

South Dakota Lottery

Commission Meeting

April 22nd, 2021



A DIVISION OF THE SOUTH DAKOTA DEPARTMENT OF REVENUE

Secretary of Revenue Comments



A DIVISION OF THE SOUTH DAKOTA DEPARTMENT OF REVENUE

Executive Director Comments



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Executive Director Comments



Administrative Rules Hearing



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Powerball/Double Play

- Powerball
 - Adding Third Draw Day (Monday)
 - No other changes to base Powerball game.
 - Adding the Double Play Add On option
- ARSD 48:03:06:05
 - Changing the reference date to reflect the most current Game Group rules
 - August 23, 2021 - Start Date for third draw and Double Play Add On option



Powerball/Double Play

- Double Play
 - Add on like Power Play
- How Double Play Works
 - Cost \$1
 - 2nd Drawing – 5 white balls (1-69) and 1 red ball (1-26)
 - Match the base Powerball game numbers on your ticket
 - Drawing held immediately following Powerball drawing



Powerball/Double Play

- Double Play Prize Structure
 - 9 Prize Levels
 - Overall odds – 1 in 24.87
 - Top Prize – 1 in 292 million
 - Payback is 50.17%
 - Top Prize is \$10 million- Pari-Mutuel
 - 8 Set prizes; Prize money concentrated in low/mid tier prizes



Lucky for Life

- Lucky for Life
 - Moving from twice a week to daily drawings
 - No other changes to the game.
- ARSD 48:03:06:05
 - Changing the reference date to reflect the most current Game Group rules
 - July 19, 2021 – Start of daily draws



Video Lottery Central System Upgrade Update



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Contract Update

- All operator contracts completed
 - 100% Licensed Operators under contract
- 1,226 Establishments under contract



Converted Sites

- Total number of converted site 1,226
 - 1,223 locations converted during the migration
 - 3 seasonal locations yet to be migrated
- Reflects 17 fewer licensed video lottery establishments from the original number established on September 15, 2020.



Conversion Update

- 1,243 original locations on September 15, 2020.
- 39 new locations added during the conversion
- 56 original locations elected to not be converted.
- Final Number of converted locations
 - 1,223 locations converted during the migration
 - 3 seasonal locations yet to be migrated



Potential NMI Impacted

- 56 fewer Establishment from the original number established on September 15, 2020
 - Reflects the potential NMI loss of 2 million dollars
- 39 newly licensed Establishments from the original number established on September 15, 2020.
 - Reflects the potential gain NMI 6.5 million (12 Month Estimate)
- Total **increase** of 4.5 million NMI (12 Month Estimate)



Spare Site Controllers

- **48:02:05:04. Duties of licensed operators.** Specific duties of licensed operators are as follows:
 - (1) Promote the placement of machines in licensed establishments and assume primary responsibility for operation and maintenance of video lottery machines;
 - (2) Maintain and provide in accordance with chapter 48:02:10, either directly or through a service agent, an inventory of associated equipment to ensure the timely repair and continued, approved operation and play of the video lottery machines it operates;



Debit Card Payment

- Lottery Redemption Locations in Sioux Falls, Rapid City and Pierre.
 - Debit Card Only transactions
 - \$600 Maximum single transaction
- Started March 12, 2021, First transaction March 17th
 - 21 transactions for a total of \$1,804 taken through April 13th
 - Largest transaction \$300
 - Average \$86
- No longer accept checks



Marketing Report



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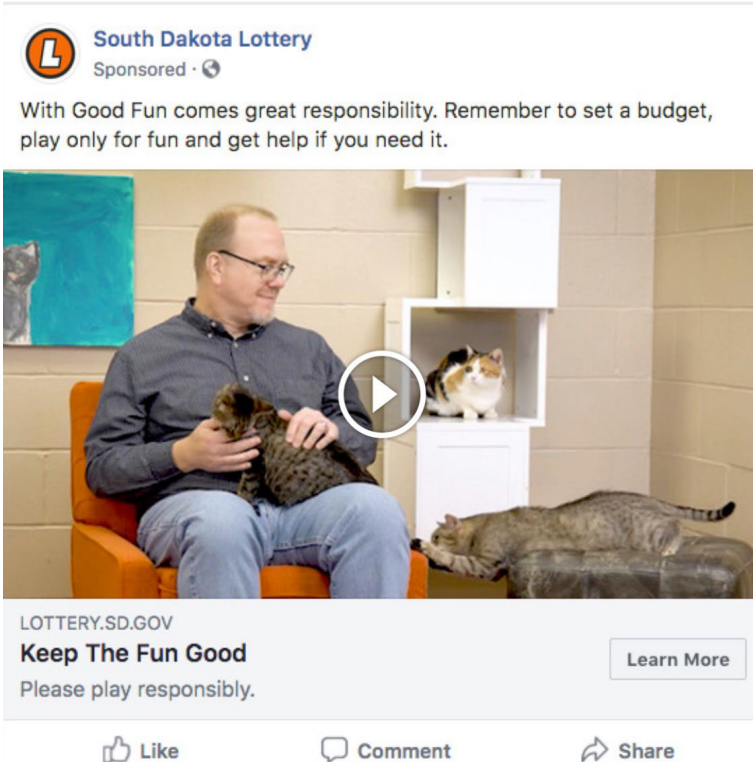
Responsible Gambling Campaign



- Paid advertising efforts took place February 16 through April 5.
- The paid efforts most of our traditional mediums.



Campaign Metrics



- Our digital and broadcast TV placement generated more than 500,000 impressions.
- Digital radio had 130,160 impressions.
- Paid social media posts generated more than 170,000 impressions.





Year-Round Messaging



PROBLEM GAMBLING

If you think you, or someone you know, has a problem with gambling, don't ignore it. Learn the warning signs. Understand the problem. Ask for help.

