



SOUTH DAKOTA COMMISSION ON GAMING

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August 10, 2022

Dear Licensee;

The attached rules were adopted by the Commission on Gaming at their June 22, 2022, meeting and became effective August 9, 2022. These rules are printed on white paper should be placed in your rule books dated December 8, 2021.

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If you have any questions, please contact us at the number listed above.

Cordially,

Mark Heltzel
Deputy Exec. Secretary

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 1-26-15, 42-7B-7.

20:18:04:03. Number of copies of petition. A person filing a petition for declaratory ruling must file an original with the executive secretary.

Source: 16 SDR 57, effective October 1, 1989; 23 SDR 126, effective February 13, 1997.

General Authority: SDCL 42-7B-7, 42-7B-11.

Law Implemented: SDCL 1-26-15, 42-7B-7.

CHAPTER 20:18:05

PROMULGATION OF RULES

(Repealed. 22 SDR 95, effective January 18, 1996)

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-18, 42-7B-19, 42-7B-20, 42-7B-21, 42-7B-22, 42-7B-24, 42-7B-25, 42-7B-26, 42-7B-27.

20:18:06:10. Reapplication required if license not received in one year. An applicant for a license who has been found suitable for licensing and has not received a license within one year from the date of approval must resubmit an application for licensure.

Source: 19 SDR 21, effective August 20, 1992; 22 SDR 95, effective January 18, 1996.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-2.1, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-22, 42-7B-22.1.

20:18:06:11. Reapplication required after license lapsed one year. A person who has not held an active license for a period of one year must resubmit an application for licensure.

Source: 19 SDR 21, effective August 20, 1992.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-2.1, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-22, 42-7B-22.1.

20:18:06:12. Application for approval of games. Any person seeking approval of a new game or a variation of a game of poker, blackjack, craps, roulette, keno or blackjack-poker combination shall submit an application on a form provided by the commission and pay the fee required by § 20:18:06:02. The application shall include information concerning the following:

- (1) Personal background information;
- (2) Proposed rules of the game;
- (3) Approval of the game in other jurisdictions; and
- (4) The name of the operator or tribal casino which will offer the game for play if approved.

Source: 41 SDR 218, effective July 1, 2015.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-7, 42-7B-11(13), 42-7B-21, 42-7B-22.

20:18:06:13. Licensees contact information. All licensees shall keep the commission updated of their contact information including the licensee's mailing address and phone number.

Source: 49 SDR 9, effective August 9, 2022.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-19, 42-7B-21.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-24, 42-7B-25, 42-7B-32, 42-7B-33, 42-7B-34.

20:18:12:03. Notice. The executive secretary must deliver a notice of suspension personally or by mail to the licensee who has been suspended. The notice must state when the suspension will begin and end and must state the reasons for the suspension.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-24, 42-7B-25, 42-7B-32, 42-7B-33, 42-7B-34.

20:18:12:04. Complaint required. The executive secretary must serve upon the suspended licensee a formal commission complaint alleging a violation of this article and a notice of hearing within five days after the receipt of the suspension notice by the licensee. The complaint must be heard by the commission on an expedited basis as a contested case pursuant to SDCL 1-26.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-7, 42-7B-11, 42-7B-24, 42-7B-25, 42-7B-32, 42-7B-33, 42-7B-34.

Source: 16 SDR 57, effective October 1, 1989; 16 SDR 233, effective July 1, 1990; 18 SDR 9, effective July 23, 1991; transferred from § 20:18:21:03, 21 SDR 98, effective November 30, 1994; 22 SDR 189, effective July 11, 1996; 41 SDR 7, effective July 29, 2014; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-2.1, 42-7B-7.

20:18:12.01:02. Discovery of violations. A licensee must immediately notify the executive secretary of the discovery of a violation or of a suspected violation of SDCL 42-7B or this article.

Source: 16 SDR 57, effective October 1, 1989; transferred from § 20:18:21:05, 21 SDR 98, effective November 30, 1994.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-11, 42-7B-14, 42-7B-15.

20:18:12.01:03. Changing of games. Before substituting an authorized game with a different authorized game, a licensee must request and receive permission of the executive secretary.

