

ARTICLE 48:01

INSTANT LOTTERY REQUIREMENTS

Chapter

- 48:01:01 General provisions.
- 48:01:02 Instant lottery retailers.
- 48:01:03 Instant lottery tickets.
- 48:01:04 Instant lottery games.
- 48:01:05 Instant lottery ticket sales on Indian reservations.

CHAPTER 48:01:01

GENERAL PROVISIONS

Section

- 48:01:01:01 Definitions.

48:01:01:01. Definitions. Terms used in this article are defined as follows:

- (1) "Bar code," a predetermined array of rectangular marks and spaces used for electronic ticket identification and validation;
- (2) "~~Book~~ Pack," a series of tickets printed for a particular game bearing a common ~~book~~ pack number;
- (3) "~~Book~~ Pack number," a combination of ~~six digits and letters appearing in positions 3 to 8, inclusive,~~ of characters that identify the ~~book-ticket~~ pack-ticket number;

(4) "~~Book-ticket~~ Pack-ticket number," a combination of ~~12 digits and letters~~ characters printed on the ~~back of the ticket~~ which identify the ticket within the pack;

(4A) "Chain," a group of two or more retail establishments that are owned, leased, or otherwise controlled by one retailer or entity;

(5) "Check digit," ~~the ninth digit~~ a unique character of the ~~book-ticket~~ pack-ticket number that may be used for security and validation of instant tickets;

(6) "Commission," the South Dakota Lottery Commission established pursuant to SDCL 42-7A-17;

(7) "Game number," the first three digits of the ~~book-ticket~~ pack-ticket number;

(8) "Lottery," the executive director and the employees of the South Dakota Lottery;

(9) "Player," a participant in an instant game;

(10) "Play ~~spots~~ areas," the rub-off areas covered with latex on the front of a ticket;

(11) "Play symbols," the symbols which appear under the play ~~spots~~ areas on the front of a ticket;

(12) "Play symbol caption," the small printed material beneath each play symbol under each play ~~spot~~ area on the front of a ticket, which spells out completely or in abbreviated form the play symbol;

(13) "Retailer," a person or entity authorized by the lottery to sell instant game tickets;

(14) "Retailer validation code," the multiletter code which ~~may appear~~ appear among the play symbols under the play ~~spots~~ areas on the front of the tickets in varying locations used by retailers to verify instant winners of \$100 or less;

(15) "Ticket," a South Dakota instant game ticket;

(16) "Ticket number," the ~~last three~~ designated digits of the ~~book-ticket~~ pack-ticket number identifying a specific ticket; and

(17) "Validation number," the unique ~~48-digit number~~ characters covered with latex on the front of a ticket.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990; 18 SDR 117, effective January 12, 1992; 20 SDR 166, effective April 12, 1994; 36 SDR 215, effective July 1, 2010.

General Authority: SDCL 42-7A-21.

Law Implemented: SDCL 42-7A-21

CHAPTER 48:01:02

INSTANT LOTTERY RETAILERS

Section

48:01:02:01	Retailer's license application and renewal -- Fee.
48:01:02:02	Sales by lottery directly.
48:01:02:03 to 48:01:02:05	Repealed.
48:01:02:05.01	Notification of change of address or ownership interest.
48:01:02:06	Criteria for suspension or cancellation of retailer's contract.
48:01:02:07	Hearing on suspension or cancellation of retailer's contract.
48:01:02:08	Ticket sales prohibited after contract ended -- Final accounting.
48:01:02:09	Display of promotional material -- Seasonal retailers <u>Repealed</u> .
48:01:02:10	Inspections.

48:01:02:06. Criteria for suspension or cancellation of retailer's contract. The executive director may suspend or cancel a retailer's contract for any one or more of the following reasons:

- (1) If the retailer's application for a contract contains false or misleading information;
- (2) If the retailer violates any of the provisions of SDCL 42-7A or this article;
- (3) If the retailer's business address is changed without notifying the lottery;
- (4) If the retailer does not display lottery point-of-sale material in a manner which is readily seen by and available to the public;
- (5) If the retailer does not make the purchase of tickets convenient and readily accessible to the public;
- (6) If the retailer fails to meet minimum sales goals established by this lottery;
- (7) ~~If the retailer fails to sell the required number of \$1 and \$2 games concurrently;~~
- ~~(8)~~ If the retailer fails to display instant tickets in dispensers as provided by the lottery;
- ~~(9)~~ (8) If the retailer fails to pay all winning tickets of \$100 or less;
- ~~(10)~~ (9) If a statement, representation, warranty, or certification made or furnished by the retailer to the lottery is determined by the lottery to be false, incorrect, or incomplete;
- ~~(11)~~ (10) If the retailer fails to participate in the automated instant ticket validation program;
- ~~(12)~~ (11) If the retailer fails to make timely payment of billings for instant tickets;
- ~~(13)~~ (12) If the retailer is unable or unwilling to pay its debts or is adjudged bankrupt; or

(14) (13) If the retailer, any one of its stockholders holding five percent or more of any class of its stock or securities, a director, officer, managerial employee, or other person directly or indirectly controlling or operating the retailer's business is indicted for, charged with, or convicted of a felony or any crime involving moral turpitude or gambling or is the subject of any order, judgment, or decree of any federal or state authority barring, suspending, revoking, or otherwise limiting the right of the retailer or individual to engage in any business, practice or activity.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990; 20 SDR 166, effective April 12, 1994.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 42-7A-4, 42-7A-14 to 42-7A-16, 42-7A-21.

