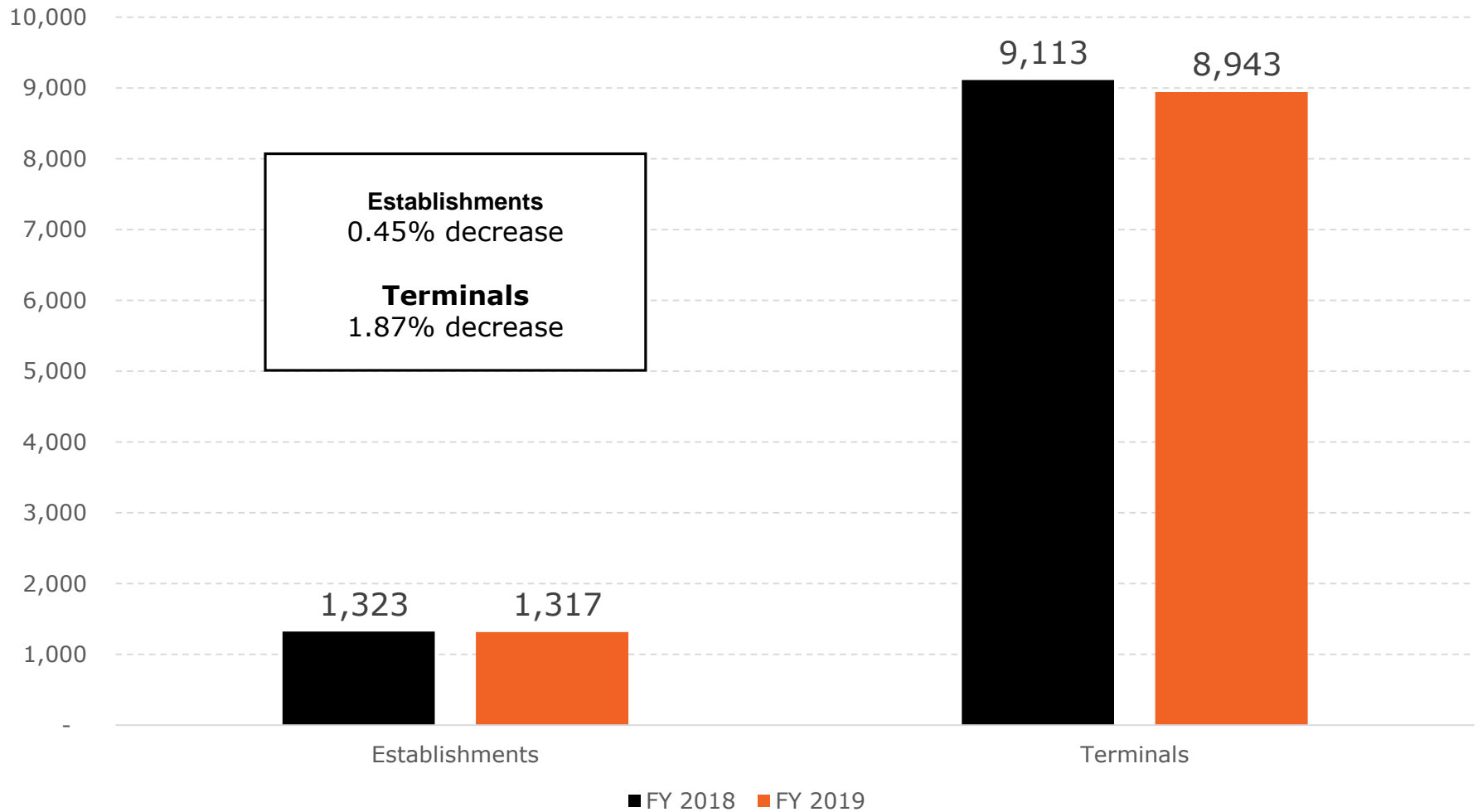
Video Lottery Net Machine Income



