

# State of South Dakota

NINETY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2016

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## HOUSE BILL NO. 1057

Introduced by: Representatives Johns, Bartling, Gibson, Gosch, Hawley, Langer, Romkema, Rounds, Solum, and Westra and Senators Ewing, Bradford, Brown, Holien, Sutton, Tieszen, and White

1 FOR AN ACT ENTITLED, An Act to revise the rule-making authority of the South Dakota  
2 Commission on Gaming.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 42-7B-4 be amended to read as follows:

5 42-7B-4. Terms used in this chapter mean:

- 6 (1) "Adjusted gross proceeds," except in the case of the games of poker, gross proceeds  
7 less cash prizes. In games of poker, the term means any sums wagered in a poker  
8 hand which may be retained by the licensee as compensation which must be  
9 consistent with the minimum and maximum amount established by the South Dakota  
10 Commission on Gaming;
- 11 (2) "Bet," an amount placed as a wager in a game of chance;
- 12 (3) "Blackjack," a card game played by a maximum of seven players in which each  
13 player bets against the dealer. The object is to draw cards whose value will equal or  
14 approach twenty-one without exceeding that amount and win amounts bet, payable



1 by the dealer, if the player holds cards more valuable than the dealer's cards. ~~The~~  
2 ~~commission may promulgate rules pursuant to chapter 1-26 authorizing variations of~~  
3 ~~the game;~~

4 (4) "City limits," the boundaries of the city of Deadwood as they existed on January 1,  
5 1989;

6 (5) "Commission," the South Dakota Commission on Gaming;

7 (5A) "Craps," a game in which the players place bets on the outcome of the roll or series  
8 of rolls of a pair of dice;

9 (6) "Gaming," limited card games, slot machines, craps, roulette, and keno as allowed  
10 and regulated by this chapter;

11 (6A) "Gaming device," a poker table, a blackjack table, a slot machine, a craps table, a  
12 roulette table, or a keno number selection device;

13 (7) "Gaming employee," any person twenty-one years of age or older employed by an  
14 operator or retailer hosting gaming to work directly with the gaming portion of that  
15 business and who must hold a support license;

16 (8) "Gaming equipment," any equipment used in gaming that is allowed by this chapter  
17 and which requires licensing;

18 (9) "Gaming license," any license issued by the commission pursuant to this chapter  
19 which authorizes any person to engage in gaming within the city of Deadwood;

20 (9A) "Gaming property owner," any person other than a licensed retailer who owns real  
21 property where licensed gaming is conducted within the city of Deadwood. The term,  
22 gaming property owner, does not include any person who owned real property where  
23 licensed gaming was conducted within the city of Deadwood prior to January 1,  
24 2010;

- 1 (10) "Historic restoration and preservation," the restoration and preservation of the city  
2 of Deadwood to maintain its historical background, cultural heritage, and necessary  
3 supporting infrastructures;
- 4 (10A) "Keno," a game in which players place bets by marking their selections on a blank  
5 ticket form with eighty numbered selection boxes and the outcome is determined by  
6 a number selection device;
- 7 (10B) "Key employee," any executive, employee, or agent of a gaming licensee having the  
8 power to exercise a significant influence over decisions concerning any part of the  
9 operation of a gaming licensee;
- 10 (11) "Licensed gaming establishment," any premises licensed pursuant to this chapter  
11 where gaming is conducted;
- 12 (12) "Licensee," any person licensed under this chapter;
- 13 (13) "Licensing authority," the South Dakota Commission on Gaming;
- 14 (14) "Limited card games and slot machines," any card games including poker and  
15 blackjack and slot machines authorized by this chapter and regulated by the  
16 commission;
- 17 (15) "Net municipal proceeds," the amount remitted to the city of Deadwood by the South  
18 Dakota Commission on Gaming;
- 19 (16) "Operator," any person who places poker tables, blackjack tables, slot machines,  
20 craps tables, roulette tables, or keno number selection devices in the person's own  
21 business premises;
- 22 (17) "Person," includes individuals, partnerships, limited liability companies, associations,  
23 and corporations;
- 24 (18) "Poker," a card game played by players who are dealt cards by a nonplayer dealer.