48:01:02:07. Hearing on suspension or cancellation of retailer's contract. A hearing regarding the proposed suspension or cancellation of a retailer's contract shall be conducted by the ~~executive director~~ commission in accordance with the contested case provisions of SDCL 1-26. If requested by the retailer, the hearing shall be accelerated when further delivery of tickets has been withheld by the executive director.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 1-26, 42-7A-4, 42-7A-21.

48:01:02:08. Ticket sales prohibited after contract ended -- Final accounting. No sales may be made by a retailer from the date of receipt of a notice of suspension or cancellation of the contract. ~~The retailer shall appear before the executive director on a date designated by the executive director for the purpose of rendering a final lottery accounting and surrendering its lottery contract and certificate together with all lottery property.~~

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 42-7A-4, 42-7A-21.

48:01:02:09. Display of promotional material -- Seasonal retailers. ~~Each retailer shall prominently display and maintain in an area visible to the general public promotional material supplied by the lottery. Seasonal retailers shall prominently display and maintain a notice giving the last day of sales at that location and stating where winning tickets may be claimed after that date~~ Repealed.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 42-7A-4, 42-7A-21.

CHAPTER 48:01:03
INSTANT LOTTERY TICKETS

Section

- 48:01:03:01 Ticket distribution.
- 48:01:03:02 Ticket sales price.
- 48:01:03:03 Tickets to be sold in ~~book~~ pack order.
- 48:01:03:04 Payment of bill for lottery tickets.
- 48:01:03:05 Ticket commission.
- 48:01:03:06 Incentive programs.
- 48:01:03:07 Purchase of ticket is compliance agreement.
- 48:01:03:08 Ticket sales final.
- 48:01:03:09 Ticket exchange prohibited.
- 48:01:03:10 Unaccounted tickets.
- 48:01:03:11 Lost or stolen tickets.

48:01:03:03. Tickets to be sold in ~~book~~ pack order. Retailers shall sell tickets in ~~book~~ pack order.

Source: 14 SDR 53, effective October 11, 1987.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 42-7A-4, 42-7A-21.

CHAPTER 48:01:04
INSTANT LOTTERY GAMES

Section

- 48:01:04:01 Types of instant games and selection of winning tickets.
- 48:01:04:02 Publication of printed promotional material.
- 48:01:04:03 Unplayable portions of tickets.
- 48:01:04:04 Ticket play to be by chance.
- 48:01:04:05 Ticket validation requirements.
- 48:01:04:06 Replacement of invalid or defective ticket.
- 48:01:04:07 Deadline for claiming prizes.
- 48:01:04:08 Entry in instant game drawing process.
- 48:01:04:09 Procedure for instant game drawings.
- 48:01:04:10 Highest instant prize to be paid.
- 48:01:04:11 Procedure for claiming prize of \$100 or less.
- 48:01:04:12 Procedure for claiming prize of more than \$100 -- Noncash prizes.
- 48:01:04:13 Acceleration of payment prohibited.
- 48:01:04:14 Replacement of disputed ticket.
- 48:01:04:15 Ownership of ticket -- Payment of prize.
- 48:01:04:16 Prizes claimed in error.
- 48:01:04:16.01 Disclosure of winner.
- 48:01:04:17 End of game.

48:01:04:02. Publication of printed promotional material. The executive director shall publish printed promotional material or have printed on the ticket for each instant game information which includes the following:

- (1) The number of play ~~spots~~ areas;
- (2) The number and type of play symbols and play symbol captions;
- (3) The method of determining winning tickets;
- (4) The types of prizes;
- (5) The odds of winning; and
- (6) The method of redeeming winning prizes.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-8, 42-7A-21.

Law Implemented: SDCL 42-7A-8, 42-7A-21.

48:01:04:03. Unplayable portions of ticket. ~~No portion of the display printing or any extraneous matter whatever is usable or playable as a part of a ticket~~ Any portion of a ticket which contains extraneous matter that is not part of the ticket's design or any flaw which renders the ticket unreadable is considered to be unplayable.

Source: 14 SDR 53, effective October 11, 1987.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 42-7A-4, 42-7A-21.

48:01:04:05. Ticket validation requirements. To be a valid ticket, all requirements unique to a particular instant game and all of the following requirements must be met:

- (1) Play symbols, play symbol captions, the retailer validation code, and the validation number must be printed on the ticket in gray-black ink;
- (2) The ~~book-ticket~~ pack-ticket number must be printed on the ticket;
- (3) Only one play symbol may appear under each play ~~spot~~ area;
- (4) Only one play symbol caption may appear under each play ~~spot~~ area and beneath each play symbol;
- (5) Only one validation number may appear on the front of each ticket;
- (6) Exactly one play symbol must appear under each of the play ~~spots~~ areas on the front of the ticket;
- (7) Each of the play symbols must have a play symbol caption underneath, and each play symbol must agree with its play symbol caption;
- (8) Each of the play symbols must be present in its entirety and be fully legible;
- (9) Each of the play symbol captions must be present in its ~~entirety~~ entirety and be fully legible;
- (10) The ticket must be intact;
- (11) The ~~book-ticket~~ pack-ticket number, retailer validation code, bar code, and validation number must correspond to the lottery's codes and all validation requirements for determining a winning ticket;
- (12) The ticket must not have a hole punched through the play area or be mutilated, altered, unreadable, reconstituted, or tampered with in any manner;
- (13) The ticket must not be counterfeit in whole or in part;
- (14) The ticket must have been issued by the lottery in a manner authorized by SDCL 42-7A and this title;

