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VIDEO LOTTERY PROMOTIONS

The Lottery Commission established policy regarding video lottery promotions in April, 1991 by prohibiting prize payments in an amount different from approved pay tables.

The Commission's Declaratory Ruling 91-2 states: *No person may award monetary or merchandise prizes for any card or number combination other than the prize amount specified in the pay table and game rules. No person may advertise or award any prize or item of value that requires as consideration the play of a video lottery machine.*

The ruling means you can't award a prize to a video lottery player in addition to what is won playing the video lottery machine, and you can't require someone to play their own money in a video lottery machine to participate in a promotion.

Lottery rules also require that operators and establishments: *Conduct advertising and promotional activities of the video lottery in accordance with decency, dignity, honesty, and good taste that does not reflect adversely on the lottery or the state of South Dakota.* (ARSD 48:02:05:04(14) and 48:02:05:05(14))

Examples of Prohibited Promotions

Promotions that award players monetary or merchandise prizes other than the prize authorized in the pay tables or game rules:

- Win a free T-shirt (or other merchandise prize) when you get four of a kind (or other winning combination).
- Get a straight flush (or other winning combination) to enter a drawing to win cash or a merchandise prize.

Promotions that require players to play their own money in a machine (consideration) to participate in the promotion:

- Free or discounted food or beverages while playing video lottery.
- \$10 credit for \$5 played in video lottery machines.
- Play for thirty minutes and receive a coupon for \$2 of free video lottery play.

Examples of Allowed Promotions

Coupons for Free Video Lottery Play

Establishments can offer coupons for free video lottery play. However, players can't be required to first play their own money in a video lottery machine to qualify for the promotional offer. The coupon can be included in print advertising that the customer clips and presents, flyers handed out at the door or outside the location, or as a prize in drawings at the establishment location. The coupon should include:

- value of the offer, such as \$1.00 of free video play;
- dates and times the offer is valid;
- name of the establishment; and
- the person must be 21.

Free Video Lottery Play With Other Purchases -- Except video lottery play or alcohol

Establishments can offer free video lottery play to customers who make other purchases at the establishment, except for video lottery play or the purchase of an alcoholic beverage. (Dept. of Revenue & Regulation rules prohibit giving any bonus or gift to induce the purchase of an alcoholic beverage). For example:

- Buy a steak dinner and get \$1.00 Free Video Lottery Play.
- Buy 10 gallons of gas and get coupon for \$2.00 of Free Video Lottery Play.
- Buy 5 instant scratch tickets and get \$1.00 of Free Video Lottery Play.

Food or Drink Specials Available to All Customers

Establishments can offer food or drink specials, such as a happy hour, to all customers. Such specials can't be limited to only persons playing video lottery.

Prize Wheels and Drawings

Establishments can offer promotions that award prizes, including free video lottery play, in drawings or prize wheels. However, the opportunity for persons to spin the wheel or enter a drawing cannot require a purchase or play of video lottery.

Entry slips for a drawing or wheel spin can be presented to persons entering the establishment or to those in the establishment at certain times.

Drawings may include restrictions, such as being present to win, drawing times, and qualifications to enter. For example: "The first twenty people entering the establishment after 5:00 p.m. on Monday can enter a drawing for \$5.00 of free video lottery play."

Free Video Lottery Play to Certain Groups

Establishments can offer promotions that give away free video lottery play to a certain group, such as a Ladies Night. However, they cannot require the person to first play video lottery or purchase an alcoholic beverage. For example: all ladies get a coupon for \$1.00 of free video lottery play every Tuesday from 5:00 p.m. to 7:00 p.m.

Claims in Advertising

Establishments may not make false or misleading claims regarding odds or payouts when advertising or conducting promotions. For example, "Hottest Machines in Town!" or "Highest Payouts in the State!" are prohibited. Game odds and win percentages are approved by the Lottery and are alike between establishments. Using location specific facts, such as the amount won by players at a particular establishment, is permitted.

Frequently Asked Questions

- Can the establishment put the money directly into the machine for promotional offers of free video lottery play? Yes.
- Can the promotion apply only to nickel games? Yes.
- Can the promotion be tied to certain wagers? Yes. If you provide a coupon worth a certain number of free video lottery plays, it is important to include the total dollar amount of the offer since wagers or "plays" range from 5¢ to \$2.00. For example, a \$1.00 coupon for 4 free video lottery plays suggests four free 25¢ wagers. Be sure the total dollar value of the offer is included on the coupon.
- Do I need to get approval from the Lottery to run a promotion? No. However, the Lottery will review a promotional idea at your request to ensure it meets the guidelines. You can email (lottery@state.sd.us); fax (605-773-5786) or mail (PO Box 7107, Pierre, SD 57501) the request.