

# REVENUE

## 02 REVENUE

### Mission:

To provide the revenue necessary for the support of state and local government programs through the fair and consistent application of the tax laws and through a comprehensive program of education that explains the responsibilities and rights of taxpayers; to operate the state lottery established in SDCL 42-7A in a secure, efficient, and profitable manner; to provide for the safety and well-being of consumers and the general public by regulating the gaming and racing industries.

LEGAL CITATION: SDCL 10-1; SDCL 32; SDCL 42-7A; SDCL 47-7B.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 1,238,878	\$ 1,269,431	\$ 1,315,732	\$ 1,315,732	\$ 1,315,732	\$ 0
Federal Funds	0	300,000	300,000	300,000	300,000	0
Other Funds	70,300,543	74,110,752	73,666,098	74,149,565	73,968,267	302,169
Total	<u>\$ 71,539,421</u>	<u>\$ 75,680,183</u>	<u>\$ 75,281,830</u>	<u>\$ 75,765,297</u>	<u>\$ 75,583,999</u>	<u>\$ 302,169</u>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 15,474,015	\$ 15,633,036	\$ 16,599,272	\$ 17,027,139	\$ 16,865,941	\$ 266,669
Operating Expenses	56,065,405	60,047,147	58,682,558	58,738,158	58,718,058	35,500
Total	<u>\$ 71,539,421</u>	<u>\$ 75,680,183</u>	<u>\$ 75,281,830</u>	<u>\$ 75,765,297</u>	<u>\$ 75,583,999</u>	<u>\$ 302,169</u>
Staffing Level FTE:	244.1	241.8	250.5	258.5	255.5	5.0

# REVENUE

## 0210 Secretariat

### Mission:

To provide the revenue necessary for the support of state and local government programs through the fair and consistent application of the tax laws and through a comprehensive program of education that explains the responsibilities and rights of the taxpayers; to establish and implement policy decisions that affect the management of the department; to ensure the department's fiscal responsibility by utilizing all appropriate monies in an efficient and accountable manner; to account for and distribute revenues according to SDCL; to maximize automated systems, while minimizing administrative costs; to provide research and technology assistance; to provide legal assistance to the department; to actively investigate and prosecute violations of the criminal statutes of the revenue code.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	3,769,038	3,615,954	3,912,998	3,912,998	3,912,998	0
Total	\$ 3,769,038	\$ 3,615,954	\$ 3,912,998	\$ 3,912,998	\$ 3,912,998	\$ 0
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 2,127,635	\$ 2,140,955	\$ 2,258,049	\$ 2,258,049	\$ 2,258,049	\$ 0
Operating Expenses	1,641,404	1,474,999	1,654,949	1,654,949	1,654,949	0
Total	\$ 3,769,038	\$ 3,615,954	\$ 3,912,998	\$ 3,912,998	\$ 3,912,998	\$ 0
Staffing Level FTE:	29.0	29.0	29.0	29.0	29.0	0.0

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Sales/Use & CET Electronic Filing Collections	1,281,387,147	1,356,984,524	1,424,833,750	1,481,827,100
Motor Fuel Electronic Filing Collections (1)	217,820,874	217,649,863	218,000,000	218,000,000
Remittance Center Collections:				
Collections-Department of Revenue	361,225,257	347,958,478	344,000,000	340,000,000
Collections-Other State Agencies	194,235,126	194,089,846	79,540,000	650,000
Total	2,054,668,404	2,116,682,711	2,066,373,750	2,040,477,100

<b>PERFORMANCE INDICATORS</b>				
Legal Staff:				0
Department Cases Opened	319	348	375	375
ISB Investigations	224	192	235	235
Remittance Center:				0
Documents Processed-Revenue	232,075	217,930	210,000	200,000
Documents Processed-Other Agencies	44,883	42,155	29,150	20,100
Business Education (Held / Attended):				0
Seminars-Contractors' Excise Tax (CET)	12 / 120	20 / 225	20 / 200	20 / 200
Seminars-Sales/Use Tax (SUT)	14 / 185	39 / 399	20 / 200	20 / 200
Seminars-Border States CET	4 / 22	1 / 4	2 / 20	2 / 20
Seminars-Border States SUT	4 / 48	1 / 4	2 / 20	2 / 20
Presentations-Special Interest Groups	71 / 1,482	51 / 1,387	40 / 1,200	40 / 1,200

