

**In Re: Declaratory Ruling
 By the South Dakota
 Lottery Commission**

**Ruling 95-1
Machine Destruction
ARSD 48:02:09:06**

RULE: ARSD 48:02:09:06 Disposal of video lottery machines.

A person desiring to dispose of an unsalable or damaged video lottery machine shall notify the lottery in writing prior to disposal and provide the following information on a form obtained from the lottery:

1. The full name, address, and license number of the person or entity disposing of the machine;
2. The serial number of the machine;
3. The model number and description of the machine;
4. The manufacturer of the machine;
5. The terminal identification number of the machine;
6. The lottery machine license number, if affixed;
7. The hard meter readings of the machine;
8. The location of the machine; and
9. The proposed manner, time and place of disposal.

A video lottery machine must be disposed of in a manner that makes it incapable of use or operation in any video lottery or other gaming or amusement activity. A video lottery machine may not be disposed of until approved by the lottery.

RULING: Operators may retain from video lottery machines to be destroyed such associated equipment as coin mechanisms, bill acceptors, printers, CRT monitors, doors, electrical harnesses, logic and communication boards. The chips and boards to be retained must be zeroed and returned to demo mode. For machines that do not have private sector support, the chips and boards to be retained must first be zeroed without charge nor warranty by the Lottery to return them to demo mode.

REASON: The associated parts to be retained from video lottery machines to be destroyed may still have value as parts for machines still in play. Utilization of parts for repair or replacement purposes can be accomplished by this means in compliance with the rule cited and without breach of security matters.

Dated this 17th day of October, 1995.

Burdette Solum, Chairman