Source: 16 SDR 57, effective October 1, 1989; transferred from § 20:18:21:06, 21 SDR 98, effective November 30, 1994.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-11, 42-7B-14, 42-7B-15.

20:18:12.01:04. Unauthorized games. A licensee may not permit the operation of any unauthorized games in a licensed retail establishment.

Source: 16 SDR 57, effective October 1, 1989; transferred from § 20:18:21:07, 21 SDR 98, effective November 30, 1994.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-11, 42-7B-14, 42-7B-15.

Cross-Reference: Authorized games, § 20:18:14:01.

20:18:12.01:05. Unlicensed games or devices. If a licensee desires to suspend a game from a licensed status, the licensee must provide advanced written notice to the executive secretary stating the type and number of games sought to be suspended and the initial date and duration of the proposed suspension. The licensee must thereafter physically remove the gaming device from an area exposed to the public.

A gaming device may remain in a public area while it is licensed if the licensee removes from the gaming device all detachable fixtures such as drop boxes, chip racks, and other similar removable items or covers any nondetachable chip rack and any chip rack space with a device

Source: 16 SDR 57, effective October 1, 1989; transferred from § 20:18:22:14, 21 SDR 98, effective November 30, 1994.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-4, 42-7B-5, 42-7B-7, 42-7B-9, 42-7B-11, 42-7B-17, 42-7B-28, 42-7B-29, 42-7B-30, 42-7B-41, 42-7B-43, 42-7B-45.

20:18:12.01:14. Minimum bankroll requirements. A licensee, including a manufacturer upon the prior approval by the executive secretary, must maintain cash or cash equivalents in an amount sufficient to protect the licensee's patrons against defaults in gaming debts owed by the licensee.

Each licensee shall maintain the minimum bankroll requirement according to the formula set forth at Article 20:18, Appendix A, § 535.5. The licensee is required to maintain at least 85 percent of the "immediate exposure" calculation in cash which shall be available to the cashier. If at any time the licensee's available cash or cash equivalents are less than the amount required by the "immediate exposure" calculation, the licensee must immediately notify the executive secretary of this deficiency. Once a month, the licensee must calculate and retain the documentation for the "thirty-day exposure" calculation. If the licensee shows a cash deficiency based on the "thirty-day exposure" calculation, the licensee must notify the executive secretary. Failure to maintain the minimum bankroll required by this section, or failure to notify the executive secretary of any deficiencies is an unsuitable method of operation and may result in disciplinary action including summary suspension of a license as set forth in chapter 20:18:12.

Source: 16 SDR 57, effective October 1, 1989; 18 SDR 9, effective July 23, 1991; transferred from § 20:18:22:15, 21 SDR 98, effective November 30, 1994; 29 SDR 147, effective May 6, 2003; 38 SDR 213, effective June 18, 2012; 39 SDR 168, effective April 22, 2013; 40 SDR 101, effective December 2, 2013.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-7, 42-7B-11(13).

Cross-Reference: Article 20:18, Appendix A, § 535.5.

20:18:12.01:15. Compliance with Gaming Internal Control and Revenue Reporting Manual. All licensees must comply with the Gaming Internal Control and Revenue Reporting Manual located in Appendix A at the end of this article unless an exemption or deviation is approved by the executive secretary.

Source: 19 SDR 21, effective August 20, 1992; transferred from § 20:18:21:24, 21 SDR 98, effective November 30, 1994.

General Authority: SDCL 42-7B-7, 42-7B-25.1.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-2.1, 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-11, 42-7B-14, 42-7B-15, 42-7B-17, 42-7B-25.1.

20:18:12.01:16. Premise monitoring required. If two or more buildings are adjacent, share a common or party wall, have interior access, and share a common operator or route operator, a

Law Implemented: SDCL 42-7B-1, 42-7B-7, 42-7B-11(13).

20:18:12.01:21. Training licensed dealers. A licensee who offers table games shall ensure that appropriate training has been given to licensed employees on the operation of each game. The licensee shall maintain a written log of all training provided each licensed employee for a period of three years. The training records must include the name of licensed employees who provided and received the training and the date, hours, and type of training received.