(15) The ticket must not be stolen or appear on any list of omitted tickets on file at the lottery;

(16) The play symbols, the play symbol captions, the retailer validation code, the ~~book-~~ticket pack-ticket number, and the validation number must be right-side-up and not reversed in any manner;

(17) The ticket must be complete and not miscut and must have ~~exactly one~~ the appropriate bar code codes, exactly one ~~book-~~ticket pack-ticket number, ~~exactly one~~ validation number, ~~exactly one~~ retailer validation code, and the specified number of play symbols, with confirming play symbol captions;

(18) The validation number of an apparent winning ticket must appear on the lottery's official list of validation numbers of winning tickets, and a ticket with that validation number shall not have been previously paid;

(19) The ticket must not be blank or partially blank, misregistered, defective, or printed or produced in error;

(20) Each of the play symbols and play symbol captions, the ~~book-~~ticket pack-ticket number, the retailer validation code, the ~~bar code~~ codes, and the validation number on the ticket must correspond precisely to the executed working papers corresponding to that instant game on file at the state lottery office;

(21) The display printing on the ticket must be regular in every respect and correspond precisely to the executed working papers corresponding to that instant game on file at the state lottery office; and

(22) The ticket must pass all additional confidential validation tests of the lottery.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990; 20 SDR 166, effective April 12, 1994.

General Authority: SDCL 42-7A-4, 42-7A-21.

Law Implemented: SDCL 42-7A-4, 42-7A-21.

48:01:04:06. Replacement of invalid or defective ticket. Any ticket not passing all the validation requirements unique to a particular instant game and those listed in § 48:01:04:03 is void and no prize may be paid. The executive director may, at the executive director's option, replace an invalid ticket with an unplayed ticket in that instant game or a ticket of equivalent sales price from any other current instant game. If a defective ticket is purchased, the only responsibility or liability of the lottery commission or executive director is the replacement of the defective ticket with another unplayed ticket in that instant game or a ticket of equivalent sales price from any other current instant game. This is the sole remedy of a player.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-21.

Law Implemented: SDCL 42-7A-21

48:01:04:09. Procedure for instant game drawings. Instant game drawing winners shall be randomly selected pursuant to the drawing procedures approved by the executive director, which shall include but not be limited to the following:

- (1) The time and place of the drawing;
- (2) The number of drawings and prizes awarded;
- (3) The form of entry;

- (4) The type of drawing equipment;
- (5) The appointment of a drawing manager and security official to examine, test, secure, and operate the drawing equipment;
- (6) The random selection of preliminary and final entries;
- (7) The appointment of a drawing auditor to oversee that all rules and drawing requirements are met;
- (8) ~~The setup and start of the video camera to tape~~ electronic recording of the drawings;
and
- (9) The written certification to the executive director of winning entries and drawing requirements.

Source: 14 SDR 53, effective October 11, 1987; 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-21.

Law Implemented: SDCL 42-7A-21

48:01:04:13. Acceleration of payment prohibited. The payment of prize money may not be accelerated before its normal date of payment ~~for any reason, including the death of the prize winner~~ except in the event of the death of a prize winner during the annuity payment period, the commission, in its sole discretion and upon the petition of the estate of the prize winner, may accelerate the payment of all remaining prize proceeds to the estate. If the commission approves the request, the securities or cash, or both, held for the deceased prize winner which represents the present value of the portion of the future prize payments to be accelerated shall be distributed

to the estate. The commission is solely responsible for the valuation of the securities and determination of the present value of the accelerated prize payment.

Source: 14 SDR 53, effective October 11, 1987.

General Authority: SDCL 42-7A-21.

Law Implemented: SDCL 42-7A-21

ARTICLE 48:02

VIDEO LOTTERY REQUIREMENTS

Chapter

48:02:01	General provisions.
48:02:02	Licensing qualifications.
48:02:03	Licensing of manufacturers, distributors, operators, and establishments.
48:02:04	Enforcement.
48:02:05	Duties of licensees.
48:02:06	Accounting.
48:02:07	General video lottery machine requirements.
48:02:08	Video lottery machine hardware and software requirements.
48:02:09	Transportation and registration of video lottery machines
48:02:10	Maintenance of video lottery machines.
48:02:11	Location of machines.
48:02:12	Payment of credits.

48:02:13 Video lottery machines on Indian reservations.

CHAPTER 48:02:08

VIDEO LOTTERY MACHINE HARDWARE AND SOFTWARE REQUIREMENTS

Section

48:02:08:01 Hardware specifications.

48:02:08:01.01 Associated equipment list for required purchase from manufacturer or distributor.

48:02:08:02 Software requirements for randomness testing.

48:02:08:03 Software requirements for percentage payout.

48:02:08:04 Software requirements for continuation of game after malfunction.

48:02:08:05 Software requirements for play transaction records.

48:02:08:06 Software requirements of video draw poker.

48:02:08:07 Software requirements for video keno.

48:02:08:08 Software requirements for video blackjack.

48:02:08:09 Software requirements for line-up games.

