



SOUTH DAKOTA COMMISSION ON GAMING

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UNAPPROVED MINUTES

**South Dakota Commission on Gaming
Administrative Hearing, Proposed Rules Hearing, and Quarterly Business Meeting
City Hall, Deadwood, South Dakota**

MINUTES

December 12, 2023

At 9:00 a.m. the meeting was called to order. Chairman Karen Wagner, Vice Chairman Harry Christianson, Commissioner Bob Goetz, Commissioner Spencer Hawley, and Commissioner Mark Millage were present. Staff members present for the meeting were Doug Abraham, Commission Attorney; Susan Christian, Executive Secretary; Mark Heltzel, Deputy Executive Secretary; and Phil Schlieff, IT Specialist.

Chairman Wagner welcomed the new Commissioner Mark Millage.

The meeting was called to order by Chairman Wagner at 9:00 a.m. a roll call was taken, and a quorum was present.

Vice Chairman Christianson	Aye
Commissioner Goetz	Aye
Commissioner Millage	Aye
Commissioner Hawley	Aye
Chairman Wagner	Aye

Conflicts of Interest Disclosure

On a roll call no conflicts of interest were disclosed.

Vice Chairman Christianson	Nay
Commissioner Goetz	Nay
Commissioner Millage	Nay
Commissioner Hawley	Nay
Chairman Wagner	Nay

Approval of Meeting Agenda

Chairman Wagner stated that there was one change to the agenda. The live racing section on the agenda states 2023 racing dates and should be 2024 racing dates. Commissioner Hawley made a motion to approve the agenda with the change. Commissioner Goetz seconded the motion which carried unanimously.

Administrative Hearings

The hearings officer was Chairman Wagner. The following cases were scheduled to be heard:

In the Matter of Seized Slot Machines

- 1) David Grote
 - One GT Haywire themed slot machine with Serial #956393
- 2) Steven Lanz
 - One IGT White Ice themed slot machine with no serial number plate
 - One IGT Double Diamond themed slot machine with no serial number plate

The Matter of one GT Haywire themed slot machine

The purpose of the hearing is to determine if the GT Haywire slot machine which was collected by the Edmunds County Sheriff and later received by the South Dakota Commission on Gaming, is contraband and may be destroyed pursuant to SDCL 42-7B-39. David Grote was served notice of the hearing by certified mail but was not present for the hearing. Staff recommended that pursuant to 42-7B-39.2 which provides that any slot machine seized pursuant to the provisions of 42-7B-39 may be destroyed after notice and without hearing of the person from whom the slot machine was seized fails to appear at the time and place scheduled in the hearing notice.

The Matter of one IGT White Ice and one IGT Double Diamond themed slot machines

The purpose of the hearing is to determine if the IGT White Ice and Double Diamond themed slot machines which were seized from 3715 Hillview Rd in Spearfish, SD on September 28, 2023, are contraband and may be destroyed pursuant to SDCL 42-7B-39. Steven Lanz was served notice of the hearing by certified mail and was present for the hearing. Mr. Lanz testified on his behalf. Staff recommended that pursuant to 42-7B-39 is contraband and may be destroyed.

The hearing portion of the meeting was concluded at 9:25 a.m.

Decision on Administrative Hearings

Decision of one GT Haywire themed slot machine

Commissioner Hawley made a motion to destroy the slot machine. Commissioner Goetz seconded the motion which carried unanimously.

Decision of one IGT White Ice and one IGT Double Diamond themed slot machines

Vice Chairman Christianson made a motion to destroy the slot machines. Commissioner Millage seconded the motion which carried unanimously.

Vice Chairman Christianson made a motion to return the \$100.00 bill that was in one of the slot machines to Mr. Lanz. Commissioner Hawley seconded the motion which carried unanimously.

Proposed Amendments to Rules

Susan Christian, Executive Secretary, and Doug Abraham, Commission counsel presented the proposed changes for each rule, the opportunity for public comment was offered and no member of the public testified in regard to the proposed changes.

1) 20:18:06:01. Applications

Vice Chairman Christianson made a motion to reject the LRC changes in lines one through three and accept the remaining modifications on page 17 of the meeting packet. Commissioner Hawley seconded the motion which carried unanimously.