[LEARN MORE](#)

TIPS

Playing responsibly means having a plan, a budget and an awareness of your limits.

Here are some tips to help you play smart.

- 1 Play for fun and entertainment.
- 2 Understand that winning and losing are both a part of gambling.
- 3 Never borrow money to gamble.
- 4 Never gamble to win back losses.
- 5 Don't let gambling interfere with family, friends or work.
- 6 Only spend what you can afford to lose.
- 7 Use your entertainment budget to play —not money needed for daily living expenses.
- 8 Set a spending limit. Once you reach your limit, stop playing.



- Dedicated Webpage
- Players Club Emails
- Social Media Posts
- Point of Sale Items



National Council on Problem Gambling



- Holiday Campaign
- Problem Gambling Awareness Month
- Website content



Responsible Gambling

- The Lottery contributes up to \$214,000 annually to the SD Department of Social Services.
- The Lottery is a member of the SD Council on Responsible Gaming.
- The SD Council on Responsible Gaming supports the problem gambling hotline.

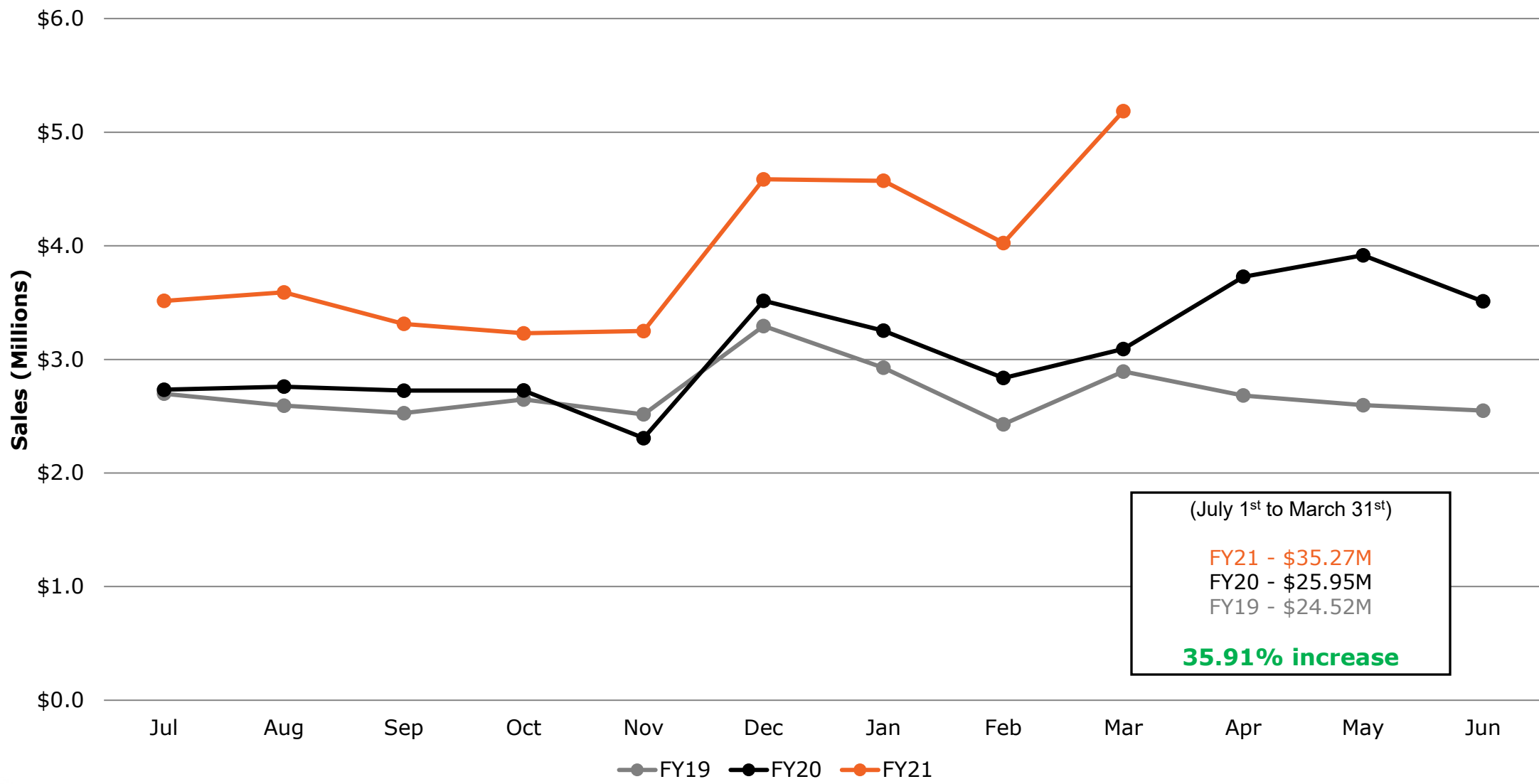


Sales Report

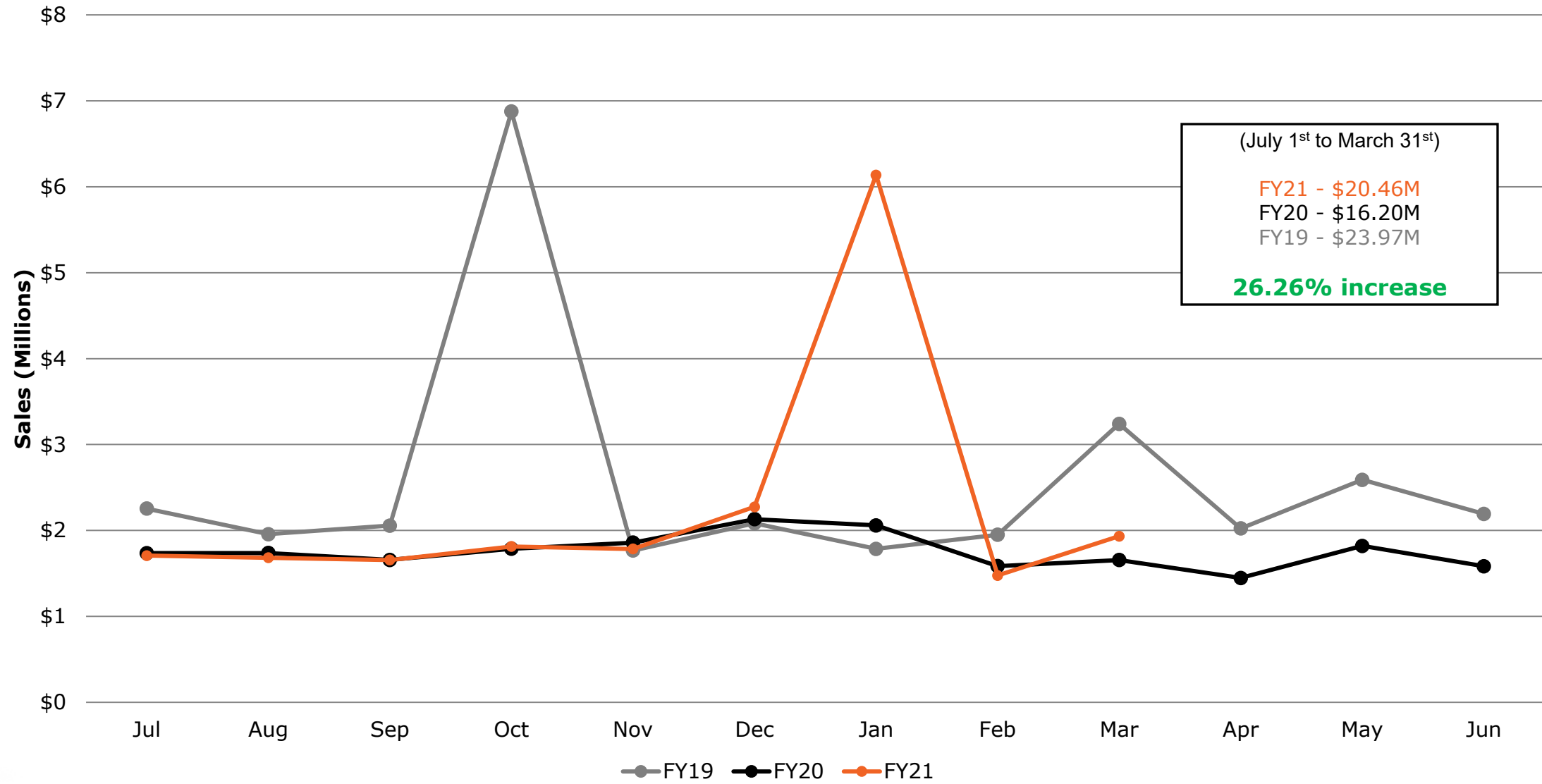


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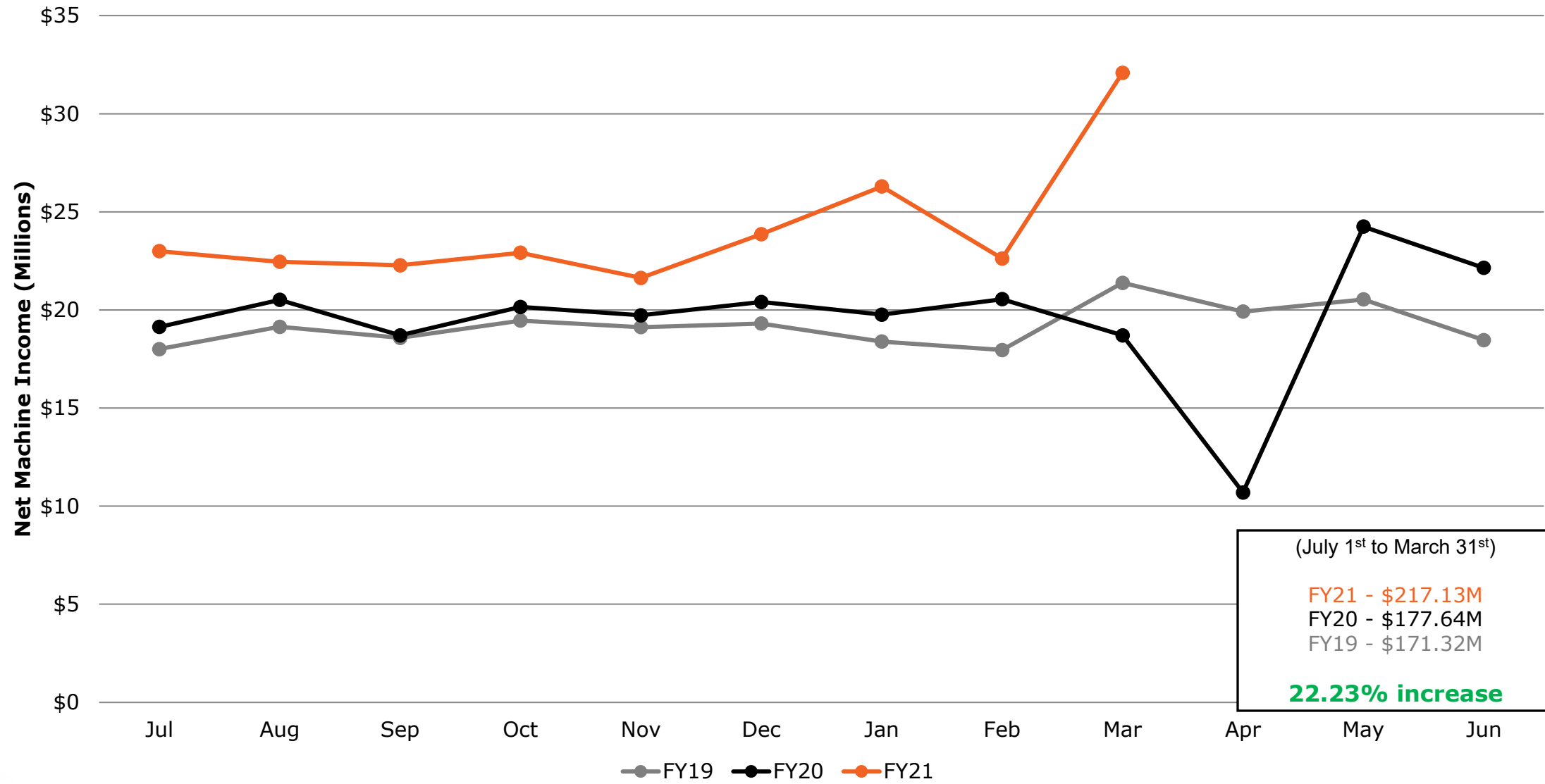
Instant Sales



