

UNAPPROVED MINUTES

**SOUTH DAKOTA COMMISSION ON GAMING
ADMINISTRATIVE HEARING, PROPOSED RULES HEARING, AND QUARTERLY
BUSINESS MEETING
DEADWOOD CITY HALL, DEADWOOD, SOUTH DAKOTA**

MINUTES

March 16, 2016

At 9:05 a.m. the meeting was called to order. Commissioner Dennis Duncan, Commissioner Harry Christianson, Commissioner Ralph "Chip" Kemnitz, Commissioner Tim Holland, and Commissioner Dennis McFarland were present. Staff members present for the meeting were Mike Shaw, Commission Attorney; Larry Eliason, Executive Secretary; and Craig Sparrow, Deputy Executive Secretary.

The meeting was called to order by Commissioner Duncan.

The court reporter for the hearing portion of the meeting was Cindy Pfingston. The following case was scheduled to be heard:

Administrative Hearing

Request for Conditional Jockey's License

Request for Conditional Jockey's License

The purpose of the hearing was to take action on the request from Terry Bennett to be granted a conditional Jockey License. Applicant is currently on probation for the offense of violation of a protection order, a Class 6 Felony. Mr. Bennett was present for the hearing. Staff did not have a recommendation but did not oppose the request. Commissioner Christianson made a motion to grant Mr. Bennett a license. Commissioner McFarland seconded the motion.

On a roll call vote motion carried unanimously.

| | |
|---------------------------|-----|
| Commissioner Christianson | Aye |
| Commissioner McFarland | Aye |
| Commissioner Holland | Aye |
| Commissioner Kemnitz | Aye |
| Commissioner Duncan | Aye |

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Proposed Rules Hearing

Deadman's Hand Blackjack

Bonus Spin Counts Kustom Blackjack

Variation of Play of Ultimate Texas Hold 'em

Slot Machine Requirements

Craig Sparrow, Deputy Executive Secretary, recommended that ARSD 20:18:17:02 be amended to grandfather in novelty slot machines currently licensed by the Commission.

Public comment and testimony was taken on all rules. Those submitting oral testimony are evidenced by the sign-in sheet attached hereto.

Commissioner Christianson made a motion to approve the proposed rules as amended by the recommendation of Mr. Sparrow and with LRC form and style changes. Commissioner Holland seconded the motion.

On a roll call vote motion carried unanimously.

| | |
|---------------------------|-----|
| Commissioner Christianson | Aye |
| Commissioner McFarland | Aye |
| Commissioner Holland | Aye |
| Commissioner Kemnitz | Aye |
| Commissioner Duncan | Aye |

After the rules hearing a brief recess was taken at 10:15 a.m.

General Meeting

Commissioner Duncan called the general meeting to order at 10:20 a.m.

Approval of Agenda

No changes to the agenda were noted.

No conflicts of interest were noted on the agenda.

November 18, 2015 Quarterly Meeting

Commissioner Holland made a motion to adopt the drafted minutes from the November 18, 2015 quarterly meeting. Commissioner McFarland seconded the motion which carried unanimously.

Remarks by Secretary of Revenue Andy Gerlach

Secretary Gerlach presented an update on the work of the Department of Revenue during the 2016 Legislature Session.

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Report on 2016 Legislative Session

Larry Eliason, Executive Secretary, reported on three bills that could impact the Commission on Gaming that were passed during the 2016 Legislative Session.

Stipulation of Assurance and Voluntary Compliance

Austin Burnham

A monetary penalty of \$100.00 was imposed for a complaint that was filed on December 2, 2015 alleging that the Defendant engaged in conduct constituting grounds for disciplinary action under ARSD 20:18:09:01 (14) by not wearing his key employee license in plain view while on duty on November 28, 2015. Commissioner Kemnitz made a motion to accept the Stipulation of Assurance and Voluntary Compliance and the imposed monetary penalty. Commissioner McFarland seconded the motion which carried unanimously.

Consulting Contracts for Professional Services for Racing Season

Center for Tox Services, Official Laboratory Cooper Animal Clinic, Official Veterinarian Services

Commissioner Christianson made a motion to accept the contracts with Center for Tox Services, and Cooper Animal Clinic for the 2016 horse racing season. Commissioner Kemnitz seconded the motion which carried unanimously.

Approval of Racing Officials for 2016 Season

Commission Racing Officials Verendrye Benevolent Association Racing Officials Northeast Area Horse Racing, Inc. Racing Officials

Commissioner Christianson made a motion to approve the Commission Racing Officials, Fort Pierre Officials, and Aberdeen Officials for the 2016 horse racing season as listed on pages 166-168 of the meeting packet. Commissioner Kemnitz seconded the motion which carried unanimously.

Deadwood Licensing Matters

Deputy Executive Secretary Sparrow recommended approval of the following:

Key License Approval

- ✓ Regina Luze
- ✓ Joshua Glover

Key License Renewal

- ✓ Thomas Frank

Commissioner Christianson made a motion to approve the Key License approvals, and the Key License renewal as staff recommended. Commissioner Holland seconded the motion which carried unanimously.

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Business License Approval

Deputy Executive Secretary Sparrow recommended approval of the following:

- ✓ Approval of an Operator and Route Operator license for Ron Island (**0232-OP & 0037-RO**).
- ✓ Approval of an Operator license and 3 Retail licenses for DGS, LLC (**0233-OP. 0616, 0615, & 0616-RT's**).

Commissioner Christianson made a motion to approve the Business Licenses as staff recommended. Commissioner McFarland seconded the motion which carried unanimously.

Next Commission Meeting

The next quarterly commission meeting has been scheduled for June 9, 2016.

Executive Session

Commissioner Christianson made a motion to go into Executive Session. Commissioner Kemnitz seconded the motion which carried unanimously.

At 10:45 a.m. the Commission went into Executive Session pursuant to SDCL 1-25-2 (3).

The Executive Session was concluded at 10:52 a.m.

With no further business to be discussed Commissioner Kemnitz made a motion to adjourn the meeting. Commissioner Holland seconded the motion which carried unanimously.

The meeting was adjourned at 10:53 a.m.

Respectfully Submitted,
Kathy Fredericksen

Dennis Duncan, Chairman

Larry B. Eliason, Executive Secretary