2) 20:18:06:03. Use of application fee—Additional fees required

3) 20:18:06:04. Gaming contracts—Regulations

4) 20:18:06:09. Regulation of ownership interests

Commissioner Goetz made a motion to adopt the rule changes as presented on pages 18-20 of the meeting packet. Commissioner Hawley seconded the motion which carried unanimously.

5) 20:18:07:01. Approval

Commissioner Hawley made a motion to adopt the rule changes per the law implemented and cross reference sections and reject the remaining LRC modifications on page 21 of the meeting packet. Vice Chairman Christianson seconded the motion which carried unanimously.

6) 20:18:07:01.01. Approval with conditions or for a limited time

7) 20:18:07:02. Qualifying licensee, manager, or agent

8) 20:18:07:03. Termination of qualifying licensee, manager, or agent

9) 20:18:09:02. Proscribed conduct

10) 20:18:09:03. Revocation or suspension of other license

11) 20:18:09:04. Facts of criminal charge

12) 20:18:10:02. Dismissal of complaint

13) 20:18:10:03. Informal consultation

14) 20:18:10:06. Contents of commission complaint

15) 20:18:10:07. Date of hearing

16) 20:18:10:10. Per diem and mileage

17) 20:18:10:11. Final action by commission

18) 20:18:11:01. Petition for hearing

19) 20:18:11:02. Petition for review

20) 20:18:12:02. Grounds for summary suspension

21) 20:18:12:03. Notice

22) 20:18:12:04. Complaint required

23) 20:18:15:30.06. Variations of the play --STREAK blackjack

Commissioner Hawley made a motion to adopt the rule changes as presented on pages 22-42 of the meeting packet. Commissioner Millage seconded the motion which carried unanimously.

24) 20:18:16:15.14. The play -- Mississippi Stud with optional three card bonus

Commissioner Hawley made a motion to adopt the rule changes as recommended by Commission counsel. Commissioner Goetz seconded the motion which carried unanimously.

25) 20:18:16:15.18. The play -- Fortune Pai Gow poker

Vice Chairman Christianson made a motion to adopt the rule changes as recommended by Commission counsel. Commissioner Goetz seconded the motion which carried unanimously.

26) 20:18:17:24.04. Progressive jackpot

27) 20:18:17:24.05. Multiple linkage of progressive slot machine

28) 20:18:17:24.06. Alternating displays

Commissioner Goetz made a motion to adopt the rule changes as presented on pages 55-57 of the meeting packet. Commissioner Hawley seconded the motion which carried unanimously.

29) 20:18:17:24.08. Separate software meter for a progressive slot machine

Vice Chairman Christianson made a motion to reject the LRC changes in the first paragraph and accept the change in the law implemented section on page 58 of the meeting packet. Commissioner Goetz seconded the motion which carried unanimously.

30) 20:18:17:24.09. Separate key and key switch for resetting progressive meter

Commissioner Hawley made a motion to reject the LRC rule changes as presented on page 59 of the meeting packet. Commissioner Millage seconded the motion which carried unanimously.

31) 20:18:17:24.10. Limits on jackpot of progressive slot machines

32) 20:18:17:24.13. Discontinuance of progressive slot machine--Transfer of progressive prizes

33) 20:18:17:24.16. Cash requirement

34) 20:18:17:24.18. Defaults

35) 20:18:26:01. Licensing of financial institutions

36) 20:18:26:02. Requirements for foreign financial institutions

Vice Chairman Christianson made a motion to adopt the rule changes as presented on pages 60-65 of the meeting packet. Commissioner Goetz seconded the motion which carried unanimously.

37) 20:18:26:03. Commission may limit license

Commissioner Hawley made a motion to adopt the rule changes as presented on page 66 of the meeting packet. Vice Chairman Christianson seconded the motion which carried unanimously.

38) 20:18:31:03. Organization to be considered person

Vice Chairman Christianson made a motion to adopt the rule changes as recommended by Commission counsel. Commissioner Goetz seconded the motion which carried unanimously.

The rules hearing portion of the meeting was concluded at 9:54 a.m.

General Meeting

Chairman Wagner called the general meeting to order at 9:55 a.m.

September 12, 2023, Quarterly Meeting

Commissioner Goetz made a motion to adopt the minutes as drafted for the September 12, 2023, quarterly meeting. Commissioner Hawley seconded the motion which carried unanimously.

Old Business

There was no old business to be discussed at the meeting.