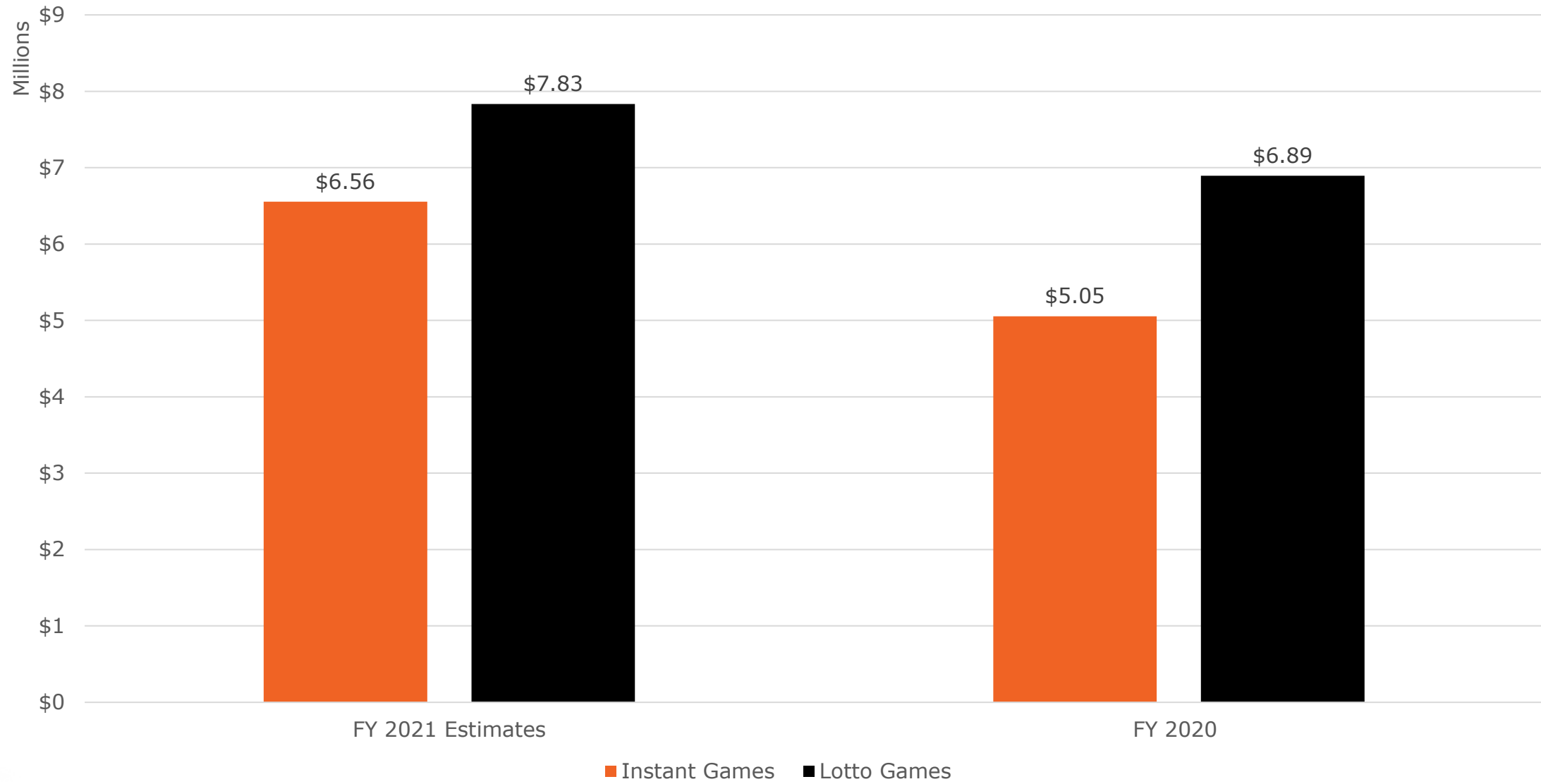
Lotto Sales



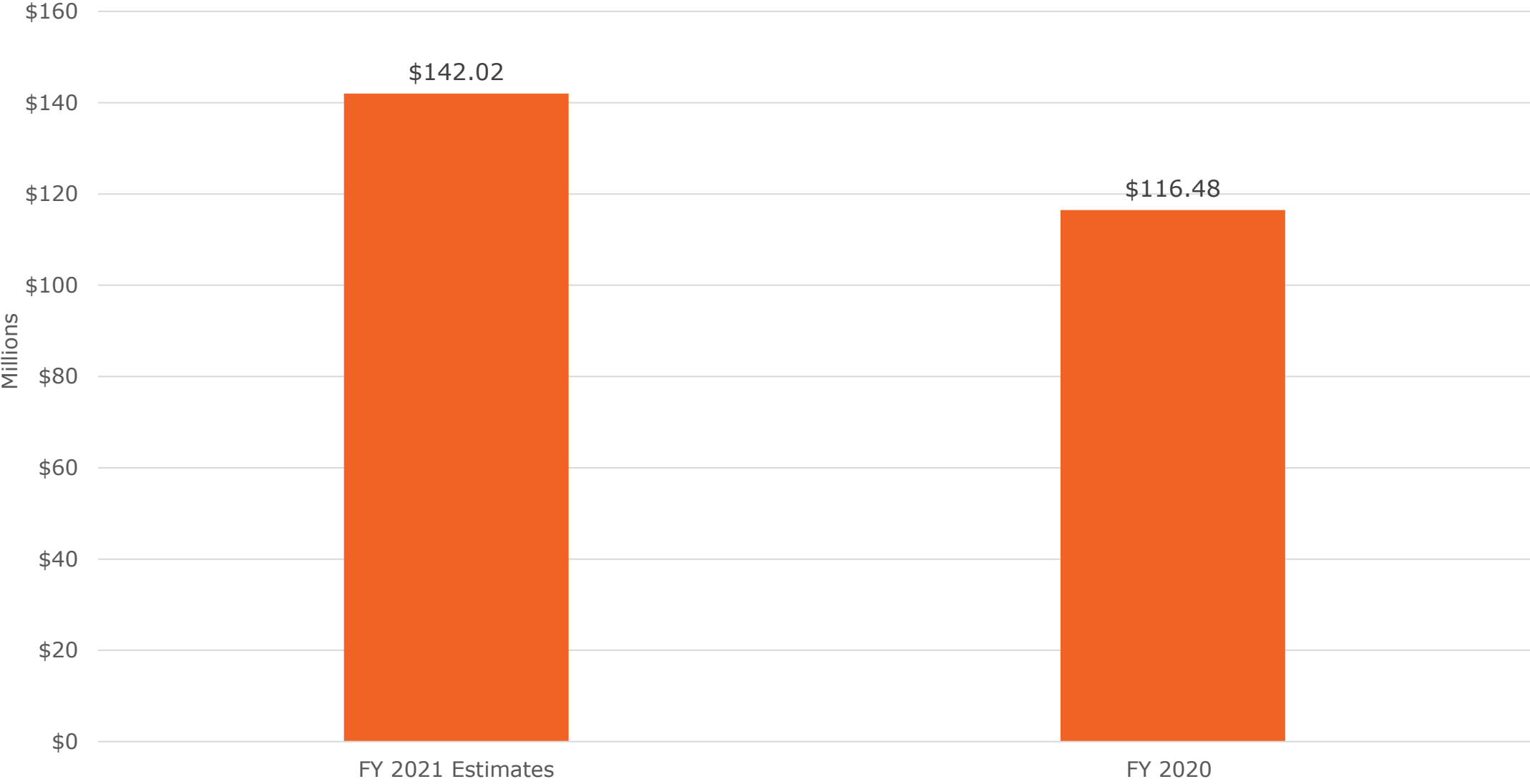
Video Lottery NMI