48:02:08:01. Hardware specifications. Each video lottery machine licensed for placement in the state must meet the following hardware specifications:

(1) Electrical and mechanical parts and design principles may not subject a player to physical hazards;

(2) A surge protector must be installed on the line that feeds power to the machine. The battery backup or an equivalent for the electronic meters must be capable of maintaining accuracy of all information required in SDCL 42-7A-37(5) and (6) for 180 days after power is discontinued from the machine. The backup device shall be kept within the locked logic board compartment;

(3) An on/off switch that controls the electrical current used in the operation of the machine and any associated equipment must be located in an accessible place within the interior of the machine;

(4) The operation of each machine must not be adversely affected by static discharge or other electromagnetic interference;

(5) An electronic or mechanical coin acceptor may be installed on any video lottery machine approved after July 1, 2003. Each video lottery machine approved after July 1, 2003, must contain a bill acceptor that accepts one-dollar bills, five-dollar bills, ten-dollar bills, ~~and~~ twenty-dollar bills, fifty-dollar bills, and one hundred-dollar bills. The bill acceptors may be for any single bill or combination of bills in the denominations listed in this subdivision. Approval letters and test reports of the coin and bill acceptors from other state or federal jurisdictions may be submitted. However, all coin and bill acceptors are subject to approval by the lottery;

(6) The internal space of a video lottery machine may not be readily accessible when the front door is both closed and sealed;

(7) Logic boards and software Eproms (computer chips that store memory) must be in a separate, locked area within the machine;

(8) The cash compartment must be contained in a locked area within or attached to the machine;

(9) No hardware switches may be installed that alter the pay tables or payout percentages in the operation of a game. Hardware switches may be installed to control graphic routines, speed of play, and sound;

(10) A single printing mechanism must be capable of printing an original ticket and retaining a legible copy within the machine or create an electronic copy on a self contained internal or external medium prior to the continuation of game play. The ticket must record the following information when credits accrued on the video lottery machine are redeemed for cash:

(a) The number of credits;

(b) Value of the credits in dollars and cents displayed in both numeric and written form; and

(c) Any other information required by SDCL 42-7A-37(5);

(11) An unremovable identification plate must appear on the exterior of the machine that contains the following information:

(a) Manufacturer;

(b) Serial number; and

(c) Model number;

(12) The rules of play for each game must be displayed on the machine face or screen. The lottery may reject the rules if they are incomplete, confusing, or misleading. Each game must also display the credits wagered and the credits awarded for the occurrence of each possible winning hand based on the number of credits wagered. A machine may not allow more than \$2 to be played on a game or award free games or credits in excess of the following amounts for each 25 cents wagered:

(a) \$25 for each 5 cents played;

(b) \$50 for each 10 cents played; and

(c) \$125 for each 25 cents played.

All information required by this subdivision must be kept under glass or another transparent substance and at no time may stickers or other removable devices be placed on the machine face;

(13) Equipment must be installed that enables the machine to communicate with the lottery's central computer system, as required in SDCL 42-7A-37(7), using a communications protocol provided to each licensed manufacturer by the lottery for the information and control programs approved by the commission;

(14) Instant tickets may be dispensed from a machine, provided the machine is submitted and approved by the lottery pursuant to § 48:02:08:02; and

(15) The legal age requirement in SDCL 42-7A-48 for a person to play a machine must be displayed on the machine face under glass or on an unremovable plate on the front exterior of the machine.

Source: 16 SDR 27, effective August 18, 1989; 17 SDR 51, effective October 8, 1990; 29 SDR 176, effective June 30, 2003; 37 SDR 215, effective May 31, 2011.

General Authority: SDCL 42-7A-1(16), 42-7A-21(10).

Law Implemented: SDCL 42-7A-21(10), 42-7A-37, 42-7A-38.

ARTICLE 48:03

ON-LINE LOTTERY REQUIREMENTS

Chapter

48:03:01 General provisions.

48:03:02	Sale and distribution of on-line tickets.
48:03:03	On-line ticket payment and validation.
48:03:04	On-line drawings.
48:03:05	On-line ticket sales on Indian reservations.
48:03:06	Powerball game.
48:03:07	Dakota Cash game.
48:03:08	Tri-West Lotto game, <u>Repealed</u> .
48:03:09	Daily Millions game, <u>Repealed</u> .
48:03:10	Wild Card game.
48:03:11	Cash 4 Life game, <u>Repealed</u> .
48:03:12	Rolldown game, <u>Repealed</u> .
48:03:13	Hot Lotto game.
48:03:14	Raffle game.
48:03:05	Mega Millions game.

CHAPTER 48:03:01

GENERAL PROVISIONS

Section

48:03:01:01 Definitions.

48:03:01:01. Definitions. Terms used in this article are defined as follows:

(1) "AC power," alternating current electricity;

(2) "Central computer system," a computer system designed to control, monitor, communicate with on-line terminals, and record the plays processed by the on-line terminals;

(2A) "Chain," a group of two or more retail establishments that are owned, leased, or otherwise controlled by one person or entity;

~~(3) "Clerk-activated terminal," an on-line terminal that is operated by an on-line retailer;~~

~~(4) "Drawing," the formal process of selecting winning numbers or symbols that determine the number of winners for each prize level of the game;~~

~~(5)~~ (4) "On-line game," a lottery game authorized by the commission in which a player ~~may selects~~ selects a combination of numbers or symbols, the type of game, amount of play, and the drawing date by use of an on-line terminal that is in direct communication with a central computer system;

~~(6)~~ (5) "On-line retailer," a person or entity authorized by the lottery to sell on-line tickets;

~~(7)~~ (6) "On-line terminal," a device authorized by the lottery to function in an on-line, interactive mode with the lottery's central computer system for the purpose of issuing and validating on-line tickets; entering, receiving, and processing lottery transactions; and transmitting reports;