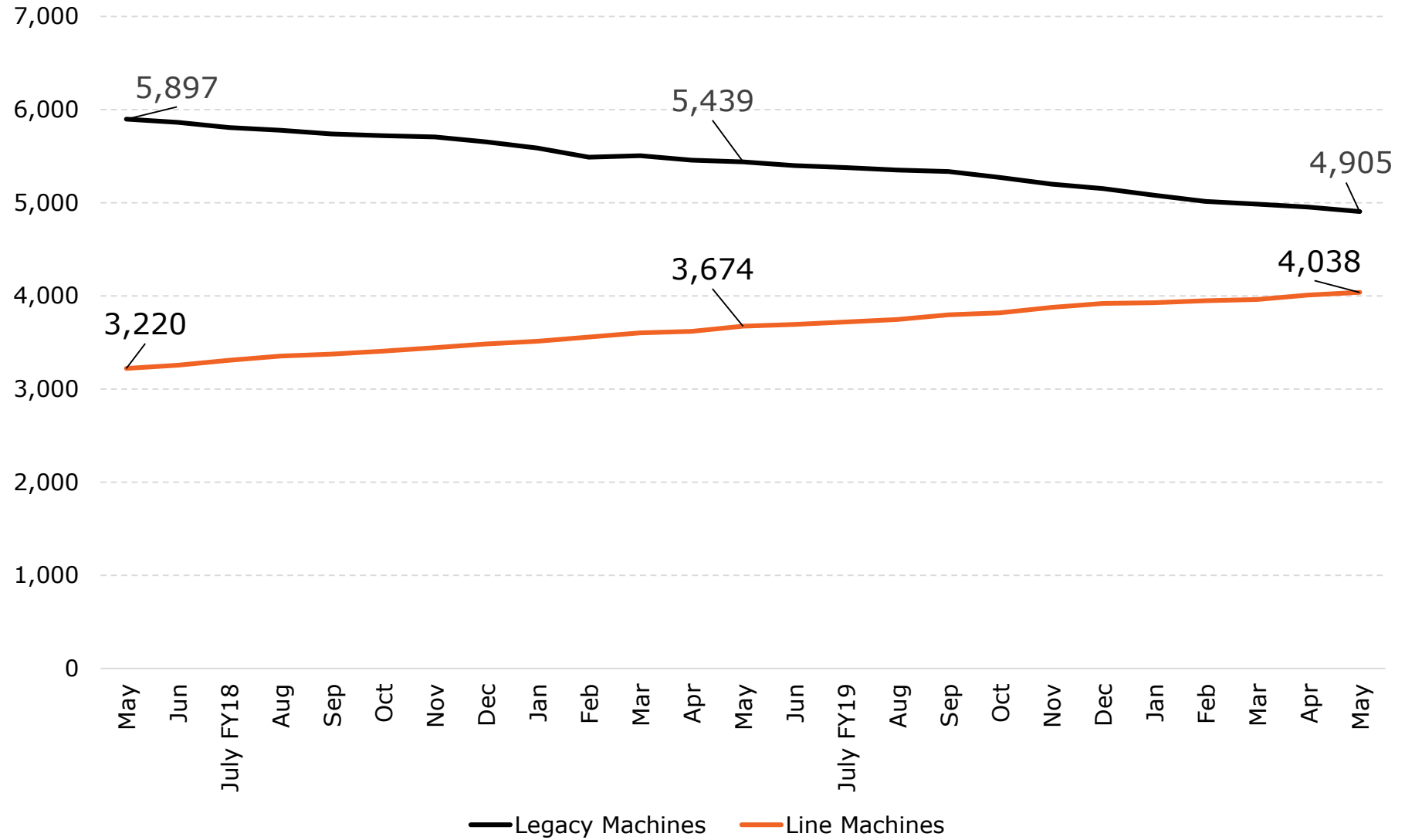
Video Lottery FY 19 State Share Revenue Projection as of May 31, 2019



