



#### **Commission Members**

Steve Harding –Chair  
Tim Donohue-Vice Chair  
Jamie Huizenga  
Joe Kafka  
Tona Rozum

#### **Minutes of the Commission Meeting**

Meeting was conducted in person  
Thursday December 11, 2025 – 9:30 a.m.

Chair Harding called the December 11, meeting of the South Dakota Lottery Commission to order at 9:30 a.m. Commissioners Donohue, Rozum and Kafka participated remotely. Legal counsel Ali Schaeftbauer and Nick Ramos attended remotely.

#### **SUPPORT STAFF PRESENT**

Norm Lingle, Clark Hepper, Nick Ramos, Jason Evans, Wade LaRoche, Trevor Wiebe, Nathan Remmich, Aric Frost, and David Dahl.

#### **MEMBERS OF THE PUBLIC PRESENT**

Bob Mercer.

#### **APPROVAL OF THE AGENDA**

Chair Harding asked if there were any changes to the agenda. Commissioner Huizenga moved to approve the minutes and seconded by Commissioner Donohue. Voice vote. All in favor. Motion carried.

#### **APPROVAL OF THE MINUTES FROM THE SEPTEMBER 25, 2025, MEETING**

Chair Harding asked for a motion to approve the minutes. Commissioner Huizenga moved to approve the minutes and seconded by Commissioner Donohue. Voice vote. All in favor. Motion carried.

#### **CONFLICT OF INTEREST**

Chair Harding asked if there were any conflicts of interest; there were none.

## DEPUTY SECRETARY OF REVENUE COMMENTS

*Department of Revenue Deputy Secretary Jason Evans reported on the following:*

- Deputy Secretary Evans discussed the 2026 Legislative Session and the Department of Revenue's role.
- DOR will be monitoring the 2026 bills and implementing statutory changes that are due by July 1.

## EXECUTIVE DIRECTOR'S COMMENTS

*Executive Director Norm Lingle reported on the following:*

- The Lottery is working on a Bulk Purchase/Courier policy.
- This involves a bulk purchase by an individual or organization to purchase an extraordinarily large volume of tickets, in an attempt to win a jackpot in a draw game or top prize on a scratch ticket.
- Web Metrics for the \$1.787 billion Powerball Jackpot won on September 6th. The reporting period was from Aug. 23, 2025–Sept. 7, 2025. Number of visits to the SDL Website was 104,718 Sessions with total website users 49,136.
- Visits to the Winning Numbers page 22,349 with Apple Mobile App Users 9,371 and Android Mobile App Users 7,800.
- The 2026 Legislative session begins January 13. The Lottery is not proposing any legislation. We will have Commissioners Huizenga's re-appointment confirmation hearing and potentially a replacement for Commissioner Kafka.
- Executive Director Lingle thanked Commissioner Kafka for serving since 2016.

## DRAW GAMES OVERVIEW

*Executive Director Norm Lingle reported on the following:*

- Draw Games include Powerball, Mega Millions, Lucky for Life, Lotto America & Dakota Cash. Millionaire for Life game starts February 22, 2026. Information on portfolio, payouts and retailers commission are on the website.
- Tickets are available for purchase from 6 a.m. to 11 p.m. central time, and you may purchase up to 9 drawings.
- Players with winning tickets have up to 180 days to claim prizes.

## ADOPTION OF LOTTERY RETAILER INCENTIVE COMMISSION – RULING 25-4

*Deputy Executive Director Clark Hepper reported the following*

- This ruling would add retailer incentive commissions for the new Millionaire for Life game.
- A retailer who sells a jackpot winning Millionaire for Life ticket would receive a \$5,000 bonus.

- A second prize would yield a \$500 retailer bonus.
- Commissioner Huizenga moved to adopt administrative rules for Millionaire for Life Incentive Commission. Seconded by Commissioner Donohue. A voice vote was taken. All in favor. Motion carried.

### **FY27 Instant/Online and Video Lottery Budget Approval**

*Accounting Manager Aric Frost reported the following.*

- The Lottery operates under two main budget centers: Instant/Online and Video Lottery.
- Each budget is categorized into six areas:
  - Personal Services, travel, contractual services, supplies & materials, capital assets and other.
- The Instant/Online budget is informational only and approved by the Lottery Commission, then reported through the state budget process.
- This approach supports informed decision-making and financial awareness.
  - Contractual Services: Resulted in under spending about 3% under the budgeted amount or almost \$2 million.
  - Salaries & Benefits: Resulted in under spending by about 15% under the budgeted amount or almost \$320,000
  - Supplies & Materials: Resulted in spending by about 22% under the budgeted amount or almost \$245,000.
  - Travel: Resulted in spending by about 1% under the budgeted amount or around \$1,600.
  - Other: Resulted in overspending around \$66,000.
  - This is the category used to pay the three tribal governments for their share of sales, which is 50% for scratch tickets only. (Oglala Sioux Tribe, Crow Creek, and Rosebud).
  - Capital Outlay; Resulted in spending by about 53% under the budgeted amount or around \$21,000.
  - Total spending about 4% below the budget amount or around 2.4 million.
- The Lottery is not proposing an increase to this budget in FY27.
  - Video Lottery Contractual Services: Resulted in under spending about 6% under the budgeted amount or around \$95,000.
  - Salaries & Benefits: Resulted in under spending by about 11% under the budgeted amount or almost \$105,000
  - Travel: Resulted in spending by about 6% under the budgeted amount or around \$,1800.
  - Supplies & Materials: Resulted in spending by about 48% under the budgeted amount or almost \$14,000.