Source: 41 SDR 218, effective July 1, 2015.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-7, 42-7B-11(13).

20:18:12.01:22. Legal age to gamble - notification requirement. All licensed gaming establishments shall prominently display a sign at each entrance to a licensed establishment which notifies the public in a conspicuous manner that gaming patrons must be 21 years of age to gamble. All licensed gaming devices shall have a sign permanently affixed to the device notifying the public that gaming patrons must be 21 years of age to gamble.

Source: 44 SDR 151, effective April 30, 2018.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-35.

20:18:12.01:23. Age of participants. No licensee may allow any person under 21 years of age to gamble, loiter in the gaming area of a casino or be present at a gambling table, slot machine or other area in which gambling is conducted unless an exemption or deviation from this rule is approved by the executive secretary. Nothing shall prevent any person under 21 years of age from passing through a casino to nongaming areas.

Source: 44 SDR 151, effective April 30, 2018.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-35.

20:18:12.01:24. Patron protection information. A licensee shall provide patron protection information to individuals and patrons on demand. The patron protection information must include:

- (1) Information about potential risks associated with excessive wagering, and contract information for an organization based in South Dakota or the United States, approved by the commission, dedicated to helping people with potential gambling problems;
- (2) Notification that underage gambling is a criminal offense and that anyone who facilitates an individual under the age of twenty-one to place a gaming wager has committed a criminal offense and is prohibited from gambling;
- (3) A list of the available patron protection measures that can be invoked by the patron, such as self-exclusion and information on how to invoke those measures;
- (4) For patron accounts, mechanisms in place for patrons to detect unauthorized use;

All pays are TO 1

Cover All Bonus for use with Ultimate Texas Hold'em						
Highest Hand Rank	7 Total Hands	6 Total Hands	5 Total Hands	4 Total Hands	3 Total Hands	2 Total Hands
Royal Flush	70	80	100	125	150	200
Straight Flush	30	40	40	70	80	100
Four of a Kind	20	30	35	40	50	70
Full House	4	4	5	6	8	12

All pays are TO 1

Source: 44 SDR 65, effective October 16, 2017.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-4(18), 42-7B-7, 42-7B-15.

20:18:16:15.23. Variations of the play -- Dakota Duel Draw. Dakota Duel Draw must be played according to the following rules:

- (1) Dakota Duel Draw must be played on tables designated by the licensee for the play of Dakota Duel Draw. A single deck of cards must be used. The rank of hands in Dakota Duel Draw, from highest to lowest, is royal flush, straight flush, four of a kind, full house, flush, straight, three of a kind, two pair, pair, and high card;
- (2) Each player shall make at least one initial bet in the amount specified at the table by the retail licensee and shall place the bet in either the big 8 wagering area or the hand 2 ante wagering area, or both. A player places the big 8 wager to play for hand value only; a player places the hand 2 ante bet to play a hand ranking payout; and a player places the hand 1 play bet to play for hand ranking payout. A player places all bets if the player wants to play all ways;
- (3) Any dealer tip delivered as a wager may be placed on any one, or all, of the big 8, hand 2 ante, or hand 1 play, if the player has placed a personal wager on the same hand. If a player continues to play with a hand 1 play wager, the dealer's tip hand 2 ante may remain in play whether or not the player adds a hand 1 play wager for the dealer;
- (4) Immediately before play begins and after each round of play has been completed, the dealer shall shuffle the cards. Following shuffle and cut, the dealer shall deal one card to hand 2 community card and one card to hand 1 community card and one to each player, then a second card to hand 2 community card and hand 1 community card and one to each player, then a third card hand 2 community card and a third hand 1 community card, all cards are dealt face downward and one at a time in rotation among the community cards and the players cards;
- (5) An incorrect number of cards dealt to a player or to the community cards is always a misdeal. An exposed card is not a misdeal. If the dealer exposes a card, the dealer turns the card over and continues dealing;
- (6) Wagers are collected or paid in this order: pocket pair bonus, hand 1 play, hand 2 ante, and the big 8, if applicable;
- (7) Once a player looks at the player's two face down cards, the player has the option to fold and forfeit the hand 2 ante bet or place a bet equal to the hand 2 ante on the hand 1 play. If the player has made a big 8