Comments Executive Secretary

Susan Christian, Executive Secretary, gave a brief report on the following items:

- Mark Heltzel introduced Nick Allender, the new enforcement agent.
- Thanked Mike Rodman for assisting in arranging a spot at the Visitor Center to take pictures.
- On December 13th, 14th, and 18th from 9:00 am to 2:30 p.m. licensees can go to the visitor center to get their license for 2024. On those dates the renewal process will be at the Spearfish office from 3:30 to 5:00 p.m. A notice was sent out to the casinos.
- The live horse racing meet was held at Ft. Pierre racetrack on October 7th and October 8th and a brief report on the following:
 - There were no injuries to the jockeys or the horses.
 - There were minimal vet scratches.
 - 13 total races were held.
 - 139 licenses were issued.
 - The track received \$163,400.00 in allocations to fund the track operations and purses.
 - A sampling of two horses per race was completed. One exceeded the bute allowable limit. The Stewards held a hearing, the individual was fined \$500.00, and the purse for that race was redistributed.
 - The Stewards assessed two fines at the track to individuals that entered horses that were not qualified for Race one on October 7, 2023.
- The annual report for FY23 was released and is out on the website and there are also extra copies of the report at the office.
- Executive Secretary Christian will be on vacation December 22nd through December 29th, and at the National Council of Legislators from Gaming States from January 2, 2024, through January 8, 2024.

Racing Licensing Matters

Triple Crown Simulcast Site Renewal

Vice Chairman Christianson made a motion to approve the simulcast site renewal. Commissioner Goetz seconded the motion which carried unanimously.

AmWest Simulcast Provider Renewal

Commissioner Goetz made a motion to approve the simulcast provider renewal. Vice Chairman Christianson seconded the motion which carried unanimously.

Live Racing Matters

Verendrye Benevolent Association Racing Dates

Commissioner Hawley made a motion to approve the 2024 live horse racing dates as presented by the Verendrye Benevolent Association. Commissioner Goetz seconded the motion which carried unanimously.

Release of Deposit In Lieu of Bond

Commissioner Goetz made a motion to approve Resolution 12-12-23-01. Commissioner Millage seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Heltzel recommended approval of the following:

- Krystal Keller
- Jordan Kruse
- Joseph Simon
- Lawrence Peterson
- Lisa Girard
- Matthew Wilson
- Rahul Welde
- Linyi Feng
- David Quick
- Sally Denby
- Trudie Feldman
- James Allen
- Barry Diller
- Billy Lance, Jr.
- Troy Winslow
- Jon Lucas

Additional Key License Approval

- Mikel Reed

Commissioner Goetz made a motion to approve the Key license approvals as staff recommended. Commissioner Hawley seconded the motion which carried unanimously.

Business License Approval

Deputy Executive Secretary Heltzel recommended approval of the following:

- Approval of Empire Technological Group for a Manufacturer license #11755-MA

Commissioner Goetz made a motion to approve the Business license approval as staff recommended. Commissioner Hawley seconded the motion which carried unanimously.

2024 Key License Renewals

Deputy Executive Secretary Heltzel recommended approval of the Key license renewals as listed on pages 82-85 of the meeting packet.

Commissioner Hawley made a motion to approve the Key license renewals as staff recommended. Commissioner Goetz seconded the motion which carried unanimously.

Approval of Dates of 2024 Quarterly Meetings

- March 19, 2024
- June 25, 2024
- September 10, 2024
- December 10, 2024

Vice Chairman Christianson made a motion to approve the dates scheduled for the 2024 quarterly meetings and changing March 12, 2024, to March 19, 2024. Commissioner Hawley seconded the motion which carried unanimously.

Public Comment

Shane Kramme, on behalf of the Verendrye Benevolent Association, thanked the Executive Secretary, Susan Christian for working cooperatively with the association on hosting a successful race meet.

Executive Session

Executive Session pursuant to SDCL 1-25-2.

With no administrative decisions the Commissioners did not go into Executive Session.

Adjournment

Commissioner Goetz made a motion to adjourn the meeting. Commissioner Millage seconded the motion which carried unanimously.

The meeting was adjourned at 10:15 a.m.

Respectfully Submitted,

Kathy Beringer

Karen Wagner, Madam Chairman

Susan Christian, Executive Secretary