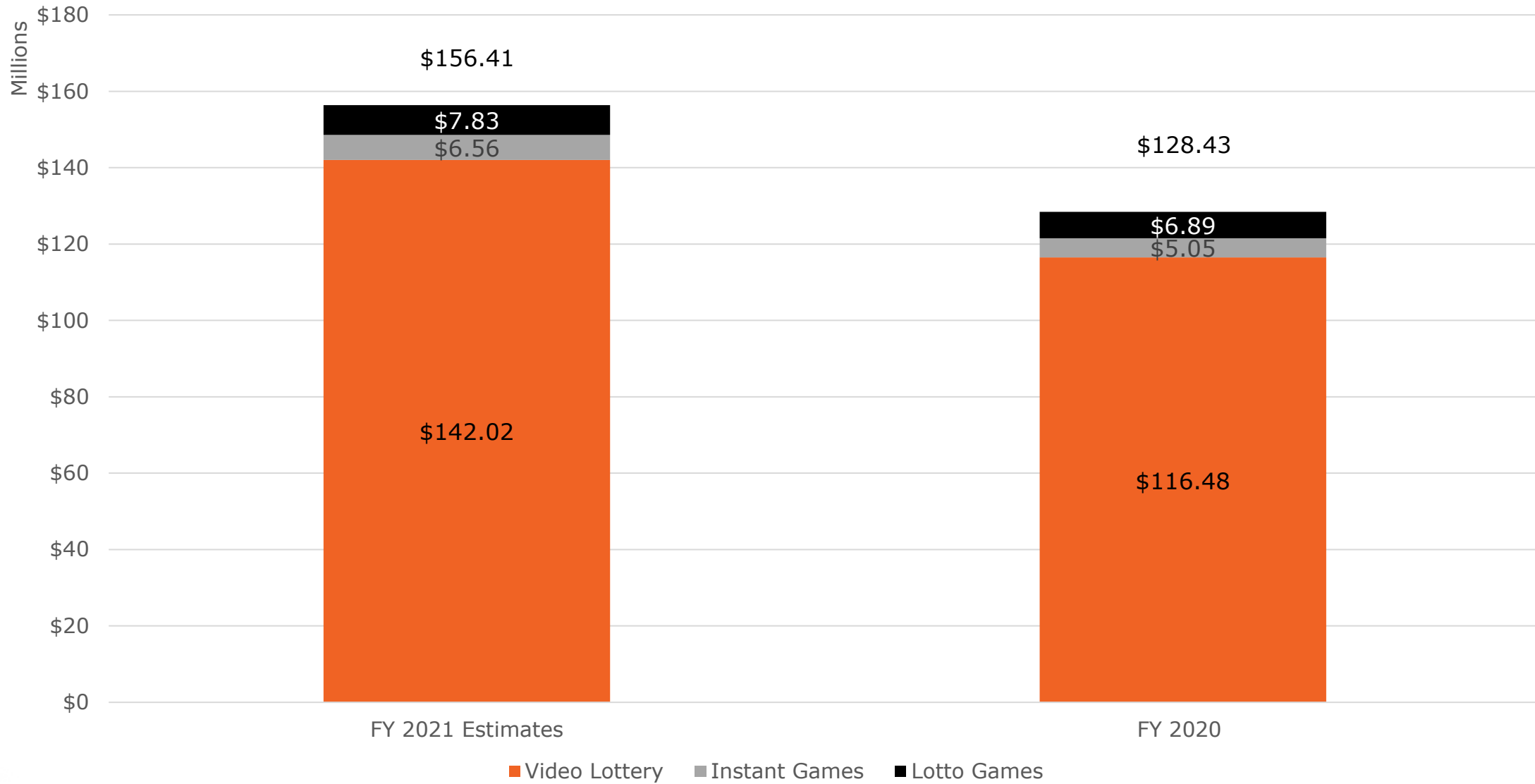
Instant and Online FY21 Revenue Projections as of March 31, 2021