55	4x	3x	3x	N/A	N/A	N/A
44	3x	3x	3x	N/A	N/A	N/A
33	3x	3x	3x	N/A	N/A	N/A
22	3x	3x	3x	N/A	N/A	N/A

(12) If a player has a big 8 bet and the player's hand contains a straight or better, the player wins. If the player's hand contains less than a straight the player loses. Players are paid according to the following big 8 payment schedule, which must be included as part of the table layout:

Hand	Paytable 1	Paytable 2	Paytable 3	Paytable 4	Paytable 5	Paytable 6	Paytable 7
Royal Flush	50 to 1	50 to 1	50 to 1	50 to 1	80 to 1	150 to 1	150 to 1
Straight Flush	30 to 1	30 to 1	30 to 1	35 to 1	40 to 1	70 to 1	80 to 1
4 of a Kind	15 to 1	20 to 1	20 to 1	30 to 1	30 to 1	30 to 1	35 to 1
Full House	5 to 1	5 to 1	6 to 1	4 to 1	4 to 1	5 to 1	5 to 1
Flush	3 to 1	4 to 1	3 to 1	3 to 1	3 to 1	3 to 1	4 to 1
Straight	2 to 1	1 to 1	1 to 1	2 to 1	2 to 1	1 to 1	push

Source: 47 SDR 109, effective April 26, 2021; 48 SDR 61, effective December 8, 2021; 49 SDR 9, effective August 9, 2022.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-4(18), 42-7B-7, 42-7B-15.

20:18:16:16. Rake-offs. Rake-offs may not exceed 10 percent of all sums wagered in the hand. Rake-offs may only be pulled from the pot by the dealer in an obvious manner after each wager and call or at the completion of the hand. The rake-off must be placed and remain in a designated rake circle until a winner is declared and paid. The rake-off must then be dropped into the drop box. The designated rake circle must be clearly visible to all players.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-14, 42-7B-15.

20:18:16:17. Operation of the game. Play must proceed in a clockwise direction with each player's turn following the person on the player's immediate right.

Source: 16 SDR 57, effective October 1, 1989.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2, 42-7B-3, 42-7B-4, 42-7B-7, 42-7B-14, 42-7B-15.

20:18:16:18. Protection of hands. Repealed.

Source: 16 SDR 57, effective October 1, 1989; repealed, 18 SDR 9, effective July 23, 1991.

CHAPTER 20:18:29

SECURITY AND SURVEILLANCE

Section

20:18:29:01	Security and surveillance required.
20:18:29:02	Closed-circuit surveillance system.
20:18:29:03	Areas requiring surveillance during hours of operation.
20:18:29:03.01	Visual surveillance for tournament play.
20:18:29:04	Additional surveillance of cashier's cages, slot areas, and count rooms.
20:18:29:05	Slot machines with award capability of \$12,000 or greater.
20:18:29:06	Recording and monitoring.
20:18:29:07	Surveillance equipment malfunctions.
20:18:29:08	Securing and retaining recorded video images.
20:18:29:09	Repealed.
20:18:29:10	Number of recorders.
20:18:29:11	Surveillance plan.
20:18:29:12	Maintenance records.
20:18:29:13	Surveillance room.
20:18:29:14	Quality review of recorded surveillance video images.

20:18:29:01. Security and surveillance required. A licensee must provide a security and surveillance system that meets the standards in this chapter. The executive secretary may grant extensions of time to permit the licensee to comply with this chapter. The executive secretary or the commission may grant extensions of time upon a showing that appropriate equipment or time for installation of equipment is not available. The executive secretary or the commission may require the licensee to modify an existing system to comply with this chapter. The licensee must allow the executive secretary, the commission, or its agent free access to the system, premises, and signal at any time.

Source: 19 SDR 195, effective June 21, 1993.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2.1, 42-7B-3, 42-7B-7, 42-7B-11(2), 42-7B-17, 42-7B-18, 42-7B-32.