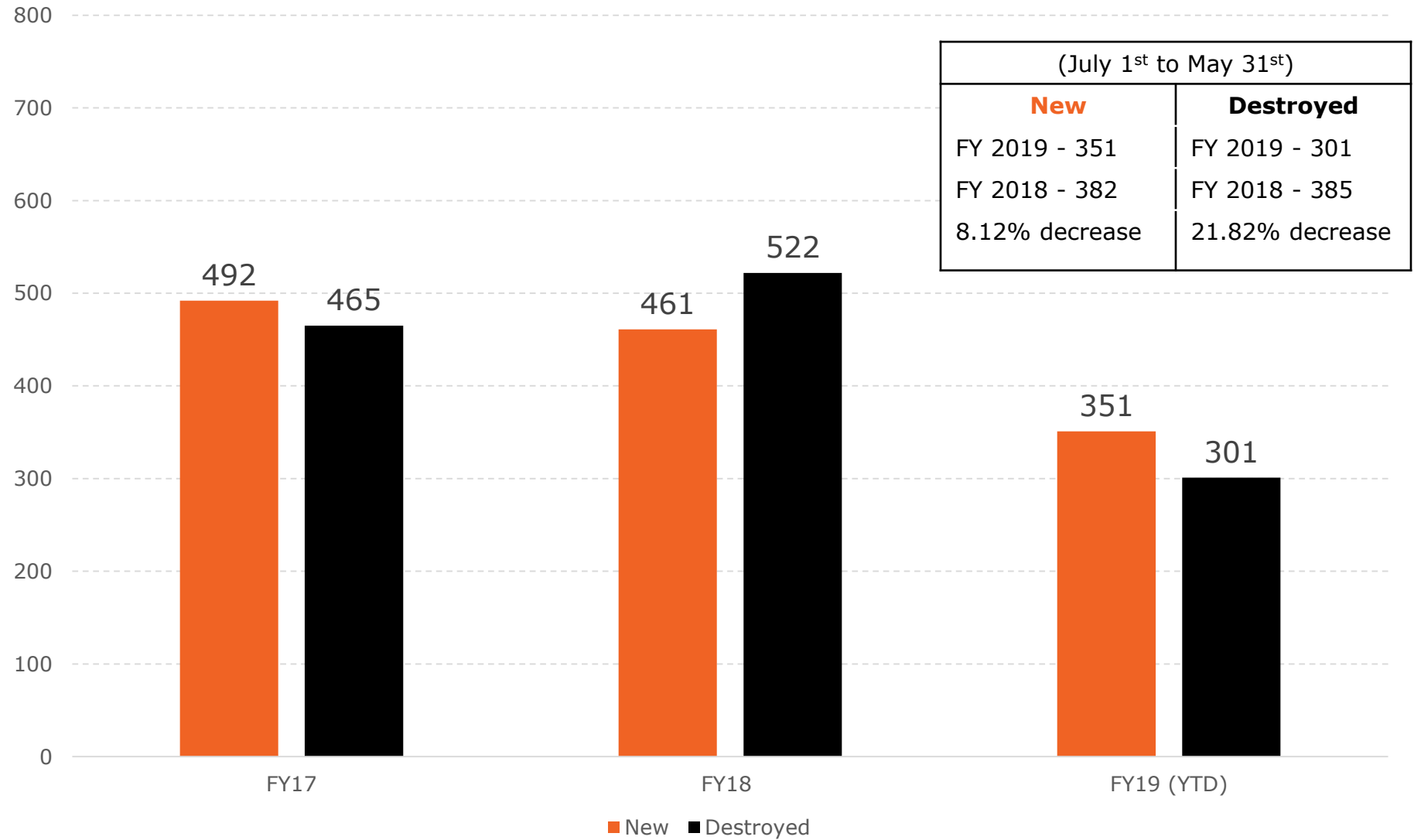
Number of Terminals and Establishments as of May 2019



