



Commission Members

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

Minutes of the Commission Meeting

Meeting was conducted in person
Thursday September 25, 2025 – 9:30 a.m.

UNAPPROVED

Chair Harding called the September 25, meeting of the South Dakota Lottery Commission to order at 9:30 a.m. Commissioner Rozum attended via Microsoft Teams.

The public was able to participate in person or by listening on the internet.

SUPPORT STAFF PRESENT

Norm Lingle, Clark Hepper, Nick Ramos, Mike Houdyshell, Wade LaRoche, Trevor Wiebe, Shawna Zebroski, Nathan Remmich, Ali Schaeftbauer, and David Dahl.

MEMBERS OF THE PUBLIC PRESENT

Bob Mercer and Jason Dvorak.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES FROM THE June 18, 2025, MEETING

Chair Harding asked for a motion to approve the minutes. Commissioner Huizenga moved to approve the minutes and seconded by Commissioner Donohue. 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 Secretary Mike Houdyshell reported on the following:

- Legislative task force on property tax, met at the capital, and Houdyshell gave a presentation to that group. There is one meeting left on October 22nd and they will act on some potential legislation.
- They are looking to introduce to the 2026 session goal to provide significant property tax relieve to homeowners in the state. The governor also has a proposal to provide relief to owner/occupied homeowners through the form of an optional county sales tax.
- Houdyshell recommended looking at the LRC website. One of the ideas is to look for additional state revenue to provide property tax relief for K-12 education. This may include increasing the state share of the video lottery proceeds.
- There was a special session regarding the new penitentiary project that has been ongoing for several years. The legislature approved the task force's plan, and they are moving forward with construction of the new penitentiary in Sioux Falls.

EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Norm Lingle reported on the following:

- FY25 update with unaudited numbers. Instant Tickets – Sales of \$45.45 million with a decrease of 2.4% with transfers of \$6.05 million. Draw Games – Sales of \$25.12 million with a decrease of 34% and transfer of \$7.53 million. Video Lottery - State share of net machine income \$166.55 million with an increase of 0.7%. Total transfers - \$177.92 million to general fund and \$2.26 million to Capital Construction Fund.
- Powerball Jackpot Run that resulted in annuitized jackpot of \$1.787 billion with winning tickets sold in Missouri and Texas. Jackpot run last 14 weeks with SD Powerball sales \$7.6 million. SD had 150,140 winning tickets and over \$3.9 million in prizes. Over \$380k in selling commissions for retailers.
- FY25 Audit Legislative Audit is completing final steps on the FY25 audit.
- Personnel Updates with two Lottery Sales Reps started on July 9th in the Pierre office. Tony Jockheck and Morgan Puepke.

SB74- REVIEW OF OPEN MEETING LAWS

Nick Ramos, Staff Attorney

- Staff Attorney Nick Ramos went over compliance SB74. This went into effect July 1st of this year. That bill is now codified under SDCL 1:25:13 and requires the review of the open meetings law packet published by the South Dakota Attorney Generals office.

- Staff Attorney Ramos personally confirmed that each of the commissioners has received a copy of the explanation pamphlet from the Attorney General and they have all confirmed that they have reviewed that explanation prior to this meeting, and they are in-compliance with SDCL 1:25:13.

ADMINISTRATIVE RULES HEARING – MILLIONAIRE FOR LIFE

Deputy Executive Director Clark Hepper

- The proposed rules allow for the South Dakota Lottery to participate in the Millionaire for Life draw game. Millionaire for Life top prize \$1 million year for life (20-year guarantee) or cash prize of 18 million. Second prize-\$100K for life with cash prize of \$2.2 million. Daily Draw is \$5.00 per ticket. Lucky for Life is ending on February 21, 2026, with Millionaire for Life first draw will be February 22, 2026.
- Commissioner Huizenga questioned if we are either in or out of the Millionaire for Life game. Deputy Director Hepper stated yes.
- **ARSD 48:03:20 Millionaire for Life Game**
- Commissioner Donohue moved to adopt administrative rules for Millionaire for Life and seconded by Commissioner Huizenga. A voice vote was taken. All in favor. Motion carried.

NOMINATION OF CHAIR AND VICE CHAIR

Commissioner Huizenga motioned to nominate Chair Harding as Chair and Commissioner Donohue as Vice Chair. Commissioner Kafka seconded the motion. A voice vote was taken. All in favor. Motion carried.

VIDEO LOTTERY REPORT

Director of VL and Security Trevor Wiebe

- FY26 Video Lottery Terminals counts are up from 11,027 to 11,226, with an increase in Line games and decrease in Legacy machines. New VLT for FY26 stands at 71 with 24 being destroyed.
- Video Lottery updates were given with a new Call Center being more dependable. Lottery has two new manufacturers, Epic and JVL. Lottery has not received a cabinet from Epic and JVL is in BETA testing. Tressel was licensed 2 years ago and have never brought a machine in for testing. This year Tressel did not renew their license. We now have 6 manufactures.
- MUSL Rule 2 review will be the week October 27. They will go through procedures, securities, and backups.
- Commissioner Kafka asked what happens to destroyed machines and Security Director Wiebe said they are destroyed at a landfill with an inspector on site.