~~(8)~~ (7) "On-line ticket" or "ticket," a computer-generated ticket issued by an on-line terminal to a player as a receipt for the combination of numbers or symbols the player has selected;

~~(9)~~ (8) "Player-activated terminal," an on-line terminal that is located on the business premises of an on-line retailer and that is operated by a player;

~~(10)~~ (9) "Quick pick" or "computer pick," the random selection of numbers or symbols by the on-line terminal issued on a ticket and used by a player in an on-line game;

~~(11)~~ (10) "Ticket bearer," the person who has signed the on-line ticket or who has possession of an unsigned on-line ticket;

~~(12)~~ (11) "Validation" or "validate," the process of determining whether a ticket presented for a prize is a winning ticket;

~~(13)~~ (12) "Winning combination" or "winning numbers," one or more numbers of symbols randomly selected by the lottery in a public drawing to determine winning plays.

Source: 17 SDR 51, effective October 8, 1990; 18 SDR 173, effective April 19, 1992; 36 SDR 215, effective July 1, 2010.

General Authority: SDCL 42-7A-21(1).

Law Implemented: SDCL 42-7A-1, 42-7A-4(4).

CHAPTER 48:03:02

SALE AND DISTRIBUTION OF ON-LINE TICKETS

Section

- 48:03:02:01 Sale of on-line tickets.
- 48:03:02:02 Selection of on-line retailers.
- 48:03:02:03 Repealed.
- 48:03:02:04 On-line retailer's duties.
- 48:03:02:05 Suspension or revocation of license.
- 48:03:02:06 Imposition of civil fines.
- 48:03:02:07 Hearing on suspension or revocation of license and imposition of civil fines.
- 48:03:02:08 Scheduling of hearings.
- 48:03:02:09 On-line retailer commissions.

48:03:02:10 Incentive commissions.

48:03:02:11 Collection of on-line game sales and settlement.

48:03:02:04. On-line retailer's duties. Specific duties of an on-line retailer are as follows:

(1) Pay all costs associated with providing a regular use telephone located near the terminal to allow use of both the telephone and the terminal for operation assistance;

(2) Provide dedicated AC power to within approximately five feet of the terminal. Dedicated AC power means that there is no other equipment on the line except the on-line terminal. The retailer is responsible for all costs associated with providing the dedicated AC power;

(3) Provide space for the operation of the on-line terminal at a location approved by the lottery. An on-line retailer may not move an on-line terminal without permission of the lottery and shall reimburse the lottery for any telephone charges associated with the change of location, unless the change was required by the lottery;

(4) Conduct and promote the sale of on-line tickets authorized in this article during all of the retailer's business hours in which the on-line system is functioning;

(5) Maintain on-line ticket sales levels as established by the lottery;

(6) Promote and sell instant game tickets;

(7) Be financially responsible and personally liable to the lottery for all revenues derived from the sale of lottery tickets and all tickets cashed that are presented to the lottery for payment;

(8) Post winning numbers prominently where tickets are sold as soon as possible following the drawing;

- (9) ~~Return all paid on-line tickets to the lottery in weekly settlement packages;~~
- (10) Prominently post point-of-sale materials, exterior signs, displays, and promotional and informational materials supplied by the lottery;
- (11) ~~(10)~~ Attend all training sessions and notify the lottery of new employees who need training for the operation of on-line terminals;
- (12) ~~(11)~~ Exercise diligence in the operation and care of the on-line terminal and immediately notify the lottery call center ~~by telephone~~ of any on-line terminal malfunction;
- (13) ~~(12)~~ Provide secure areas for the storage of terminal supplies and placement;
- (14) ~~(13)~~ Be personally liable for any loss or damage to the on-line terminal;
- (15) ~~(14)~~ Permit a representative of the lottery to conduct on-site inspections of lottery property and on-line ticket sales accounting records during the retailer's normal hours of operation;
- (16) ~~(15)~~ Permit the removal of lottery property by a representative of the lottery during the retailer's normal hours of operation;
- (17) ~~(16)~~ Provide for the cashing of on-line tickets and pay all claims in cash or business check up to a maximum of \$100, regardless of where the winning on-line lottery ticket was purchased;
- (18) ~~(17)~~ Replace ~~ribbons and~~ ticket stock as required in the on-line terminal;
- (19) ~~(18)~~ Perform no mechanical or electrical maintenance on the on-line terminal;
- (20) ~~(19)~~ Notify the lottery in writing of a change of address or a change of ownership interest in the business at least ~~60~~ 30 days before the change. On-line tickets may not be sold at a location other than the address listed on the on-line retailer's license;

~~(21)~~ (20) Notify the lottery in writing 14 days in advance of a change of the bank account maintained for the deposit of on-line revenues pursuant to § 48:03:02:11;

~~(22)~~ (21) Prominently display the on-line retailer license in the area of the on-line terminal so that it is clearly visible to the public; and

~~(23)~~ (22) Monitor the sale of lottery tickets to ensure no person under 18 years of age purchases a ticket.

Source: 17 SDR 51, effective October 8, 1990; 30 SDR 52, effective October 28, 2003.

General Authority: SDCL 42-7A-21(3)(13)(14)(17).

Law Implemented: SDCL 42-7A-8(9), 42-7A-10, 42-7A-11, 42-7A-12, 42-7A-21(13)(17), 42-7A-32.

48:03:02:09. On-line retailer commissions. A commission of five percent shall be paid for each on-line ticket sold by the on-line retailer from a ~~clerk-activated~~ an on-line terminal. ~~A commission of three percent shall be paid for each on-line ticket sold from a player-activated on-line terminal.~~

Source: 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-21(8).

