

20:18:12.01:16. Premise monitoring required. An operator shall have at least one employee whose primary duty is to ensure the licensee has full view and control of any gaming operated on the premises. If two or more buildings are adjacent, share a common or party wall, have interior access, and share a common operator or route operator, a ~~licensed-employee-licensee~~ may use an electronic ~~device-monitoring equipment~~ or other monitoring equipment approved by the executive secretary to comply with the requirements of SDCL 47-7B-35, 42-7B-40, and ARSD 20:18:12.01:23. The operator shall include the items referenced in paragraphs (1) and (2) below in the operators internal control document, and submit the internal control document to the executive secretary for approval. The licensee's internal control document shall include detailed procedures for the following:

1) Premises monitoring ensuring the licensee has full view and control of any gaming activities.

2) Ensuring compliance with SDCL 42-7B-35, 42-7B-40 and ARSD 20:18:12.01:23.

A licensee may submit a floor plan designating nongaming areas to the executive secretary for approval. Upon approval by the executive secretary, a floorplan designating nongaming areas must be incorporated into a licensee's internal controls. A licensee may incorporate the approved internal control document into their internal controls and procedures as required by ARSD compliance with Appendix A.

Source: 25 SDR 4, effective July 27, 1998.

General Authority: SDCL 42-7B-7, 42-7B-11(13), 42-7B-40.

Law Implemented: SDCL 42-7B-40.

20:18:12.01:23. Age of participants. No licensee may allow any person under twenty-one years of age to gamble, ~~loiter in the gaming area of a casino~~ or be present at a gambling table, slot machine, or other area in which gambling is conducted, ~~unless an exemption or deviation~~

~~from this rule is approved by the executive secretary.~~ Nothing may prevent any person under twenty-one years of age from directly passing through a casino to approved nongaming areas.

Source: 44 SDR 151, effective April 30, 2018.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-35.

20:18:15:30.19. Variations of the play--Blazing 7's Progressive Must Hit By. Blazing 7's

Progressive is dealt and played following the standard rules of blackjack in this chapter except as follows:

(1) Blazing 7's Progressive may be played only on approved tables equipped with the necessary electronic equipment and signage which display the Blazing 7's Progressive Must Hit By on the table. Six or eight 52-card decks must be used;

(2) To begin each round, players must make their standard blackjack wager. Players may also place an optional progressive wager with a portion of the progressive wager going to the Must Hit By meter. Players must place the progressive wager on the sensor in front of the player's position;

(3) The optional wager allows the player to participate in play for a progressive jackpot;

(4) Once all players place their wagers, the dealer will press the appropriate button on the dealer display. The sensors will light up, indicating a progressive wager. The dealer will remove all progressive wagers on the table. As wagers are accepted, the progressive meter will advance by a predetermined amount for each wager placed on the sensor;

(5) The dealer will work in a clockwise fashion to deliver the blackjack cards according to house rules. Once all starting cards have been delivered to the players and the dealer, the dealer will evaluate each hand in a counter-clockwise fashion for a progressive winner. If a player has at least one 7 in their initial two cards the dealer will pay the progressive jackpot according to one of the following paytables selected at the discretion of the casino. The selected payable shall be displayed by table signage or on the table layout:

(a) The Blazing 7's Progressive only considers both the player's initial two cards and the dealer's up card;

(b) Paytables without Dealer Envy:

Paytable 1	Pays
Three 7's - Same Suit	100%
Three 7's - Same Color	10%
Three 7's	200 for 1

First Two Cards - 7	25 for 1
Either of the First Two Cards - 7	2 for 1

Paytable 2	Pays
Three 7's - Diamonds	100%
Three 7's - Suited (Other)	10%
Three 7's - Same Color	500 for 1
Three 7's	200 for 1
First Two Cards - 7	25 for 1
Either of the First Two Cards - 7	2 for 1

Paytable 3	Pays
Three 7's - Diamonds	100% Mega
Three 7's - Suited (Other)	100% Major
Three 7's - Same Color	100% Minor
Three 7's	200 for 1
First Two Cards - 7	25 for 1
Either of the First Two Cards - 7	2 for 1

(c) Paytables with Dealer Envy:

Paytable 1	\$1 Pays	\$1 Dealer Envy	\$5 Pays	\$5 Dealer Envy
Three 7's - Same Suit	100%	\$100	100%	\$100
Three 7's - Same Color	10%	\$25	10%	\$25
Three 7's	200 for 1	\$5	200 for 1	\$5
First Two Cards - Both 7's	25 for 1	\$2	25 for 1	\$2
Either First Two Cards - One 7	2 for 1	N/A	2 for 1	\$1

