



Minutes of the Commission Meeting

Room 423 Capitol Building

March 24, 2014

Chairman Bob Hartford called the March 24, 2014 meeting of the South Dakota Lottery Commission to order at 1:30 p.m.

MEMBERS PRESENT: Chuck Turbiville was present. Bob Hartford, Roger Novotny, Doyle Estes, Jim Putnam, Brent Dykstra and Jim Towler attended via teleconference.

SUPPORT STAFF PRESENT: Norm Lingle, Kelly Thompson, Deb Reese, Sherry Lauseng, Andrew Fergel, John Keyes and Mary Jo Bibby. Clark Hepper attended via teleconference.

APPROVAL OF THE AGENDA

Commissioner Turbiville moved that the agenda be approved. Commissioner Putnam seconded the motion. The roll was called and the motion carried.

EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Norm Lingle reported on the following:

Lingle stated that the Lottery had a chance to tell its story to the House and Senate Taxation committees as part of the Department of Revenue's overview presentation. A review of the Union Gaming Analytics study with the House and Senate Commerce and Energy Committees included background on how the study was authorized and its recommendations.

HOUSE BILL 1246

House Bill 1246 set the maximum bet limit to \$5 and eliminated the maximum award. It was assigned to the Commerce and Energy Committee. The bill was amended, granting the Lottery Commission the authority to set the maximum bet up to \$5 and set the maximum award. Proponents of the bill were Commissioner Turbiville, Music & Vending Association, and Licensed Beverage Dealers. The opponent was the Family Heritage Alliance. The bill passed in committee on a 9-4 vote. The amendment granting Commission authority was stricken from the bill on the House floor. The bill was defeated in the House 28-40.

SENATE BILL 180

Senate Bill 180 allowed up to 15 machines per establishment with some restrictions on old and new machines. The bill was assigned to the Commerce and Energy Committee. The bill was amended to grant the Lottery Commission the authority to set the maximum number of machines up to 15 per establishment. Proponents were Commissioner Turbiville, Music & Vending Association, Licensed Beverage Dealers, Video Lottery Establishment Association and South Dakota Entertainment Association. Opponents were the Family Heritage Alliance and the Concerned Women of America. The bill passed out of committee on 5-2 vote. An amendment

striking the Commission authority was passed on the Senate floor. The bill as amended passed the Senate 22-12, was assigned to the House State Affairs Committee and passed that committee on a 7-5 vote. The bill was defeated by the House 26-44.

HOUSE BILL 1227

HB 1227 sought to reduce the State's reliance on video lottery proceeds by redirecting the state's share of video lottery proceeds from the Property Tax Reduction Fund to the Education Enhancement Trust Fund by 5 percent each year until the fund reached \$800,000,000. The bill was defeated in the House Taxation Committee on a 9-4 vote.

COMMISSION APPOINTMENTS

Commissioners Estes, Putnam and Towler were reappointed and confirmed by the Senate.

PROBLEM GAMBLING STUDY

A study of problem gambling in the state will be an agenda item at the next Commission meeting. A letter of commitment was provided to the Legislature, stating the Lottery will request the Commission to authorize and undertake a study of the financial and social impacts of gambling in South Dakota.

RECOGNITION

Lingle extended words of appreciation to Commissioners Novotny, Turbiville and Towler for their participation in the 2014 Legislative Session.

NEXT MEETING DATE

The next meeting will be at 10 a.m. on April 10, 2014 in Pierre.

ADJOURNMENT

Commissioner Turbiville moved and Commissioner Putnam seconded the motion to adjourn. The roll was call and the motion carried and at 1:53 p.m. the Commission adjourned.