Law Implemented: SDCL 42-7A-21(8).

CHAPTER 48:03:03

ON-LINE TICKET PAYMENT AND VALIDATION

Section

- 48:03:03:01 Ticket ownership and prize entitlements.
- 48:03:03:02 Ticket validation requirements.
- 48:03:03:03 Remedy for disputed or defective ticket.
- 48:03:03:04 Prize claiming procedures.
- 48:03:03:05 Disclosure of winner.
- 48:03:03:06 Unclaimed prizes.
- 48:03:03:07 Prize payment to winner's estate.

48:03:03:04. Prize claiming procedures. Prizes for validated, winning on-line tickets must be claimed in the following manner:

(1) To claim an on-line game prize of \$100 or less, the claimant may present the winning on-line ticket to any on-line retailer, to any lottery regional office, or to the main office of the lottery in Pierre in person. A claim, regardless of the amount, may also be presented to the lottery by mailing the ticket together with a completed claim form to the main lottery office in Pierre;

(2) If the claim is presented to an on-line retailer, the on-line retailer shall validate the claim and, if the ticket is determined to be a winning ticket, make payment of the amount due the claimant. For prizes over \$100, the claimant shall complete a claim form obtained from the retailer and submit it with the winning ticket. If the on-line retailer cannot validate the claim, the claimant may obtain and complete a claim form and submit it with the disputed ticket to the lottery by mail or in person. If the ticket is determined to be a winning ticket, the lottery shall present or mail a check to the claimant in payment of the amount due. If the ticket is determined not to be a winning ticket, the claim shall be denied and the claimant shall be promptly notified. Nonwinning tickets will not be returned to the claimant;

(3) If the claim is presented to a lottery regional office or to the lottery main office, the claimant shall complete a claim form for prizes over \$100 and submit it with the winning ticket in person. If the ticket is determined to be a winning ticket, the lottery shall present or mail a check to the claimant in payment of the amount due, less any withholding required by federal laws or the provisions of SDCL 42-7A-52. If the ticket is determined not to be a winning ticket, the claim shall be denied and the claimant shall be promptly notified. Nonwinning tickets will not be returned to the claimant;

(4) To claim an on-line prize of more than \$100, the claimant shall obtain and complete a claim form and submit it with the winning ticket to a lottery regional office or to the lottery main office in Pierre. ~~Prize amounts~~ However, for the largest prize category of an on-line game the lottery may only require the prize be claimed and paid from the lottery main office in Pierre. Upon determination that the ticket is a winning ticket, the lottery shall process for payment the amount due, less any withholding required by federal laws or the provisions of SDCL 42-7A-52. The amount due shall be calculated according to the rules adopted for the particular on-line game. If the ticket is determined not to be a winning ticket, the claim shall be denied and the claimant shall be promptly notified. Nonwinning tickets will not be returned to the claimant.

Source: 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-21(3).

Law Implemented: SDCL 42-7A-23, 42-7A-34.

Cross-Reference: Powerball game rules, § 48:03:06:05.

CHAPTER 48:03:04

ON-LINE DRAWINGS

Section

- 48:03:04:01 Location, time, and dates of drawings.
- 48:03:04:02 Designation of drawing officials -- Drawing procedures.
- 48:03:04:03 Designation of drawing equipment.
- 48:03:04:04 Postponed or void drawings.
- 48:03:04:05 Broadcasts of drawings.
- 48:03:04:06 Grounds for delaying payment.

48:03:04:01. Location, time, and dates of drawings. The executive director shall designate the location, dates, and times of drawings for on-line lottery games and shall announce them to the public. For each type of on-line game, the executive director shall establish a time prior to the drawing for the end of sales. Drawings for on-line games shall be open to the public and recorded ~~on both video and audio tape~~ electronically.

Source: 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-21(2), 42-7A-21(4), 42-7A-21(5).

Law Implemented: SDCL 42-7A-21(2), 42-7A-21(4), 42-7A-21(5).

48:03:04:02. Designation of drawing officials -- Drawing procedures. The executive director shall designate a drawing manager, security officer, and auditor who shall oversee each drawing. The winning on-line number shall be selected by a random drawing. Each drawing shall be conducted in a manner that ensures complete integrity of the drawing process. The drawing

officials shall conduct and monitor each drawing in accordance with established drawing procedures that include the following:

- (1) The designated location, time, and day of the drawing;
- (2) The testing and certification of all drawing and associated equipment. Tests shall be conducted before and after each drawing to assure proper equipment operation and no tampering or fraud;
- (3) The recording, sealing, and locking of all drawing and associated equipment used for each drawing;
- (4) The manner of starting the drawing;
- (5) The recording of winning numbers;
- (6) ~~The taping~~ Electronic recording of each pretest, live drawing, and post-test;
- (7) The review and balance of final on-line ticket sales to certify the grand prize drawing amount; and
- (8) The written certification to the executive director that the drawing was conducted in accordance with all drawing procedures and rules.

Source: 17 SDR 51, effective October 8, 1990; 19 SDR 148, effective April 4, 1993.

General Authority: SDCL 42-7A-4(1) to 42-7A-4(3), 42-7A-21(2).

Law Implemented: SDCL 42-7A-21(2).

