

## SOUTH DAKOTA COMMISSION ON GAMING

### Notice of Public Hearing to Adopt Rules

A public hearing will be held at the City Hall, 102 Sherman Street, Deadwood, South Dakota, on Tuesday, June 23, 2026, at 9:00 a.m., MT, to consider the adoption and amendment of proposed rules numbered:

- 20:04:33:01. Definitions.
- 20:04:33:06 Take-out rates for non-merged pools. Repealed.
- 20:04:33:25. Application for multi-jurisdictional totalizator hub license.
- 20:04:33:81 Patron protection information.
- 20:04:33:82 Internal controls -- Third party involvement.
- 20:04:33:83. Wagering rules.
- 20:04:33:84. Setting -- Display of available wagers.
- 20:04:33:85 Allowable bets.
- 20:04:33:86 Refusing bets.
- 20:04:33:87 Prohibited persons.
- 20:04:33:88. Bonus or promotional wagering.
- 20:04:33:89. Taxation requirements.
- 20:04:33:90. Bank secrecy act compliance.
- 20:04:33:91. Commission access to information.
- 20:04:33:92. Anti-money laundering monitoring.
- 20:04:33:93. Reports of online pari-mutuel wagering operations.
- 20:04:33:94. Retention of records.
- 20:04:33:95. Internal control procedures audit.
- 20:04:33:96. Annual financial audit.
- 20:04:33:97. Self-exclusion plan.
- 20:04:33:98. Online wagering system.
- 20:04:33:99. Licensee's duty to report criminal or disciplinary proceeding-- Commission may share information.
- 20:04:33:100. Certain persons prohibited from betting.
- 20:04:33:101. Location detection requirements.
- 20:04:33:102. Location of wager.
- 20:04:33:103. System errors.
- 20:04:33:104. Bond.
- 20:04:33:105. Confidentiality.
- 20:04:33:106. Manner of wagers approved by commission.
- 20:04:34:01. Integrity monitoring -- Suspicious behavior.
- 20:04:34:02. Integrity monitoring -- Suspension of wagering.
- 20:04:34:03. Integrity monitoring -- Evaluation.
- 20:04:34:04. Integrity monitoring -- Maintaining records.
- 20:04:34:05. Integrity monitoring -- Sharing of information.
- 20:04:34:06. Integrity monitoring -- Registration of independent integrity provider.
- 20:04:34:07. Integrity monitoring -- Personnel and notification.
- 20:04:34:08. Technical Standards.
- 20:04:34:09. Integrity and security assessment.
- 20:04:34:10. Certification testing.
- 20:04:34:11. Integrity and security assessment -- Scope.
- 20:04:34:12. Integrity and security assessment -- Report.
- 20:04:34:13. Information security management system (ISMS).
- 20:04:35:01. Definitions.
- 20:04:35:02. Authorization to conduct advance deposit wagering.
- 20:04:35:03. Advance deposit wagering -- Associated agreements.
- 20:04:35:04. Account requirements.
- 20:04:35:05. Establishing an account.
- 20:04:35:06. Account application verification.
- 20:04:35:07. Account eligibility.
- 20:04:35:08. Licensee may close or refuse to open accounts.
- 20:04:35:09. Terms and conditions and privacy policies for accounts.
- 20:04:35:10. Account information.
- 20:04:35:11. Authentication credentials.
- 20:04:35:12. Authentication credentials -- Reset or locked accounts.
- 20:04:35:13. Account balance.
- 20:04:35:14. Accounts nontransferable.
- 20:04:35:15. Financial transactions.
- 20:04:35:16. Licensee may refuse financial transactions.
- 20:04:35:17. Account credits and deposits.
- 20:04:35:18. Failed electronic funds transfer transactions.
- 20:04:35:19. Withdrawals from an account.
- 20:04:35:20. Withdrawals from one account -- Overdraws.
- 20:04:35:21. Declining to withdraw from an account.
- 20:04:35:22. Modification of account information.
- 20:04:35:23. Balance adjustments.
- 20:04:35:24. Responsible gaming limits.
- 20:04:35:25. A multi-jurisdictional totalizator hub licensee may suspend or close accounts.
- 20:04:35:26. Suspension and restoration of accounts.
- 20:04:35:27. Suspension of Account -- Effect.
- 20:04:35:28. Restoration of accounts.
- 20:04:35:29. Account closure.
- 20:04:35:30. Inactive accounts.
- 20:04:35:31. Deceased account holder.
- 20:04:35:32. Account security -- Account holder responsibility.
- 20:04:35:33. Account statements.
- 20:04:35:34. Account holder's principal residence address.
- 20:04:35:35. Wager information confidential -- Disciplinary action for violations.
- 20:04:35:36. Securing payment methods.
- 20:04:35:37. Advance deposit wagering--Account requirements.

**The aforementioned rules will implement online and mobile application parimutuel wagering through advance deposits with multi-jurisdictional totalizator hubs. The rules establish standards in all respects for the operation of hubs within the context of advance deposit wagering, online, and mobile applications. The rules implement security standards, account standards, and clarify the means and methods for applications to be submitted and examinations to occur of wagering systems. The rules are meant to holistically address the licensure of multi-jurisdictional totalizator hubs within the context of online and mobile application wagering on horse and grey hound racing. The reason for adopting the proposed rules is the South Dakota Legislature passed house bill 1058 which requires licensure for online parimutuel wagering pools for horse and dog races. Such legislation clarified that online betting platforms or electronic applications may offer online parimutuel wagering on horse or dog races if they are licensed as a multi-jurisdictional totalizator hub in the state of South Dakota. Part of this enactment, South Dakota did not have a structure for the operation online or mobile electronic applications within the context of parimutuel wagering on horse or dog races. Entities had operated illegally in this space and the rules are meant to implement and develop standards for the licensure and operation of online parimutuel wagering pools. The rules also clarify the interaction and requirements for totalizator hubs licensed and participating in online and mobile electronic application parimutuel wagering pools.**

Persons interested in presenting amendments, data, opinions, and arguments for or against the proposed rules may appear in-person at the hearing, or mail or e-mail them to South Dakota Commission on Gaming, 120 Industrial Drive, Suite 1, Spearfish, South Dakota, 57783 and mark.heltzel@state.sd.us. The deadline to submit any such written comments for consideration by the South Dakota Commission on Gaming is seventy-two hours before the date of the public hearing. After the written comment period, the South Dakota Commission on Gaming will consider all written and oral comments it receives on the proposed rules. The South Dakota Commission on Gaming may modify or amend a proposed rule at that time to include or exclude matters that are described in this notice. For Persons with Disabilities: This hearing will be located at a physically accessible place. Please contact South Dakota Commission on Gaming at least 48 hours before the public hearing if you have special needs for which special arrangements can be made by calling 605-578-3074. The text of the above-proposed rules are available on the South Dakota Administrative Rules website at: <http://rules.sd.gov/.Copies> of the proposed rules may be obtained without charge from:

South Dakota Commission on Gaming  
120 Industrial Drive, Suite 1  
Spearfish, South Dakota 57783  
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