Executive Director Comments
Executive Director Comments

- Wire Act-DOJ Opinion
- FY19 Audits
IGT Online and Related Services Project Update
IGT Online and Related Services
Project Update

- Project Kickoff - January 15
- Requirements Gathering
  - Weekly Reviews
  - All FRD’s have been approved
  - Business Analytics Tools
- Data Conversion
- Acceptance Testing
  - New Terminal – June 3 to July 12
  - Aurora System – August 19 to October 11
IGT Online and Related Services
Project Update

- New Terminal and Peripherals
  - Installation begins July 22
- Parallel Processing
  - October 13 to November 3
- Conversion Date
  - Sunday, November 3, 2019
Update on Open Meeting Laws and SB91
Objectives

- Brief overview of state open meeting laws
  - SDCL ch. 1-25
- 2019 Legislative changes (SB 91)
  - Minor substantive changes to SDCL ch. 1-25
  - Reorganization/form and style changes
  - Effective July 1, 2019
Open Meetings

- Basic Rule: “The official meetings of the state and its political subdivisions are open to the public…” SDCL 1-25-1

- Purpose: “…to prohibit actions being taken at secret meetings where it is impossible for the interested public to become fully informed and to detect improper influences.” Olson v. Cass, 349 N.W.2d 435 (SD 1984)
What is an Official Meeting?

• “Any meeting of a quorum of a public body at which official business or public policy of the public body is discussed or decided...whether in person or by means of teleconference.” SB 91, § 1(3)

• So, regular or special meetings of the public body....But, what about:
  • Lunches?
  • Sporting/social events?
  • Email discussions?
What is an Official Meeting?

• Email discussions?

• Definition of teleconference includes “any...electronic medium, including the internet.” SB 91, § 1(4)
Official Meetings -- Exceptions

- All found in SDCL 1-25-1

- **Meetings with other public bodies**
  - “provide information or attend the official meeting of another [body]…”
  - 2\textsuperscript{nd} public body must meet all notice requirements of Ch. 1-25

- **Press conferences** “called by a representative of the public body.” SB 91, § 2
Official Meetings -- Exceptions

- **Events hosted by non-governmental entities** where the public body does not control the agenda. SB 91, § 2
  - Must post a “notice of quorum” in lieu of an agenda
  - Must meet the posting requirements of SDCL ch. 1-25
Public Notice

- SDCL 1-25-1.3 (applies to State, including all boards and agencies)
  - Must provide notice of official meeting with proposed agenda, including the date, time, and location of meeting
  - Notice must be:
    - Visible to the public, readable, and in an accessible location
    - Posted at the principal office of the public body
    - **At least 72 hours** before the meeting is scheduled to start
      - Does not include weekends or holidays SB 91, § 7
  - Must also be posted on state website designated by BFM
Questions?