Video Lottery FY21 State Share Revenue Projection as of March 31, 2021



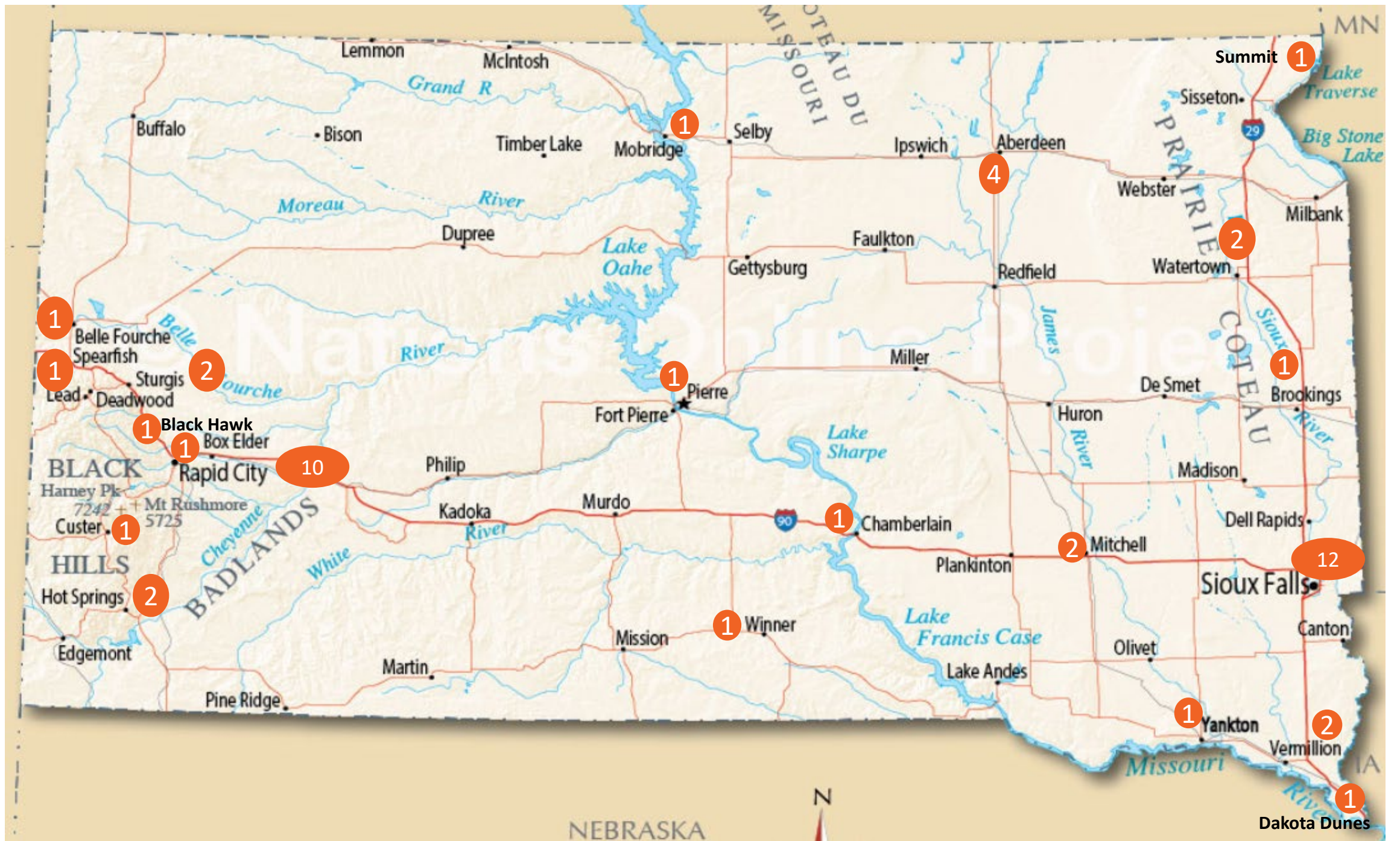
Total FY21 Revenue Projections as of March 31, 2021



