

AN ACT

ENTITLED, An Act to allow a video lottery machine operator to be owned by certain publicly traded companies.

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

Section 1. That § 42-7A-43 be amended to read as follows:

42-7A-43. Any person licensed as a video lottery machine manufacturer, distributor, operator, or lottery retailer shall submit to a background investigation. This includes each partner of a partnership and each director and officer and all stockholders of five percent or more in a parent or subsidiary corporation of a video lottery machine manufacturer, distributor, operator, or lottery retailer. A video lottery machine manufacturer or distributor shall meet the same requirements of subdivisions 42-7A-13(1) to (4), inclusive, and § 42-7A-14. A video lottery machine operator shall meet the same requirements of §§ 42-7A-13 and 42-7A-14, in addition to being a resident of the State of South Dakota and, if a partnership or corporation, the majority of ownership interest shall be held by residents of the state or by a public company or its subsidiary licensed as a video lottery machine operator pursuant to chapter 42-7A prior to January 1, 1997, and traded on any market regulated or recognized by the United States Securities and Exchange Commission. A copy of any disclosure statement involving ownership of the public company required to be filed with the United States Securities and Exchange Commission shall be filed with the lottery commission. A lottery retailer shall meet the same requirements of §§ 42-7A-13 and 42-7A-14. Any applicant for any license under this chapter has the burden of proving his or her qualifications to the satisfaction of the commission and executive director. The commission may adopt rules pursuant to chapter 1-26 to establish additional requirements to preserve the integrity and security of the lottery.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1238

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1238

File No. _____

Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 19__

Governor

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STATE OF SOUTH DAKOTA,
SS.
Office of the Secretary of State

Filed _____, 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State