# REVENUE

## 0220 Business Tax

### Mission:

To process sales, use, and contractors' excise tax payments; to ensure compliance with sales and use tax and contractor's excise tax laws through the efficient utilization of personnel; to administer municipal and special jurisdiction sales and use taxes, along with municipal excise tax enacted pursuant to SDCL 10-52; to maintain an efficient and reconcilable sales and excise tax accounts receivable system; to provide collection services on taxpayer accounts; and, to promote sales tax equity on a national basis through simplification of sales tax laws and administration.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	4,295,070	4,292,758	4,451,149	4,609,478	4,558,235	107,086
<b>Total</b>	<b>\$ 4,295,070</b>	<b>\$ 4,292,758</b>	<b>\$ 4,451,149</b>	<b>\$ 4,609,478</b>	<b>\$ 4,558,235</b>	<b>\$ 107,086</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 3,378,244	\$ 3,475,654	\$ 3,560,033	\$ 3,709,262	\$ 3,659,519	\$ 99,486
Operating Expenses	916,826	817,104	891,116	900,216	898,716	7,600
<b>Total</b>	<b>\$ 4,295,070</b>	<b>\$ 4,292,758</b>	<b>\$ 4,451,149</b>	<b>\$ 4,609,478</b>	<b>\$ 4,558,235</b>	<b>\$ 107,086</b>
<b>Staffing Level FTE:</b>	<b>54.4</b>	<b>54.5</b>	<b>57.5</b>	<b>60.5</b>	<b>59.5</b>	<b>2.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Collections-Other State Agencies	28,823,430	29,567,429	30,158,778	30,761,954
Collections-Department of Revenue:				
State Sales/Use Tax	951,223,081	988,823,603	1,033,401,095	1,073,277,798
Contractors' Excise Tax	106,828,537	107,626,628	113,131,293	117,838,671
Streamlined Sales Tax Collections	3,298,141	3,613,791	3,794,481	3,984,205
Telecom Excise Tax	8,883,126	8,218,542	8,250,000	8,250,000
Municipal / Tribal Taxes	378,914,508	393,507,035	409,247,316	417,432,262
<b>Total</b>	<b>1,477,970,823</b>	<b>1,531,357,028</b>	<b>1,597,982,963</b>	<b>1,651,544,890</b>

### PERFORMANCE INDICATORS

Total Active Licenses	84,242	85,147	86,000	87,000
Delinquent/Out-of-Balance Notices	156,609	167,720	165,500	165,500
Licensee Reviews *	217	336	350	400
Balance Active Accounts Receivable (July 1)	\$7,105,312	\$6,095,699	\$6,000,000	\$6,000,000
Returns Processed-Paper	213,157	197,424	194,000	190,000
Returns Processed-Electronic	332,807	360,970	364,000	375,000
Returns Reviewed/Violated	44,018	28,883	28,000	30,000
Phone Bank Calls (1-800) + Chat	31,116	30,892	30,000	30,000
Collection Allowance Deductions	\$4,897,694	\$5,017,094	\$5,267,949	\$5,531,346

\* Licensee reviews are an informational meeting between a Revenue Agent and a licensee during which the agent explains how tax applies to the specific business and transactions. The review is not an official audit of the business. Businesses are targeted for review if they would not normally receive an audit and it appears that the business may have issues that cannot be corrected with a compliance contact.

# REVENUE

## 0230 Motor Vehicles

### Mission:

To provide prompt and courteous customer service to all stakeholders, while administering the motor vehicle laws of South Dakota.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	300,000	300,000	300,000	300,000	0
Other Funds	8,612,602	6,293,005	9,035,331	9,035,331	9,035,331	0
<b>Total</b>	<b>\$ 8,612,602</b>	<b>\$ 6,593,005</b>	<b>\$ 9,335,331</b>	<b>\$ 9,335,331</b>	<b>\$ 9,335,331</b>	<b>\$ 0</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 2,458,022	\$ 2,582,292	\$ 2,583,767	\$ 2,583,767	\$ 2,583,767	\$ 0
Operating Expenses	6,154,581	4,010,713	6,751,564	6,751,564	6,751,564	0
<b>Total</b>	<b>\$ 8,612,602</b>	<b>\$ 6,593,005</b>	<b>\$ 9,335,331</b>	<b>\$ 9,335,331</b>	<b>\$ 9,335,331</b>	<b>\$ 0</b>
Staffing Level FTE:	48.5	49.1	47.0	47.0	47.0	0.0

