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**South Dakota Commission on Gaming Quarterly Business Meeting
Deadwood City Hall, Deadwood, South Dakota**

MINUTES

November 20, 2014

At 9:00 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Harry Christianson, and Commissioner Tim Holland were present. Commissioner Karen Crew, Commissioner Dennis Duncan, Larry Eliason, Executive Secretary, and Mike Shaw, Commission Attorney, participated in the meeting via telephone conference. Staff member present for the meeting was Craig Sparrow, Deputy Executive Secretary.

The meeting was called to order by Commissioner Crew at 9:00 a.m.

A roll call was taken and a quorum was present to conduct the meeting.

General Meeting

Approval of Agenda

No changes to the agenda were noted.

No conflicts of interest were noted on the agenda.

September 10, 2014 Meeting

Commissioner Christianson made a motion to adopt the drafted minutes from the September 10, 2014 meeting. Commissioner Duncan seconded the motion which carried unanimously.

Racing Licensing Matters

2015 Live Horse Racing Dates

**Verendrye Benevolent Association
North East Area Horse Racing, Inc.**

Commissioner Crew made a motion to approve the racing dates scheduled for the Ft. Pierre and Aberdeen horse racing courses as listed on pages 6-26 in the meeting packet. Commissioner Christianson seconded the motion which carried unanimously.

Allocations of Funds to Tracks for 2015 Racing Season

Commissioner Christianson made a motion to approve resolution number 11-20-14-01-A and to add on page 34 not to exceed the amount of \$90,000. On page 33 add the amount of \$117,000 to the line for the special racing revolving fund for both tracks. Commissioner Duncan seconded the motion.

On a roll call vote motion failed 3 to 2.

Commissioner Crew	Nay
Commissioner Duncan	Aye
Commissioner Holland	Nay
Commissioner Kemnitz	Nay
Commissioner Christianson	Aye

Commissioner Kemnitz made a motion to approve resolution 11-20-14-01 as outlined on page 32 of the meeting packet. Commissioner Crew seconded the motion.

Commissioner Christianson made a substitute motion to approve resolution 11-20-14-01-A and to add on page 34 not to exceed the amount of \$45,000. On page 33 add the amount of \$139,500 to the line for the special racing revolving fund for both tracks. Commissioner Duncan seconded the motion.

On a roll call vote the substitute motion failed 3 to 2.

Commissioner Crew	Nay
Commissioner Duncan	Aye
Commissioner Holland	Nay
Commissioner Kemnitz	Nay
Commissioner Christianson	Aye

On a roll call vote the Kemnitz motion carried 4 to 1.

Commissioner Crew	Aye
Commissioner Duncan	Nay
Commissioner Holland	Aye
Commissioner Kemnitz	Aye
Commissioner Christianson	Aye

Jockey Longevity Bonuses for 2015 Racing Season

Commissioner Kemnitz made a motion to approve resolution number 11-20-14-02. Commissioner Crew seconded the motion.

On a roll call vote motion carried unanimously.

Commissioner Crew	Aye
Commissioner Duncan	Aye
Commissioner Holland	Aye
Commissioner Kemnitz	Aye
Commissioner Christianson	Aye

2015 Pari Mutuel Business License Applications

Multi Jurisdictional Totalizator Hub

Bettor Racing, Inc.

Commissioner Christianson made a motion to approve the renewal application for Bettor Racing, Inc. Commissioner Crew seconded the motion.

On a roll call vote motion carried unanimously.

Commissioner Crew	Aye
Commissioner Duncan	Aye
Commissioner Holland	Aye
Commissioner Kemnitz	Aye
Commissioner Christianson	Aye

Simulcast Provider

Am West Entertainment, LLC

Commissioner Kemnitz made a motion to approve the simulcast provider license renewal for Am West Entertainment, LLC. Commissioner Holland seconded the motion which carried unanimously,

Simulcast Sites

Triple Crown Casino Time Out Lounge

Commissioner Crew made a motion to approve the simulcast site license renewals for Triple Crown Casino and Time Out Lounge. Commissioner Duncan seconded the motion which carried unanimously.