South Dakota Department of Revenue
@SDRevenue
South Dakota DOR
Sign-up for our E-Newsletter
Declaratory Ruling 19-1
FY 19 Instant/Draw Review
<table>
<thead>
<tr>
<th>City</th>
<th>FY18</th>
<th>FY19</th>
<th>$ Change</th>
<th>% Change</th>
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<tbody>
<tr>
<td>Sioux Falls</td>
<td>$7,416,352</td>
<td>$7,519,602</td>
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<td>1.39%</td>
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<td>Rapid City</td>
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<td>$3,897,296</td>
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<td>Aberdeen</td>
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<td>$1,083,065</td>
<td>$1,102,702</td>
<td>$19,637</td>
<td>1.81%</td>
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<td>Brookings</td>
<td>$776,903</td>
<td>$801,935</td>
<td>$25,032</td>
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<tr>
<td>Mitchell</td>
<td>$779,210</td>
<td>$775,621</td>
<td>-$3,589</td>
<td>-0.46%</td>
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<tr>
<td>Yankton</td>
<td>$656,887</td>
<td>$762,334</td>
<td>$105,447</td>
<td>16.05%</td>
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<tr>
<td>Pierre</td>
<td>$632,166</td>
<td>$689,507</td>
<td>$57,341</td>
<td>9.07%</td>
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<tr>
<td>Spearfish</td>
<td>$570,031</td>
<td>$689,332</td>
<td>$119,301</td>
<td>20.93%</td>
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<tr>
<td>Huron</td>
<td>$509,300</td>
<td>$637,854</td>
<td>$128,554</td>
<td>25.24%</td>
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<tr>
<td>Rest of the state</td>
<td>$10,675,151</td>
<td>$11,763,331</td>
<td>$1,088,180</td>
<td>10.19%</td>
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<tr>
<td><strong>State Total</strong></td>
<td><strong>$27,763,011</strong></td>
<td><strong>$29,803,026</strong></td>
<td><strong>$2,040,015</strong></td>
<td><strong>7.35%</strong></td>
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<tr>
<td>City</td>
<td>FY18</td>
<td>FY19</td>
<td>$ Change</td>
<td>% Change</td>
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<td>--------------</td>
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<td>Sioux Falls</td>
<td>$5,699,977</td>
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<td>12.21%</td>
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<td>Rapid City</td>
<td>$3,484,283</td>
<td>$3,751,116</td>
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<td>Aberdeen</td>
<td>$1,232,887</td>
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<td>$876,600</td>
<td>$101,774</td>
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<td>Mitchell</td>
<td>$789,111</td>
<td>$853,719</td>
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<td>$684,954</td>
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<td>Huron</td>
<td>$499,443</td>
<td>$535,184</td>
<td>$35,741</td>
<td>7.16%</td>
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<td>Rest of the state</td>
<td>$10,228,877</td>
<td>$11,199,452</td>
<td>$970,575</td>
<td>9.49%</td>
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<td><strong>State Total</strong></td>
<td><strong>$26,104,059</strong></td>
<td><strong>$28,578,841</strong></td>
<td><strong>$2,474,782</strong></td>
<td><strong>9.48%</strong></td>
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Sales Report
Instant Ticket Sales

(July 1st to May 31st)

FY 2019 - $29.80M
FY 2018 - $27.76M

7.35% increase
Instant Top Prize Winners Since March

$50,000 Top Prize
Drew Reiner
$5 20X

$12,000 Top Prize
Todd Champagne
$2 Deuces Wild

$10,000 Top Prize
Rikki Schad
$2 Super Triple 777

10 Top Prize Winners
Instant Top Prize Winners

- $50,000  20X (Sioux Falls)
- $30,000 Fireball Bingo (Rapid City)
- $12,000 Deuces Wild (Rapid City)
- $12,000 Deuces Wild (Wanblee)
- $10,000  10X (Sioux Falls)
- $10,000 Triple 777 (Lemmon)
- $10,000 Triple 777 (Rapid City)
- $5,000 Goat Load of Cash (Hill City)
- $5,000 $250,000 Multiplier (Sioux Falls)
- $5,000  5x (Vermillion)
- $5,000 $50,000 Bonus Play (Sioux Falls)
- $5,000 $300,000 Series (Elk Point)

Over 45
$1,000 Winners

Over 250
$500 Winners
Hit Family

No Top Prizes!
Polaris Dollars ‘N’ Dirt

- South Dakota State Fair Special!
- Polaris Ranger 570
  - 3 – Instant Wins
  - 2- Second Chance
- Total of 5 ATV’s Given Away
Silver & Gold

- Non-Break Even Ticket
- Over 22,000 Prizes from $50 - $500
Lotto Sales

FY 2019 - $28.58M
FY 2018 - $26.10M
9.48% increase

Sales (July 1st to May 31st)

Week Ending

FY18 LOTTO  FY19 LOTTO
Lotto Winners

$25,000 per Year/$390,000 Winner

Barbara Ordal (Madison)
Lucky For Life

$200,000 Winner

Leo Bald Eagle (Rapid City)
Powerball Power Play
Retailer Spotlight

DJ’s Convenience in Pierre has sold two winning tickets within a 30 day window.