Gemini Instant Ticket Vending



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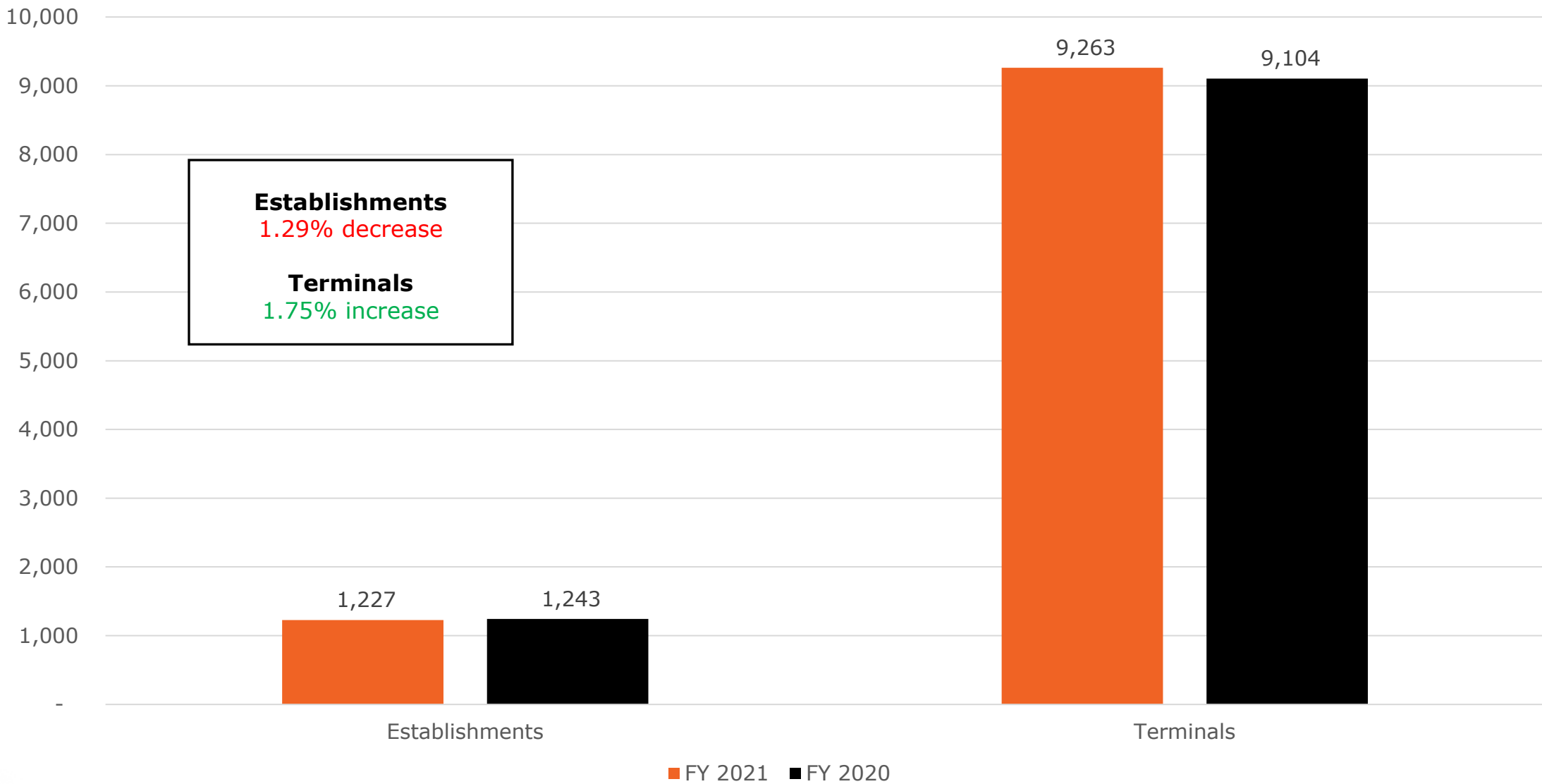