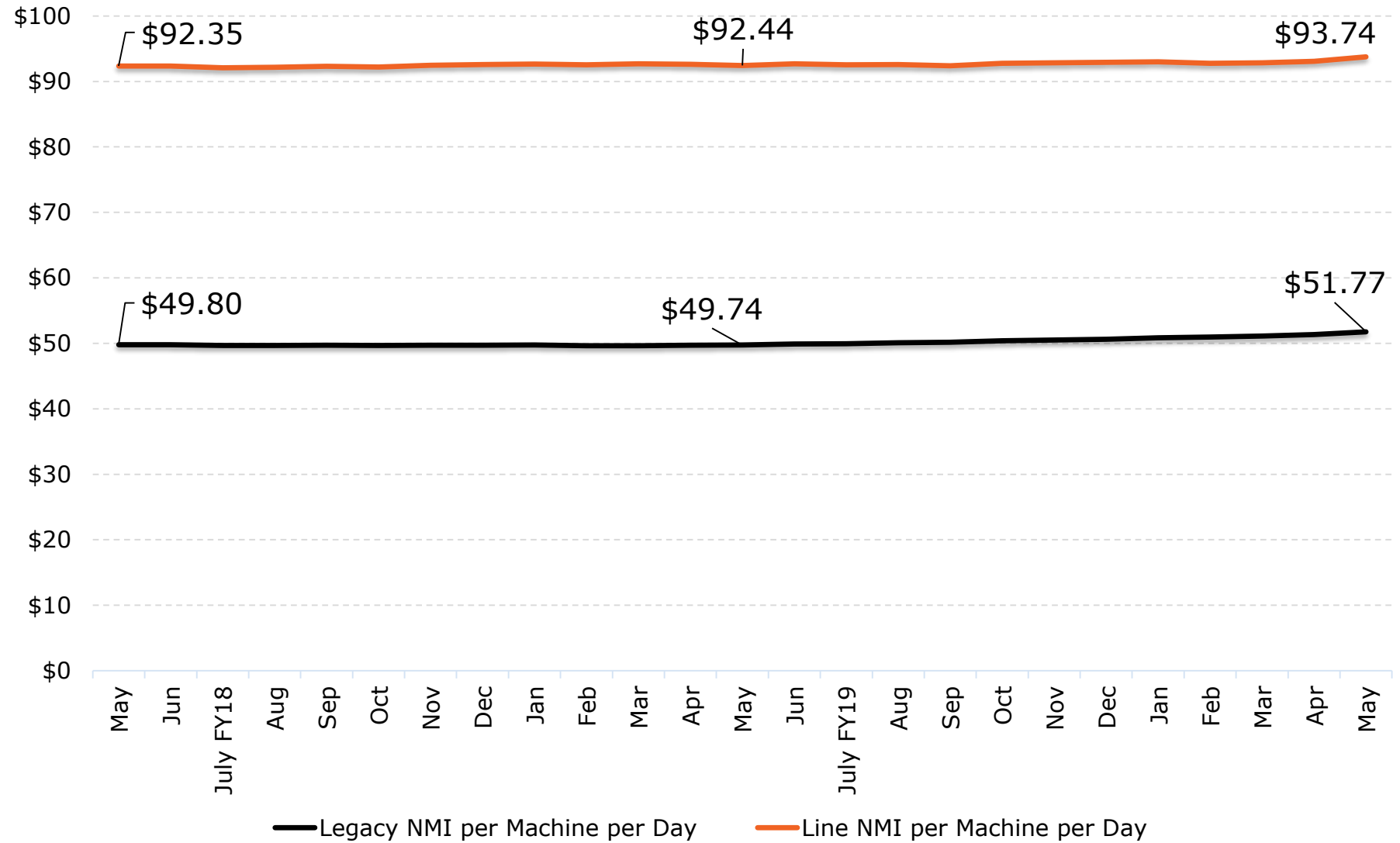
Terminal Counts - Legacy vs. Line



New and Destroyed Terminals



NMI/Terminal/Day - Legacy vs. Line



Multi-State Lottery Association



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MUSL

- As a member of MUSL, we are required to participate in an annual Security Certification that is due by June 30.
- This certification ensures the requirements agreed upon by the MUSL members are being followed.
- Cesar Contreras from MUSL will be visiting the SD Lottery during the week of September 9th to complete the MUSL Rule 2 Review. This audit is completed every 2 years.





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