48:03:04:04. Postponed or void drawings. The executive director may postpone or void a drawing and authorize redrawings for any of the following reasons:

- (1) Malfunction of the drawing equipment before the winning combination is determined;
- (2) ~~Video or audio~~ Electronic recording malfunctions during the drawing;

- (3) Fouled drawing;
- (4) Delayed drawing;
- (5) Other equipment, facility, or personnel difficulties; and
- (6) Potential or actual security breaches.

Source: 17 SDR 51, effective October 8, 1990.

General Authority: SDCL 42-7A-21(2), 42-7A-21(4).

Law Implemented: SDCL 42-7A-21(2), 42-7A-21(4).

48:03:04:05. Broadcasts of drawings. All drawings may be broadcast live on television if the facilities for such broadcasts are available ~~and operational and the broadcasts can be done at a reasonable cost.~~ If a drawing is voided or postponed and a redrawing is authorized, the drawing must be completed under lottery supervision. The winning combination shall be provided to the television network for dissemination to the public.

If, during any live broadcast of the drawing an equipment malfunction or operator error causes an interruption in the selection of numbers or symbols, the auditor shall call a foul. Any numbers displayed or drawn for which a foul is called are void and no prize payments may be awarded. Any numbers drawn may not be declared winning numbers until the drawing is certified by the lottery. Only numbers drawn in a drawing certified by the lottery are considered the actual winning numbers on which prizes will be paid.

Source: 17 SDR 51, effective October 8, 1990; 19 SDR 148, effective April 4, 1993.

General Authority: SDCL 42-7A-21(2), 42-7A-21(4).

Law Implemented: SDCL 42-7A-21(2), 42-7A-21(4).

CHAPTER 48:03:08

TRI-WEST LOTTO GAME

(Repealed)

Section

~~48:03:08:01 — Participation in Tri West Lotto authorized.~~

~~48:03:08:02 — Purchase of Tri West Lotto tickets.~~

~~48:03:08:03 — Tri West Lotto game rules.~~

~~**48:03:08:01. Participation in Tri West Lotto authorized.** The lottery may participate in the Tri West Lotto game operated by the Tri West Group.~~

~~**Source:** 20 SDR 143, effective February 16, 1994; 24 SDR 31, effective September 17, 1997.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**Note:** The Tri West Group is a division of the Multi-State Lottery Association, 1200 35th Street, Suite 701, West Des Moines, Iowa 50266-1908.~~

~~**48:03:08:02. Purchase of Tri West Lotto tickets.** A player may purchase a Tri West Lotto ticket for up to nine future drawing dates.~~

~~**Source:** 20 SDR 143, effective February 16, 1994.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

Law Implemented: ~~SDCL 42-7A-4(13).~~

~~**48:03:08:03. Tri-West Lotto game rules.** Rules 26 to 34, inclusive, of the Tri-West Group's Tri-West Lotto game rules as published in "Tri-West Lotto Game Rules," adopted June 6, 1997, are the rules of the lottery for the Tri-West Lotto game.~~

~~**Source:** 20 SDR 143, effective February 16, 1994; 21 SDR 129, effective February 2, 1995; 24 SDR 31, effective September 17, 1997.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**Reference:** Rules 26 to 34, inclusive, "Tri-West Lotto Game Rules," adopted June 6, 1997, Tri-West Group. Copies of Rules 26 to 34, inclusive, may be obtained from the South Dakota Lottery, 207 East Capitol Avenue, Pierre, South Dakota 57501, at no cost.~~

CHAPTER 48:03:09

DAILY MILLIONS GAME

(Repealed)

Section

~~48:03:09:01 — Participation in Daily Millions game authorized.~~

~~48:03:09:02 — Purchase of Daily Millions game tickets.~~

~~48:03:09:03 — Daily Millions game rules.~~

~~**48:03:09:01. Participation in Daily Millions game authorized.** The lottery may participate in the Daily Millions game operated by the Multi-State Lottery Association.~~

~~**Source:** 23 SDR 20, effective August 14, 1996.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**48:03:09:02. Purchase of Daily Millions game tickets.** A player may purchase a Daily Millions game ticket for up to nine future drawing dates.~~

~~**Source:** 23 SDR 20, effective August 14, 1996.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**48:03:09:03. Daily Millions game rules.** Rules 26 to 34, inclusive, of the Multi State Lottery Association's Daily Millions game rules as published in "Daily Millions Game Rules," adopted June 7, 1996, are the rules of the lottery for the Daily Millions game.~~

~~**Source:** 23 SDR 20, effective August 14, 1996.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**Reference:** Rules 26 to 34, inclusive, "Daily Millions Game Rules," adopted June 7, 1996, Multi State Lottery Association. Copies of rules 26 to 34, inclusive, may be obtained from the South Dakota Lottery, 207 East Capitol Avenue, Pierre, SD 57501, at no cost.~~

CHAPTER 48:03:10

WILD CARD GAME

Section

48:03:10:01 Participation in Wild Card game authorized.

48:03:10:02 Purchase of Wild Card game tickets.

48:03:10:03 Wild Card game rules.

48:03:10:03. Wild Card game rules. Rules 26 to 34, inclusive, of the Wild Card Group's Wild Card game rules as published in "Wild Card Game Rules," adopted ~~January 25, 1999~~ June 11, 2012, and effective for draws beginning January 13, 2013, are the rules of the lottery for the Wild Card game.

Source: 24 SDR 56, effective December 14, 1997; 25 SDR 4, effective July 26, 1998; 25 SDR 135, effective May 12, 1999.

General Authority: SDCL 42-7A-21(1).

Law Implemented: SDCL 42-7A-4(13).