Paytable 2	\$1 Pays	\$1 Dealer Envy	\$5 Pays	\$5 Dealer Envy
Three 7's - Diamonds	100%	\$100	100%	\$100
Three 7's - Other Suited	10%	\$25	10%	\$25
Three 7's - Same Color	500 for 1	\$10	500 for 1	\$10
Three 7's	200 for 1	\$5	200 for 1	\$5
First Two Cards - Both 7's	25 for 1	\$2	25 for 1	\$2
Either First Two Cards - One 7	2 for 1	N/A	2 for 1	\$1

(d) Paytables with Must Hit By:

Paytable 1. Progressive Configurations — <i>Must Hit By, \$1 Wager</i>	A-\$1	B-\$1	C-\$1	D-\$1
Minimum/Reset Value	\$100	\$100	\$250	\$250
Maximum Value	\$200	\$500	\$500	\$1,000
Increment Rate	2.00%	5.00%	2.00%	5.00%

Paytable 2. Progressive Configurations — <i>Must Hit By, \$2 Wager</i>	A-\$2	B-\$2	C-\$2	D-\$2
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<u>Minimum/Reset Value</u>	<u>\$100</u>	<u>\$100</u>	<u>\$250</u>	<u>\$250</u>
<u>Maximum Value</u>	<u>\$200</u>	<u>\$500</u>	<u>\$500</u>	<u>\$1,000</u>
<u>Increment Rate</u>	<u>1.50%</u>	<u>3.50%</u>	<u>1.50%</u>	<u>3.00%</u>

<u>Paytable 3. Progressive Configurations —</u>	<u>A-\$5</u>	<u>B-\$5</u>	<u>C-\$5</u>	<u>D-\$5</u>
<u>Must Hit By, \$5 Wager</u>				
<u>Minimum/Reset Value</u>	<u>\$100</u>	<u>\$100</u>	<u>\$250</u>	<u>\$250</u>
<u>Maximum Value</u>	<u>\$200</u>	<u>\$500</u>	<u>\$500</u>	<u>\$1,000</u>
<u>Increment Rate</u>	<u>1.00%</u>	<u>2.00%</u>	<u>0.50%</u>	<u>2.00%</u>

- (6) The original progressive wager is not returned to the player;
- (a) A progressive wager shall be paid to the player as follows:
- (i) The percentage pays are paid from the progressive jackpot shown on the progressive meter;
 - (ii) Other hands are paid from the tray; the payment does not come off the meter;
 - (iii) If more than one progressive hand payable from the progressive meter hits at the same table during the same time, house procedures are then followed for paying the jackpot;
 - (iv) If a player has a progressive winner, the dealer will select the player spot corresponding to the player with the winning progressive hand. The dealer will then press the appropriate hand button on the dealer display. If the button is pressed by accident, pressing it again turns the button off;
 - (v) The dealer shall contact a supervisor;
 - (vi) Once the casino verifies the progressive win, the supervisor will press the confirm button on the dealer display. To complete the action, a supervisor or executive card (depending on jackpot level) swipe is required. This records the win onto the Progressive computer and adjusts the meter appropriately for the prize won;

- (vii) The 100% award will reset the meter to the seed amount, plus any reserve amount; and
- (viii) When the dealer reconciles all actions, the dealer presses the appropriate button on the dealer display to reset the system to begin the next hand and log into the progressive system;

(7) When using one of the paytables that includes the Must Hit By option:

- (a) The Must Hit By bonus is awarded when the participating player's contribution increases the jackpot value higher than the pre-determined value chosen by a random number generator (RNG).
- (b) The Must Hit By configuration consists of:
 - (i) a starting amount (minimum value)
 - (ii) a Must Hit By amount (maximum value)
 - (iii) an incrementation rate (percentage of wager)
- (c) Payout for the Must Hit By bonus is not determined by a specific hand. Therefore, players participating in the progressive are eligible for the Must Hit By bonus regardless of their hand.
- (d) The meter will be reseeded when the Must Hit By bonus award hits. The cost of the reseed has been factored in to the casino's mathematical advantage.
- (e) To begin each round, players must make their regular game's wager. They may optionally place any side bet wagers and the progressive wager. Players must place the progressive wagers on the sensor in front of their betting position. The sensor will light up.
- (f) Once all players place their bets, the dealer will press "START GAME" on the keypad. The sensors will then light up, indicating a progressive wager. The dealer will then remove all progressive bets from the table.

(g) If a Must Hit By bonus is triggered, it will be indicated on the Dealer's touch-screen and the light sensor will flash.

(h) The dealer then follows house procedures for dealing the regular game.