20:18:29:02. Closed-circuit surveillance system. A licensee must install, maintain, and operate a closed-circuit surveillance system of sufficient quality to produce clear video image and still picture reproduction. The quality of the picture and recordings must be approved by the commission, the executive secretary, or its agents. The system must include the following:

(1) Date and time generators that display the date and time of the recorded events on each video image recording. The displayed date and time may not obstruct the recorded view;

(2) Digital video recorders may be used provided they are approved by the executive secretary prior to installation. The recording must be downloadable, in the same format as it was originally recorded, to a storage

- (11) Live sports wagering windows, including customers at the window and cash drawers used to place or redeem tickets or vouchers from wagering on sporting events;
- (12) Kiosks used to redeem slot machine payout tickets, including a view capable of identifying the customer using the kiosk;
- (13) Kiosks used for placing wagers or redeeming tickets or vouchers from slot machines or wagering on sporting events, including a view capable of identifying the customer using the kiosk; and
- (14) A licensee shall install a closed-circuit system to surveil cashier cages, slot areas, and each slot machine which has an award of twelve thousand dollars or greater. The system must continuously record a clear, unobstructed view of the lights, handle, and play buttons of the device as well as the patrons. The video shall be clear enough to assist in determining game outcome.

Source: 19 SDR 195, effective June 21, 1993; 22 SDR 95, effective January 18, 1996; 35 SDR 184, effective February 2, 2009; 38 SDR 213, effective June 18, 2012; 41 SDR 218, effective July 1, 2015; 47 SDR 137, effective June 28, 2021; 49 SDR 9, effective August 9, 2022.

General Authority: SDCL [42-7B-7](#), [42-7B-11\(11\)](#).

Law Implemented: SDCL [42-7B-11\(2\)\(13\)](#), [42-7B-17](#).

20:18:29:03.01. Visual surveillance for tournament play. The executive secretary may approve a specific visual surveillance plan for blackjack and poker tables used in approved tournament play.

Source: 22 SDR 95, effective January 18, 1996.

General Authority: SDCL [42-7B-7](#).

Law Implemented: SDCL [42-7B-1](#), [42-7B-2.1](#), [42-7B-3](#), [42-7B-7](#), [42-7B-11](#), [42-7B-17](#), [42-7B-18](#).

Cross-Reference: Tournaments, ch 20:18:14.01.

20:18:29:04. Additional surveillance of cashier's cages, slot areas, and count rooms. Repealed.

Source: 19 SDR 195, effective June 21, 1993; 20 SDR 113, effective January 23, 1994; 23 SDR 227, effective July 1, 1997; 44 SDR 151, effective April 30, 2018; 49 SDR 9, effective August 9, 2022.

20:18:29:05. Slot machines with award capability of \$12,000 or greater. Transferred to § [20:18:29:03](#).

Source: 19 SDR 195, effective June 21, 1993; 34 SDR 200, effective January 29, 2008; 40 SDR 101, effective December 2, 2013; 43 SDR 131, effective April 17, 2017; 49 SDR 9, effective August 9, 2022.

20:18:29:06. Recording and monitoring. A licensee must maintain written records of all surveillance activities for a period of two years. Records must be maintained by licensed employees and stored in a secured area. The licensee and its employees must allow the executive secretary, the commission, or its agents access to the records for inspection at any time. Records must include the following information:

- (1) Date and time recording began and ended;
- (2) Name of employee initiating recording;
- (3) Summary of the results of monitored activity; and

General Authority: SDCL 42-7B-7, 42-7B-11(11).

Law Implemented: SDCL 42-7B-7, 42-7B-11(2)(13), 42-7B-17.

20:18:29:11. Surveillance plan. A licensee must submit a surveillance plan to the commission. The surveillance plan must include a floor plan that shows placement of all surveillance equipment in relation to the areas under surveillance and a detailed description of the system and equipment. The licensee may not modify the plan without the prior written approval of the executive secretary or a designee.

Source: 19 SDR 195, effective June 21, 1993; 21 SDR 89, effective November 30, 1994.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-1, 42-7B-2.1, 42-7B-3, 42-7B-7, 42-7B-11(2), 42-7B-17, 42-7B-18, 42-7B-32.

20:18:29:12. Maintenance records. A licensee must maintain a record of maintenance performed on all closed-circuit equipment for a period of two years. The records must be available for inspection by the executive secretary, the commission, or its agent.

