



## **Minutes of the Commission Teleconference Meeting**

Room 414, Capitol Building

**April 23, 2014**

Chairman Bob Hartford called the April 23, 2014 teleconference meeting of the South Dakota Lottery Commission to order at 10:00 a.m.

**MEMBERS PRESENT:** Bob Hartford, Doyle Estes, Brent Dykstra, Roger Novotny, Jim Putnam, Jim Towler, Chuck Turbiville

**SUPPORT STAFF PRESENT:** Norm Lingle, Clark Hepper, Andy Fergel, Deb Reese, Joe Willingham, Kelly Thompson, John Keyes, Sherry Lauseng and Mary Jo Bibby

### **APPROVAL OF THE AGENDA**

Commissioner Putnam moved that the agenda be approved. Commissioner Turbiville seconded the motion. Motion carried.

### **VIDEO LOTTERY PROMOTIONS POLICY/ DECLARATORY RULING 91-2**

Executive Director Norm Lingle advised the commission that the vote regarding this issue at their last meeting was in doubt. Five commissioners were present at the previous meeting with the final vote for passage at 3-2. Legal counsel Andy Fergel determined after the meeting that a majority of the commission overall and not a majority of the commissioners present is needed to pass an issue. The issue is being presented at this meeting for reconsideration by the commission.

Deputy Executive Director Clark Hepper reminded commissioners that a new promotions policy was part of the strategic plan approved in November of 2013. While the old policy did not allow establishments to focus their promotions to specific groups of people the new policy would allow such delineation and specified that promotion rules must be posted so all customers were aware of the rules and restrictions. The new policy continues to require operators to conduct promotions in good taste.

Commissioner Estes voiced his concern that the new policy does not contain objective criteria for the conduct of promotions and that such criteria needed to be established and approved by the commission before the old policy is reversed and replaced. Commissioner Turbiville countered that while Estes' concern was valid, operators should be trusted to use common sense and good judgment. Estes responded that testimony at the previous meeting indicated to him that the industry had questions about the new policy and the operators couldn't be trusted to make promotional decisions without clear guidelines.

Estes moved that Lottery staff be directed to work with the industry within the next 30 to 60 days to develop objective criteria for a new promotions policy. The motion died for lack of a second.

Commissioner Turbiville moved that Declaratory Ruling 91-2 be repealed and the new promotions policy as presented at the previous meeting and discussed at this meeting be approved. Commissioner Novotny seconded. The motion passed on a vote of 6-1 with Estes as the lone dissenting vote.

## **ADJOURNMENT**

There being no further business, Commission Novotny moved and Commissioner Dykstra seconded that the meeting be adjourned.

Chairman Hartford adjourned the meeting at 10:17 a.m.