(87) When using one of the paytables that includes the Dealer Envy option, this envy payout is paid directly to the dealer's tip pool when a qualifying hand is won by the player;

(a) A player making the progressive side wager also qualifies to win an envy payout. If another player at the table hits a hand associated with an envy pay, all other players who made the progressive side bet win the envy pay. The player hitting the hand receives the normal prize pay only, but does NOT receive the envy pay. Rule of thumb: You cannot win an envy bonus pay from yourself, or the dealer. Envy Bonuses should only be paid to players at the table where the qualifying hand occurred.

(b) If a player's hand triggers an envy payout, the dealer will leave the hand face-up on the layout; otherwise, the dealer will lock up the cards. The dealer will then move on to the next player.

(c) The dealer pays any Envy Bonuses at the end of the round. In the event that more than one player is involved in a qualifying envy pay, then all players win multiple envy payouts

(98) Once the progressive has been resolved, the standard blackjack game will resume according to house rules; and

(109) A licensee may not discontinue offering a Blazing 7's Progressive jackpot until the highest progressive jackpot award has been won by a qualified player or players. If a licensee wishes to discontinue offering a progressive jackpot award, the licensee may petition the executive secretary for permission to either reduce the qualifications or criteria for winning the award, allowing the

award to be paid more quickly, or to transfer the award liability to the jackpot offered by a different game. If a retail licensee intends to close its business while having a progressive jackpot award liability, the licensee may petition the executive secretary for permission to transfer the award liability, along with the award fund, to another retail licensee offering a comparable jackpot award.

Source: 45 SDR 142, effective May 28, 2019.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-4(3), 42-7B-7, 42-7B-15.

20:18:35.01:03. Certification testing. Prior to conducting sports wagering, ~~and annually thereafter~~, all equipment and systems integral to the conduct of sports wagering and advance deposit sports wagering must (i) have been previously submitted to be submitted to a commission-designated independent testing laboratory for evaluation and received such certification in a different jurisdiction which certification is still active at the time of its licensing process through the South Dakota Commission on Gaming, or (ii) undertake and receive certification through a Commission-designated independent testing laboratory for evaluation. ~~Such certification~~ ~~Certification~~ and executive secretary approval must be received prior to the use of any equipment or system to conduct sports wagering. The certified test, whether under (i) or (ii) above, must include the following: ~~The submission for evaluation must include the following:~~

(1) The licensee shall provide internal controls that protect the integrity of all hardware, networks, applications, databases, and data of the system to the executive secretary for approval prior to completion of the system testing period and final approval of the system; and

(2) The licensees and sports wagering services provider shall submit change control processes to the executive secretary for approval. These processes must be:

(A) Developed in accordance with the Gaming Laboratories International, LLC Guide GLI-CMP Change Management Program Guide, v1.0; and

(B) Certified prior to its deployment and audited at an annual interval by the independent gaming laboratory.

Subsequent to the presentation of the certification approval by the commission-designated independent testing laboratory under (i) or (ii) above and approval by the Executive Secretary, the equipment and system must then be tested and certified by a commission-designated

independent testing laboratory with such testing commencing no later than June 15 every two years, commencing 2024.

At least annually, Each each product operating under the certified change control processes must be fully certified to the specifications set forth in this chapter or other technical specifications as prescribed by the commission through internal control procedures and accompanied by formal certification documentation from the independent gaming laboratory. The licensee and sports wagering services provider, where separate, may seek approval for extension beyond the annual approval if hardship can be demonstrated. Granting of a hardship waiver is the sole discretion of the commission.

Notwithstanding this two year testing period, should changes be made to the equipment and system by the sports wagering service provider, requiring re-certification by a commission-designated independent testing laboratory to remain certified, then such test must commence within ninety (90) days of this determination. In such cases, the licensee and sports wagering services provider, where separate, may seek approval for extension beyond the ninety (90) day approval if hardship can be demonstrated. Granting of a hardship waiver is the sole discretion of the commission.

Source: 48 SDR 14, effective August 22, 2021; 48 SDR 61, effective December 8, 2021.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-2.1(1), 42-7B-43.

Reference: **GLI-CMP Change Management Program Guide**, v1.0, May 6, 2020 Gaming Laboratories International, LLC. Copies may be obtained without charge from Gaming Laboratories International, LLC, at 600 Airport Road, Lakewood, New Jersey, 08701. (732) 942-3999, and online at Gaminglabs.com/gli-standards.

20:18:35.01:06. Integrity and security assessment. System integrity and security risk assessment must be performed annually on all sports wagering systems by an independent information technology security professional approved by the executive secretary.

The system integrity and security risk assessment shall commence no later than June 15 of each year after commencing operations. ~~be conducted no later than 90 days after commencing operations and annually thereafter.~~

Source: 48 SDR 14, effective August 22, 2021.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-2.1(1), 42-7B-43.