Reference: Rules 26 to 34, inclusive, "Wild Card Game Rules," adopted ~~January 25, 1999~~ June 11, 2012, and effective for draws beginning January 13, 2013 are the rules for the Wild Card Group, a division of the Multi-State Lottery Association. Copies of rules 26 to 34, inclusive, may be obtained at no cost from the South Dakota Lottery, ~~207 East Capitol Avenue, Suite 200~~ PO Box 7107, Pierre, South Dakota 57501.

CHAPTER 48:03:11

CASH 4 LIFE GAME

(Repealed)

Section

~~48:03:11:01 — Participation in Cash 4 Life game authorized.~~

~~48:03:11:02 — Purchase of Cash 4 Life game tickets.~~

~~48:03:11:03 — Cash 4 Life game rules.~~

~~**48:03:11:01. Participation in Cash 4 Life game authorized.** The lottery may participate in the Cash 4 Life game operated by the Cash 4 Life Group.~~

~~**Source:** 24 SDR 119, effective March 30, 1998.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**Note:** The Cash 4 Life Group is a division of the Multi-State Lottery Association, 1200 35th Street, Suite 701, West Des Moines, Iowa 50266-1908.~~

~~**48:03:11:02. Purchase of Cash 4 Life game tickets.** A player may purchase a Cash 4 Life ticket for up to nine future drawing dates.~~

~~**Source:** 24 SDR 119, effective March 30, 1998.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**48:03:11:03. Cash 4 Life game rules.** Rules 26 to 34, inclusive, of the Cash 4 Life Group's Cash 4 Life game rules as published in "Cash 4 Life Game Rules," adopted March 13, 1998, are the rules of the lottery for the Cash 4 Life game.~~

~~Source: 24 SDR 119, effective March 30, 1998; 24 SDR 4, effective July 26, 1998.~~

~~General Authority: SDCL 42-7A-21(1).~~

~~Law Implemented: SDCL 42-7A-4(13).~~

~~Reference: Rules 26 to 34, inclusive, "Cash 4 Life Game Rules," adopted March 13, 1998.~~

~~Cash 4 Life Group, a division of the Multi-State Lottery Association. Copies of rules 26 to 34, inclusive, may be obtained at no cost from the South Dakota Lottery, 207 East Capitol Avenue, Suite 200, Pierre, South Dakota 57501.~~

CHAPTER 48:03:12

ROLLDOWN GAME

(Repealed)

Section

~~48:03:12:01 — Participation in Rolldown game authorized.~~

~~48:03:12:02 — Purchase of Rolldown game tickets.~~

~~48:03:12:03 — Rolldown game rules.~~

~~**48:03:12:01. Participation in Rolldown game authorized.** The lottery may participate in the Rolldown game operated by the Rolldown Group.~~

~~Source: 26 SDR 174, effective July 2, 2000.~~

~~General Authority: SDCL 42-7A-21(1).~~

~~Law Implemented: SDCL 42-7A-4(13).~~

~~**Note:** The Rolldown Group is a division of the Multi State Lottery Association, 1701 48th Street, Suite 210, West Des Moines, Iowa 50266-6723.~~

~~**48:03:12:02. Purchase of Rolldown game tickets.** A player may purchase a Rolldown ticket for up to nine future drawing dates.~~

~~**Source:** 26 SDR 174, effective July 2, 2000.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**48:03:12:03. Rolldown game rules.** Rules 26 to 34, inclusive, of the Rolldown Group's Rolldown game rules as published in "Rolldown Game Rules," adopted April 18, 2000, are the rules of the lottery for the Rolldown game.~~

~~**Source:** 26 SDR 174, effective July 2, 2000.~~

~~**General Authority:** SDCL 42-7A-21(1).~~

~~**Law Implemented:** SDCL 42-7A-4(13).~~

~~**Reference:** Rules 26 to 34, inclusive, "Rolldown Game Rules," adopted April 18, 2000, by the Rolldown Group, a division of the Multi State Lottery Association. Copies of rules 26 to 34, inclusive, may be obtained at no cost from the South Dakota Lottery, 207 East Capitol Avenue, Suite 200, Pierre, South Dakota 57501.~~

CHAPTER 48:03:14

RAFFLE GAME

Section

- 48:03:14:01 Raffle game authorized.
- 48:03:14:02 Game description.
- 48:03:14:03 Prize pool.
- 48:03:14:04 Play purchases.
- 48:03:14:05 Drawing.
- 48:03:14:06 Prize payment and validation.
- 48:03:14:07 Game parameters set and announced by commission.

48:03:14:04. Play purchases. Tickets must be sold in sequential order ~~A player may request a quick pick or select a specific number. A specific number shall be sold to the first requesting player. No player has any claim to a specific number beyond the first request. The player is solely responsible for verifying the accuracy of a game play. A raffle ticket may not be voided or cancelled. The on line retailer and lottery are not responsible or liable for any mismatch of numbers selected by the player and those appearing on the ticket.~~

Source: 34 SDR 67, effective September 11, 2007.

General Authority: SDCL 42-7A-21(6).

Law Implemented: SDCL 42-7A-21(6).

48:03:14:05. Drawing. The winning numbers shall be randomly selected at a drawing ~~performed~~ performed in accordance with chapter 48:03:04. The prizes shall be drawn beginning with the top prize and in descending order through to the lowest prize tier.

Source: 34 SDR 67, effective September 11, 2007.

General Authority: SDCL 42-7A-21(2),(4).

Law Implemented: SDCL 42-7A-21(2), (4).