- $20,000 Lotto America Ticket
- $50,000 Powerball Ticket

Bruce Nelson - Manager
Instant and Online FY19 Revenue Projections as of May 31, 2019

FY 2018 Actual (Cash Basis)
- Instant Games: $6.40
- Lotto Games: $8.40

FY 2019 Estimates
- Instant Games: $6.72
- Lotto Games: $8.65
Marketing/Advertising Report
Marketing Report

1. Makin’ Bacon Launch & 2\textsuperscript{nd} Chance Promotion
2. New Year’s Rockin’ Eve Powerball Promotion
3. “Dollars N’ Dirt” Polaris 2\textsuperscript{nd} Chance Promotion
Makin’ Bacon 2nd Chance Promotion

Argus Leader Story

New South Dakota Lottery scratch ticket could get you a year’s worth of pork
Makin’ Bacon in Rapid City

Hog Wild Radio Promotion
May 24th, 11 – 2 PM

Family Fare, Mt. View, Rapid City

The SD Lottery will attend this remote and during the remote the SD Lottery will sell $15 worth of Makin’ Bacon Tickets and the player will receive 1 - SD Break the Bank, (scratch my back ticket) “Free”. Purchase 3 Makin’ Bacon Tickets get a 4th Break the Bank Ticket, “Free”, must be 18.

Listen to KOTA, to get free SD Lottery T-Shirts, Hats, and SD Lottery Mystery Prizes, during the remote. You must be 18 years or older to win.

Remember to use your non-winning tickets from Makin’ Bacon, to 2nd Chance via Players club, for your chance to win Bacon for a Year or $100 in “Free” Makin’ Bacon Tickets.

Register during the remote for a summer prize pack from SD Pork Producers - Family Fare - Lowes - SD Lottery - Coca Cola

Text the keyword to KOTA TEXT 50352 or register online at katoradio.com
Must be 18 to register.
New Year’s Rockin’ Eve Powerball Promotion

- Promotion Dates: June 15 – September 15
- Drawing on September 20
- Promote 2 SD Winners leading up to NYE
“Dollars N’ Dirt”

Polaris 2nd Chance Promotion

- Looking at August Launch
- State Fair Special
- 3 Instant Win / Two 2nd Chance Winners
Video Lottery Report
Video Lottery Net Machine Income

(FY 2019 - $104.82M
FY 2018 - $100.13M
4.69% increase)
Video Lottery FY 19 State Share Revenue Projection as of May 31, 2019

FY 2018 Actual (Cash Basis): $109.45
FY 2019 Estimates: $112.15
Number of Terminals and Establishments as of May 2019

- Establishments: 0.45% decrease
- Terminals: 1.87% decrease

<table>
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<tr>
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<th>FY 2018</th>
<th>FY 2019</th>
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<tbody>
<tr>
<td>Establishments</td>
<td>1,323</td>
<td>1,317</td>
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<tr>
<td>Terminals</td>
<td>9,113</td>
<td>8,943</td>
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Terminal Counts - Legacy vs. Line

- Legacy Machines
- Line Machines
New and Destroyed Terminals

(July 1st to May 31st)

<table>
<thead>
<tr>
<th></th>
<th>New</th>
<th>Destroyed</th>
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<tbody>
<tr>
<td>FY 2019</td>
<td>351</td>
<td>FY 2019</td>
</tr>
<tr>
<td>FY 2018</td>
<td>382</td>
<td>FY 2018</td>
</tr>
<tr>
<td></td>
<td>8.12% decrease</td>
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</tbody>
</table>

FY17: New = 492, Destroyed = 465
FY18: New = 461, Destroyed = 522
FY19 (YTD): New = 351, Destroyed = 301
NMI/Terminal/Day - Legacy vs. Line

- Legacy NMI per Machine per Day
- Line NMI per Machine per Day
Multi-State Lottery Association
As a member of MUSL, we are required to participate in an annual Security Certification that is due by June 30.

- This certification ensures the requirement agreed upon by the MUSL members are being followed.

- Cesar Contreras from MUSL will be visiting the SD Lottery during the week of September 9th to complete the MUSL Rule 2 Review. This audit is completed every 2 years.