1 The object of the game is for each player to bet the superiority of the player's own  
2 hand and win the other players' bets by either making a bet no other player is willing  
3 to match or proving to hold the most valuable cards after all the betting is over. Poker  
4 includes draw, stud, low ball, or any combination thereof. ~~The commission may~~  
5 ~~promulgate rules pursuant to chapter 1-26 authorizing variations of the game;~~

6 (19) "Retailer," any licensee who maintains gaming at the licensee's place of business  
7 within the city of Deadwood for use and operation by the public;

8 (20) "Retail space," the area where the retailer's business is principally conducted;

9 (20A) "Roulette," a game in which players place bets on a single number or a range of  
10 numbers or the colors red or black or whether the number is odd or even or a  
11 combination thereof and the winning numbers and color are determined by a ball  
12 which is spun on a wheel;

13 (20B) "Route operator," any person who, individually or jointly pursuant to an agreement  
14 whereby consideration is paid for the right to place poker tables, blackjack tables, slot  
15 machines, craps tables, roulette tables, or a keno number selection device, engages  
16 in the business of placing and operating poker tables, blackjack tables, slot machines,  
17 craps tables, roulette tables, or a keno number selection device within the city of  
18 Deadwood;

19 (21) "Slot machines," any mechanical, electrical, or other device, contrivance, or machine  
20 which, upon insertion of a coin, token or similar object, or upon payment of any  
21 consideration whatsoever, is available to play or operate, the play or operation of  
22 which, whether by reason of the skill of the operator or application of the element of  
23 chance, or both, may deliver or entitle the person playing or operating the machine  
24 to receive cash premiums, merchandise, tokens, redeemable game credits or anything

1 of value other than unredeemable free games whether the payoff is made  
2 automatically from the machines or in any other manner;

3 (22) "Slot machine manufacturer," any person or distributor who designs, assembles,  
4 fabricates, produces, constructs, sells, leases, or who otherwise prepares a product or  
5 a component part of a slot machine, other than tables or cabinetry;

6 (23) "Suitability" or "suitable," in relation to a person is the ability to be licensed by the  
7 commission and as to acts or practices, are lawful acts or practices;

8 (24) "Unsuitability" or "unsuitable," in relation to a person is the inability to be licensed  
9 by the commission because of prior acts, associations, or financial condition, and as  
10 to acts or practices, are those that would violate the statutes or rules or would be  
11 contrary to the declared legislative purpose of this chapter.

12 Section 2. That § 42-7B-7 be amended to read as follows:

13 42-7B-7. The commission may promulgate rules, pursuant to chapter 1-26, for the orderly  
14 transaction and conduct of its business and the substantive rules that it may determine proper  
15 concerning the issuance, revocation, and suspension of gaming licensees, the division of limited  
16 card games, slot machines, craps, roulette, or keno that may be placed in any building or retail  
17 business, conduct, and operation of limited card games, slot machines, craps, roulette, or keno,  
18 variations of limited card games, craps or roulette, and any other things necessary to carry out  
19 the purposes of this chapter. The commission may also promulgate rules necessary to administer  
20 complaints which may be received from the public and conduct such other investigations and  
21 inspections into the conduct of the games and the licensees and the maintenance of the  
22 equipment as the commission deems necessary and proper. License issuance, suspension, and  
23 revocation are contested cases within the meaning of chapter 1-26. The commission's rules may  
24 provide procedures for summary suspension of any license issued under this chapter and shall

1 provide for subsequent contested case hearings before suspensions become final or a license is  
2 revoked. The commission may apply for injunctive or declaratory relief to enforce the  
3 provisions of this chapter and any rules promulgated thereunder. Action by the commission may  
4 not limit the authority of the state's attorney or attorney general from enforcing criminal actions.