Presentation by GLI on the Regulation of Keno, Craps, and Roulette

Bill Treger and Chad Kornett, representing GLI, addressed the Commissioners on the following services under their contract with the Gaming Commission: advise, review, and draft regulations and test gaming devices as requested by the Commission staff. GLI reviewed rules and regulations for table games that they can draft for variations of keno, craps, and roulette.

Possible Legislation in 2015

Larry Eliason, Executive Secretary, addressed the amendments for 42-7B that were previously discussed at the September meeting. The amendments would cover the following topics; expedited hearing for seized slot machines, license denial appeals when the applicant does not appear, the possibility of allowing a person to keep a gaming license during the probation period for a felony, and increasing the maximum amount of fines that the Commission can impose on a business.

With the voter approval of Amendment Q, there would be at least 12 sections of 42-7B that will need to be amended because they specifically mention blackjack, poker, and slot machines and do not mention craps, keno, or roulette.

A "placeholder" Action Issue was prepared for the Governor's Legislative Task Force before the Administration's deadline.

There are about four other sections that could be amended to make the Commission's procedures more efficient such as multiyear licenses. An omnibus bill would be introduced separately from the regulatory issues bill that is described above.

The Commission staff plans to work with representatives of the Deadwood gaming industry during the drafting process to get their ideas and to obtain consensus whenever possible.

Commissioner Christianson made a motion to authorize the Commission staff to prepare bills for the Legislative Session to implement the provisions of Amendment Q and to provide for the regulation of craps, keno and roulette. Commissioner Crew seconded the motion which carried unanimously.

Proposed 2015 Quarterly Meeting Dates

Executive Secretary Eliason recommended the following tentative quarterly meeting dates for 2015:

Wednesday, March 18th
Wednesday, June 10th
Wednesday, September 16th
Wednesday, November 18th

Mr. Eliason also commented that there would probably be a special meeting in May to address the new rules for craps, keno, and roulette so that the proposed rules would make the June Legislative Rules Review Committee hearing and would be approved before July 1, 2015.

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Sparrow recommended the approval of the following Key Licenses.

- ✓ Diana Graham
- ✓ Marcus Clyne
- ✓ Jim Ackland
- ✓ Bethany Ostrom

Key Renewals-2015

Deputy Executive Secretary Sparrow recommended the approval of the Key License renewals for 2015 as listed on pages 62-63 in the meeting packet.

Business License Approval and Assignments

- ✓ Approval of Tomokazu Godai as Director on the Konami Gaming Inc. Manufacturer license **(0128-MA)**.
- ✓ Approval of Kathleen Conlon as Director on the Aristocrat Leisure Limited Manufacturer license **(0108-MA)**.
- ✓ Approval of Philip Satre, Paget Alves, Vincent Sadusky, and Tracey Weber as Directors on the IGT Manufacturer license **(0101-MA)**.
- ✓ Approval of Kimberly Griffin as an additional owner of the Retail business licenses of BB Cody's G Squared, LLC **(0453 & 0454-RT's)**.

Ratification of Licensing Actions by the Executive Secretary per 42-7B -11 (16)

- ✓ Approve Blue Sky Gaming, Inc. request to relocate one retail license **(0613-RT)** from the old Four Aces 3 retail location to the dining area at Tin Lizzie which previously had a retail license assigned to it until July 2012 when it was allowed to expire.

Commissioner Kemnitz made a motion to approve the Key License approvals, Key License renewals, business license approvals and assignment, and ratification of licensing actions by the Executive Secretary that staff recommended. Commissioner Holland seconded the motion which carried unanimously.

Scheduling of Next Regular Meeting

The next quarterly meeting is scheduled for Wednesday March 18, 2015.

Executive Session pursuant to SDCL 1-25-2 (3)

Commissioner Christianson made a motion to go into Executive Session pursuant to SDCL 1-25-2 (3) at 10:38 a.m. Commissioner Holland seconded the motion which carried unanimously.

The Executive Session was concluded at 10:45 a.m. with no formal action taken.

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

The meeting was adjourned at 10:46 a.m.

Respectfully Submitted,

Kathy Fredericksen



Karen Crew, Chairman



Larry B. Eliason, Executive Secretary