- Capital Outlay; Resulted in spending by about 92% under the budgeted amount or around \$166,000
- Total Result of spending about 14% below the budget amount or around \$426,000
- Commissioner Huizenga made a motion to adopt the FY27 Instant/Online and Video Lottery budget. Commissioner Kafka seconded. A voice vote was taken. All in favor. Motion carried.

### Adoption of Criminal History/Background Check – Ruling 25-5

*Director of VL and Security Trevor Wiebe reported the following.*

- Initial background checks are currently required for all employees, applicants, licensees, and vendors.
- The new ruling would require background checks to be completed every five years.
  - Lottery employees required to submit fingerprints each time.
  - Licensees and vendors are subject to internal criminal record checks
- Commissioner Huizenga moved to adopt administrative rules for Criminal History/Background Check. Seconded by Commissioner Donohue. A voice vote was taken. All in favor. Motion carried.

### VIDEO LOTTERY REPORT

*Director of VL and Security Trevor Wiebe reported the following*

- Comparing the number of terminals and establishments for the last 5 years. Establishments at 1,265 and currently 1,390. Terminals 9,607 currently 11,229.
- Currently we have Legacy and Line machines with Legacy having 3,481 machines and Line having 7,712 machines. Operators will keep the parts of a destroyed machine to use parts in other machines.
- NMI shows over the course of 5 years with decrease in legacy. New & destroyed machines with FY22 having 930 machines with 366 destroyed. FY26 currently 138 new machines and 38 destroyed.
- MUSL completed its Rule 2 Review for Online Draw Games during the week of Oct. 27.
- The review focused on four Discussion Points: Physical security, Network Diagram & Firewall Rules, Internal control system (ICS) permissions, and Backup for the ICS.

### SALES REPORT

*Sales Director David Dahl reported on the following:*

- Instant ticket sales are down 3% compared to FY25 with sales at \$18.5 million.
- Lotto sales are up over 57% over the same time last year. Lotto sales at \$16.54 million.

- The Lottery has paid out over \$12.2 million dollars in instant game prizes and over \$5.7 million in Lotto prizes in FY26.
- The X Family scratch tickets will be launching in February.
- Projections for Instant/Online as of November 30<sup>th</sup>. Projecting Instant \$5.5 million in Net transfers and Lotto \$8.32 million in Net transfers vs. FY25 which instant were at \$6.05 million, and Lotto was at \$7.53 million. Combined for FY26, this is \$13.82 million vs. \$13.58 million in FY25.
- Video lottery net machine income is projecting to have a 1.64% increase over FY25. As of November 30, Video lottery FY26 state share revenue is projected to be \$167.59 million vs. \$165.05 million in FY25.
- Total FY26 revenue projections as of November 30, 2025. The total combined FY26 revenue projection is \$181.41 million vs. \$178.63 million in FY25.

## SALES STATISTICS

*Business Analyst Nathan Remmich reported the following*

- Quarter 2 Review. Less instant tickets in the market with lower price points decreased sales for those price points. There is growth from the new \$30 game but down overall by 4.16%.
- Quarterly Sales by Lotto Games are up 69.67%.
- Quarterly Video Net Machine Income is up .83% with fewer GMMS machines and more SAS machines.
- FY26 Fiscal Year Instant Sales by Price Point shows less interest in the lower price tickets with growth coming from the new \$30 tickets. Down overall 3.10%.
- Fiscal Year Sales by Lotto Game is up 57.72%.
- Fiscal Year Video Net Machine Income is up 1.64%.

## MARKETING REPORT

*Director of Advertising and Public Relations Wade LaRoche*

- The holiday Campaign is our largest campaign of the year—as we utilize fun holiday themes and imagery. Instant tickets are often given as gifts. We are using the same television spot as last year, and we are leveraging our Players Club through a series of fun emails that show the fun in giving instant tickets as gifts and how to play the games.
- Throughout the latter half of November and December, the Lottery has had a presence at Rapid City Rush home games through video placement, digital boards and fun promotions.
- Gift Responsibility Campaign provides several details pertaining to the risks associated with youth being exposed to gambling at a young age. We spread the word through social media, players club emails and messages to retailers.

- Pentagon Sponsorship is a yearlong agreement for placement with the Pentagon. Floor stickers are located throughout heavily populated areas as fans walk to their seats.
- Unclaimed prizes: A \$2 million Powerball prize and \$500,000 Powerball Double Play prize remain unclaimed. In November, a press release was sent out and posted on social media of the deadline to claim.

### **PUBLIC COMMENT**

None.

### **NEXT MEETING DATE**

Executive Director Lingle stated the next meeting will be March 26, 2026.

### **ADJOURNMENT**

Commissioner Donohue made a motion to adjourn at 11:38 a.m. Commissioner Kafka seconded the motion. A voice vote was taken. All in favor. Motion carried.

\*Please listen to the audio on the South Dakota Lottery Website:  
<https://Lottery.sd.gov/about/commission/> for additional details.