Source: 19 SDR 195, effective June 21, 1993; 35 SDR 184, effective February 2, 2009.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-7, 42-7B-11(2)(11)(13).

20:18:29:13. Surveillance room. A licensee must provide a surveillance room approved by the executive secretary. The equipment that is used to monitor and record views obtained by the surveillance system must be located and remain in the surveillance room. Access to the surveillance room is restricted to licensed persons.

Source: 19 SDR 195, effective June 21, 1993; 22 SDR 95, effective January 18, 1996; 41 SDR 218, effective July 1, 2015.

General Authority: SDCL 42-7B-7.

Law Implemented: SDCL 42-7B-7, 42-7B-11(2)(11)(13).

20:18:29:13.01. Manned surveillance rooms. Any licensee that operates house banked table games with a bet limit in excess of five hundred dollars shall have a manned surveillance room operating when the house banked table games are open for play.

Source: 19 SDR 195, effective June 21, 1993; 22 SDR 95, effective January 18, 1996; 41 SDR 218, effective July 1, 2015; transferred from § 20:18:12.01:19, 49 SDR 9, effective August 9, 2022.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-7, 42-7B-11(2)(11)(13).

20:18:34:11. Inspection and security procedures. Prior to opening a roulette table for gaming activity, a licensed employee shall:

- (1) Inspect the roulette table and roulette wheel for any magnet or contrivance that would affect the fair operation of such wheel;
- (2) Inspect the roulette wheel to assure that it is level and rotating freely and evenly;
- (3) Inspect the roulette wheel to assure that all parts are secure and free from movement;
- (4) Inspect the roulette ball by passing it over a magnet or compass to assure its non-magnetic quality;
and
- (5) Confirm that the layout of the roulette wheel and signage agree.

If a licensee uses a roulette wheel that has external movable parts, any adjustments to the movable parts shall be made by a licensed employee. Adjustments to the movable parts of a roulette wheel that is located on the casino floor may only be made when the game is not open to the public or when the roulette wheel is moved to a secure location outside the casino floor as approved by the executive secretary. All adjustments shall be completed prior to the required inspections in subdivisions (1) to (5), inclusive. The licensee may replace any of the movable parts at any time, provided, however, if any one or more of the movable parts are external, then an inspection must be completed by the executive secretary prior to reopening the roulette wheel and table for gaming activity; and a log shall be maintained which shall include, at a minimum, the date, the roulette table number, whether an adjustment or replacement was completed and the name, license number, and signature of the person making the adjustment or replacement.

Source: 41 SDR 218, effective July 1, 2015.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-1, 42-7B-11(13).

20:18:35:01. Definitions. As used in this chapter:

- (1) "Card" means the list of sporting events from which a patron can make selections for a given pool;
- (2) "Collegiate sporting event" means an athletic competition or event between two or more colleges or universities;
- (3) "Event category" means a specific type of event governed by a specific sports governing body or other oversight body;
- (4) "Event integrity monitoring" means the monitoring of sports wagering to identify unusual or suspicious wagering activities from a match-fixing and sporting corruption standpoint and then reporting such activities to required parties;
- (5) "Exchange wagering" means a form of wagering in which two or more persons place identically opposing wagers in a given market, allowing patrons to wager on both winning and nonwinning outcomes in the same event;
- (6) "In-game wagering" means placing a sports bet after a sporting event has started;
- (7) "Independent integrity monitoring provider" means an independent person who is registered with the commission and who receives reports of unusual wagering activity from the commission, a licensee, or a sports wagering services provider for the purpose of assisting in identifying suspicious wagering activity;
- (8) "International sporting event" means an international team or individual sporting event governed by an international sports federation or sport's governing body, including sporting events governed by the International Olympic Committee and the International Federation of Association Football;
- (9) "Internet" means the international computer network of interoperable packet-switched data networks;
- (10) "Involuntarily excluded person" means any individual who has been involuntarily excluded by the executive secretary or the commission and who is prohibited from establishing a wagering account or participating in gambling, gaming or wagering activities under the jurisdiction of the commission;
- (11) "Layoff wager" means a wager placed by a sports wagering operation with another sports operation for the purpose of offsetting patron wagers;
- (12) "Minor league sporting event" means a sporting event conducted by a sports league that has not been classified by the commission as a premier league in the sport;
- (13) "Mobile application" means an application on a mobile phone or other devices through which an individual is able to place a sports bet;
- (14) "Parlay bet" means a single sports bet that incorporates two or more individual bets for purposes of earning a higher payout if each bet wins;
- (15) "Patron" means a person who places a sports bet;
- (16) "Person" means an individual, partnership, corporation, association, limited liability company, or other legal entity;
- (17) "Personal identifying information" means any sensitive information that could potentially be used to identify a particular patron;
- (18) "Pool" means an offering where patrons may make selections of outcomes on a set number of sporting events on a card in order to enter for a chance to win all or a portion of the prize pool;
- (19) "Prize pool" means the prize available for an individual tournament, contest, or pool;
- (20) "Professional sporting event" means a sporting event, other than a minor league sporting event, in which two or more persons participate and receive remuneration in excess of their out-of-pocket expenses for participating in the event;
- (21) "Prohibited person" means any person who:
 - (A) Has been placed on the list of excluded persons pursuant to SDCL 42-7B-61;
 - (B) Is under the age of 21;
 - (C) Is an employee of, or appointee to, the South Dakota Gaming Commission;
 - (D) Is wagering while not in the permitted boundary pursuant to SDCL 42-7B-79;