Commissioner Donohue asked how many terminals are active and not being use. Executive Director Lingle stated he will get those numbers to the commissioners.

SALES REPORT

Sales Director David Dahl reported on the following:

- Instant Sales from FY25 compared to FY26 has a decrease of 1.58% and Lotto Sales increase of 39.67%.
- Lottery has paid over \$6.2 million in Instant Ticket prizes and over \$4 million in Lotto prizes to date.
- Jurassic Park ticket is the best-selling \$10 ticket, and the holiday games will be launched in a couple weeks.
- As of 8/31 revenue projections with \$6.95 million Lotto Games and \$6.95 million Instant Games.
- Video Lottery NMI is projecting a 2.87% increase over FY25
- Video Lottery FY26 projected \$169.61 million compared to \$164.88 in FY25.
- Total Revenue combined is \$182.15 million compared to 179.43 million in FY25.
- Commissioner Huizenga asked what happens if the \$2 million is not claimed. Executive Director Lingle explained unclaimed prizes will go back into the prize fund, which will increase our transfers. Players have 180 days to claim a prize.
- Commissioner Harding asked about the new displays. Sales Director Dahl said they are still working with the manufacturer, and Lottery is looking at color schemes and final numbers on what we are going to purchase

SALES STATISTICS

Business Analyst Nathan Remmich

- Quarter 1 Review of FY26 including June of FY25 shows a drop in the lower priced tickets. Joker's Wild and crossword are the highest sales. \$10 ticket is down, but Jurassic Park is doing well. Players are jumping from \$20-\$30 ticket with the \$20 down by 10.65%.
- Quarterly Sales by Lotto Game shows Powerball up by 81.79%.
- Quarterly Video NMI has a drop in sales in the older machines and the new machines, SAS, have an increase of 4.04%.
- Licensed instant tickets show a surge of sales in Game of Thrones & Jurassic Park
- Player Growth Benefits shows that current players are trying the new ticket prices, lapsed players are coming back and new players like to try the lower cost tickets. benefits current players will try new ticket
- Commissioner Kafka asked if the lower cost tickets would be discontinued. Business Analyst Remmich stated that new players will try out the lower cost games and graduate to higher cost games. Crossword and Bingo are \$3 and we also have a Crossword game at \$5 which may entice a player to play a \$5 game. Executive

Director Lingle stated some lottery's have dropped the dollar ticket, but we would probably reduce the number of games on hand for the lower cost tickets.

- Commissioner Donohue asked about increasing where tickets are sold for retailers. Executive Director Lingle stated we are always looking for new retailers to come on board. Currently we are seeing a growth in eastern South Dakota. Commissioner Donohue mentioned selling tickets at sporting events to expand the base to get higher sales.

MARKETING REPORT

Director of Advertising and Public Relations Wade LaRoche

- Lotto America Jackpot drawing for \$4.01 million on August 6th was a South Dakota first winner. The player chose the \$1.82 million cash option. Freedom Valu Center received a \$10,000 retailer incentive for selling the ticket.
- The August 6 Lotto America jackpot kickstarted a busy August for us in terms of big winners. We had seven lotto winners of \$50,000 or more throughout the month. This spanned many of our games—including a \$93,242 Dakota Cash jackpot winner in Rapid City. The August 23 drawings featured a \$2 million Powerball winner, which was doubled through the Powerplay. Aug 27 brought a lot of excitement during the jackpot run. There was a \$500,000 Powerball Double Play prize purchased in Sioux Falls. Double Play also resulted in a \$50,000 Double Play prize in Watertown. We also had a \$200,000 traditional Powerball prize purchased in Philip which utilized the Powerplay add on.
- August 31 Lucky for Life drawing had a second prize winner in Fort Pierre. The player opted for the \$390,000 cash prize. This was our 10th Lucky for Life second prize winner since sales began in 2017.
- The \$2 million Powerball and \$500,000 prizes remain unclaimed. We will continue to make our best effort to make players aware of the prizes throughout the duration of the 180-day deadline to claim.
- Alana Neville of Milesville was selected as a semifinalist of the NASCAR Powerball Playoff. She is guaranteed at least \$5,000.
- Lady Luck Promotion, Jacob Lakhany received an all-expense paid trip to Dollywood and attend a private concert with Martina McBride.
- Jurassic Park ticket launch has a 2nd chance to win a trip to Hawaii, with over 5000 entries.
- NASPL Advertising Awards, South Dakota received a Hickey award for best Player Program Promotion with 60 Days of WINter giveaway, earned the honor. South Dakota Lottery was also a finalist for best TV under \$25,000 for our Good Fun Value Menu.
- Commissioner Huizenga asked about Christmas advertising and Director of Advertising LaRoche said that would begin a week before thanksgiving.

- Commissioner Harding congratulated South Dakota Lottery on the awards.

PUBLIC COMMENT

None.

NEXT MEETING DATE

Executive Director Lingle stated the next meeting will be December 11, 2025.

ADJOURNMENT

Commissioner Huizenga made a motion to adjourn at 11:06 a.m. Commissioner Donohue 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.