Video Lottery Report

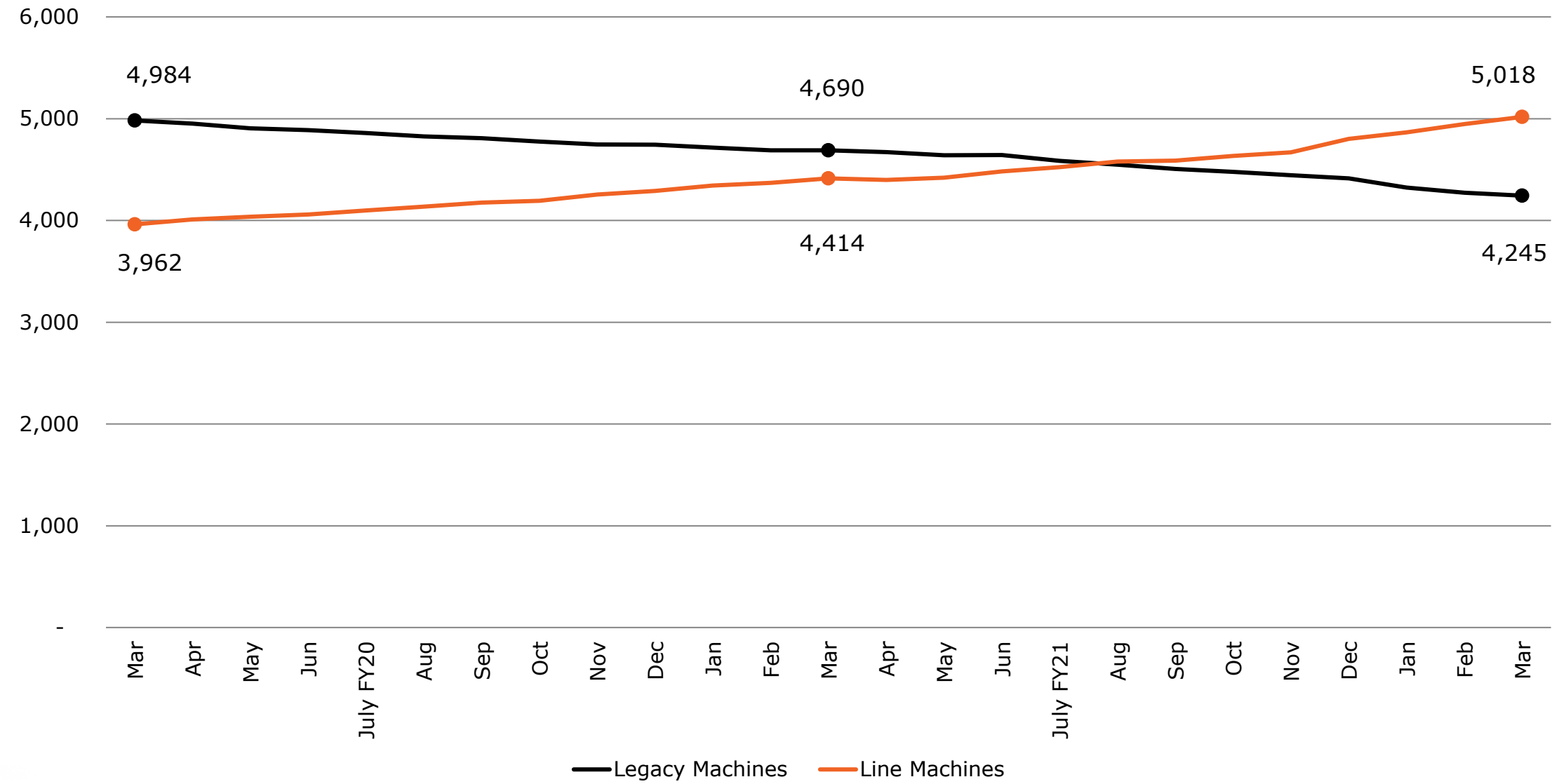


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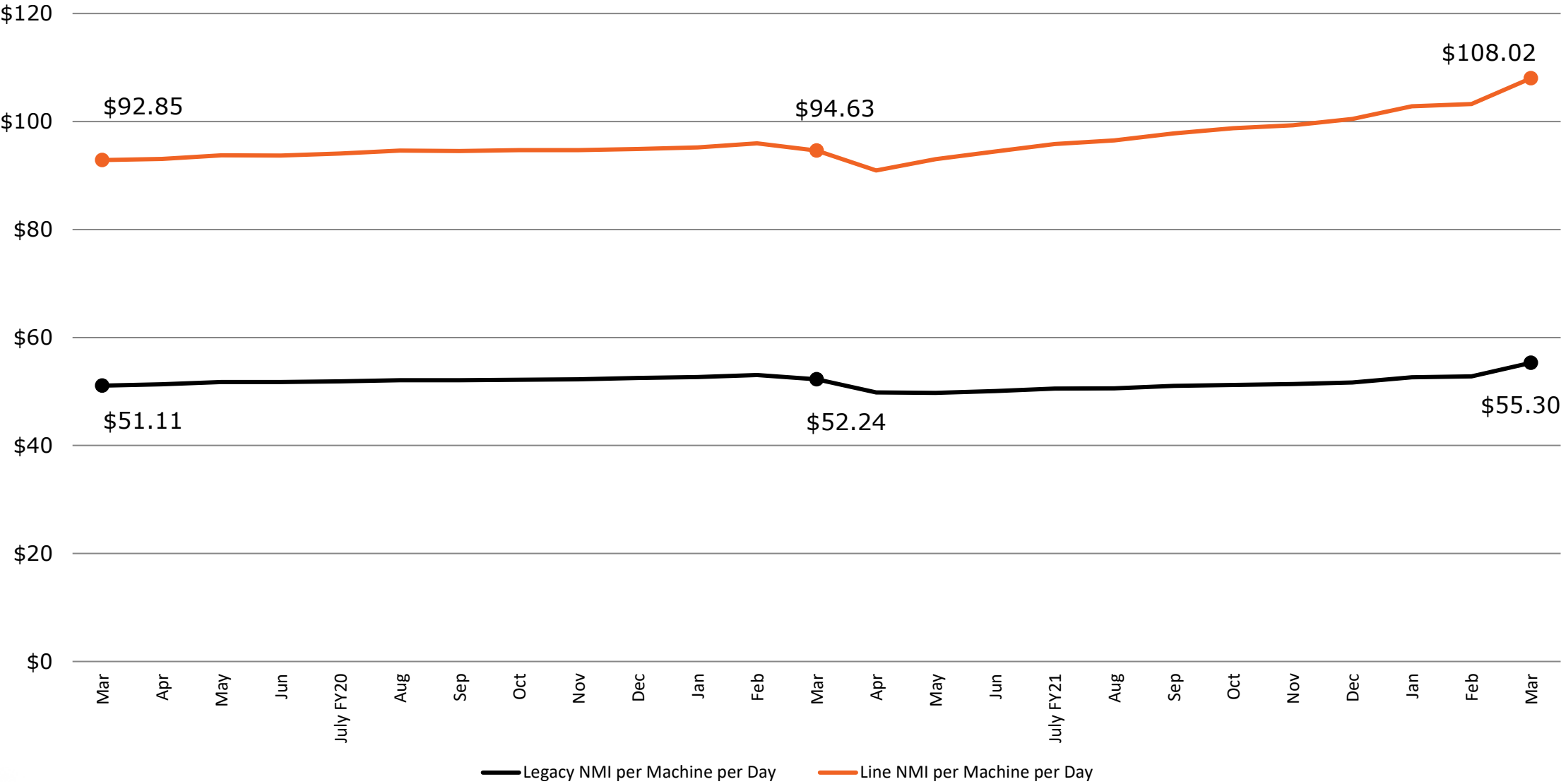
Number of Terminals and Establishments as of March 2021



Terminal Counts - Legacy vs. Line



NMI/Terminal/Day - Legacy vs. Line



Annual Security Certification

Multi-State Lottery Association (MUSL) MUSL Rule 2 requires an annual security certification review.

- The overall objective is to review compliance and analyze the lottery's systems of controls.
- Focus is on our Computer Gaming Systems (CGS) and Internal Control Systems (ICS).
 - CSG system's provider, is International Gaming Technologies (IGT).
 - ICS systems provider, which is Elsym Consulting





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