- (40) "Unusual wagering activity" means abnormal wagering activity exhibited by patrons and deemed by the sports wagering operation as a potential indicator of suspicious activity;
- (41) "Voluntarily-excluded person" means any individual whose name is included, at the individual's request, on a self-exclusion list;
- (42) "Winnings" mean the total cash value of all property or sums, including currency or instruments of monetary value paid to a patron by a licensee as a direct result of a winning sports bet.

Source: 48 SDR 14, effective August 22, 2021; 48 SDR 61, effective December 8, 2021.

General Authority: SDCL 42-7B-7, 42-7B-11(13).

Law Implemented: SDCL 42-7B-2.1(1), 42-7B-43.

Example: (3) "Event Category": Professional Hockey governed by the National Hockey League

20:18:35:02. Internal control procedures. Either the licensee or sports wagering services provider or both shall submit a description of internal controls to the commission. The submission shall be made at least 30 days before sports wagering operations are to commence. All internal controls must be approved by the executive secretary prior to commencement of sports wagering operations. Either the licensee or sports wagering services provider, or both, shall submit to the commission any changes to the internal controls previously approved at least 15 days before the changes are to become effective unless otherwise directed by the executive secretary. Each licensee and sports wagering services provider and their employees shall be responsible for complying with all approved internal controls.

The submission describing the internal controls must include controls and reasonable methods for the following.

- (1) Automated and manual risk management procedures;
- (2) Employee management, including user access controls for all sports wagering personnel and segregation of duties;
- (3) Identifying and reporting fraud and suspicious conduct, including identifying unusual wagering activity and reporting such activity to an independent integrity monitoring provider;
- (4) Ensuring regulatory compliance;
- (5) Anti-money laundering compliance standards;
- (6) Accepting wagers and issuing pay outs, plus any additional controls for issuing pay outs in excess of \$10,000;
- (7) Accepting multiple wagers from one patron in a 24-hour cycle, including a process to identify patron structuring of wagers to circumvent recording and reporting requirements;
- (8) All software applications that comprise the sports wagering system;
- (9) Submitting and receiving approval of all types of wagers available to be offered by the system;
- (10) Accounting for all integrated third-party systems;
- (11) Reconciling assets and documents contained in a sports wagering area cashier's drawer and in sports wagering kiosks, including the drop and count procedures for sports wagering kiosks;
- (12) Cashing winning tickets at the cage after the sports wagering area has closed, if applicable;
- (13) Accepting value game chips for sports bets, if applicable;
- (14) Issuance and acceptance of promotional funds and free bets for sports wagering;
- (15) Identifying and preventing wagering by prohibited persons;
- (16) Preventing past-post wagers from being placed;
- (17) Paying winning wagers, in the event of a failure of the sports wagering system's ability to pay winning