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Collections:				
Motor Vehicle Fees	172,522,180	176,650,433	178,000,000	178,000,000
Motor Vehicle Commercial Fees	19,666,670	20,302,696	20,500,000	20,500,000
Motor Fuel Taxes	210,171,994	208,024,337	208,000,000	208,000,000
<b>Total</b>	<b>402,360,844</b>	<b>404,977,466</b>	<b>406,500,000</b>	<b>406,500,000</b>

<b>PERFORMANCE INDICATORS</b>				
Certificates of Title Issued	383,961	391,810	392,000	392,000
Specialty Plates Issued	53,552	47,644	50,000	50,000
Vehicles Registered - Total	1,484,111	1,533,549	1,550,000	1,550,000
Internet/Self-Service Terminal	65,888 / 53,069	69,753 / 85,189	75,000 / 60,000	80,000 / 65,000
Licensed Vehicle Dealers	1,367	1,351	1,370	1,370
Internat'l Fuel Tax Assoc (IFTA) Licenses	2,856	2,801	2,825	2,825
Prorate Power Units Licensed	10,620	10,522	10,600	10,600
Fuel Suppliers	74	74	74	74
Fuel Importers & Exporters	307	307	310	310
Fuel Blender	101	92	105	105
Highway Contractors Licenses	535	513	525	525
Marketers Licenses	1,363	1,383	1,385	1,385
Ethanol Producers	16	16	16	16
Ethanol Brokers	10	11	11	11
Phone Bank Calls Handled	66,618	65,567	66,000	66,000

# REVENUE

## 0240 Property and Special Taxes

### Mission:

To provide supervision and guidance on all matters pertaining to the issuance of licenses, stamps, and permits, and the collection and disposition of alcohol and malt beverage taxes, cigarette excise tax, franchise tax, mineral tax, severance tax, alcohol beverage brand registration fees, coin-operated washer-dryer permit fees, trading stamps, conservation tax, amusement machine registration fees, bingo license fee and tax; to provide guidance and information to all eligible persons throughout the state who may qualify under the provisions of the Sales Tax Refund (SDCL 10-45A) or Property Tax Refund (SDCL 10-18A) for the elderly and disabled; and, to audit claims and issue proper tax refund payments to those qualifying within the time prescribed by law.

To exercise general supervision over the administration of the property assessment and tax laws of the state and all assessing officers in the performance of their duties. Provide documental assessment to sales ratios as indications of the level of assessment in each county for use in equalizing assessments, distribution of state aid to education and determination of county compliance with assessment standards. Provide technical assistance and guidance in the assessment of all classes of property and assist agricultural land evaluation using modern detailed soil surveys. Determine the market value of the companies required to be centrally assessed, calculate gross receipts and taxes payable on certain telephone and commercial wind energy companies, and rural electric associations.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 1,238,878	\$ 1,269,431	\$ 1,315,732	\$ 1,315,732	\$ 1,315,732	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
<b>Total</b>	<b>\$ 1,238,878</b>	<b>\$ 1,269,431</b>	<b>\$ 1,315,732</b>	<b>\$ 1,315,732</b>	<b>\$ 1,315,732</b>	<b>\$ 0</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 989,713	\$ 1,005,091	\$ 1,051,364	\$ 1,051,364	\$ 1,051,364	\$ 0
Operating Expenses	249,165	264,340	264,368	264,368	264,368	0
<b>Total</b>	<b>\$ 1,238,878</b>	<b>\$ 1,269,431</b>	<b>\$ 1,315,732</b>	<b>\$ 1,315,732</b>	<b>\$ 1,315,732</b>	<b>\$ 0</b>
<b>Staffing Level FTE:</b>	<b>15.0</b>	<b>14.9</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>0.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Collections:				
Special Taxes-State Funds	93,293,924	87,098,143	90,000,000	90,000,000
Special Taxes-Local Governments	42,347,620	43,009,979	42,750,000	42,750,000
<b>Total</b>	<b>135,641,544</b>	<b>130,108,122</b>	<b>132,750,000</b>	<b>132,750,000</b>

<b>PERFORMANCE INDICATORS</b>				
Tax Refund Applications Received	1,898	1,863	1,900	1,900
Applications Refunded / Amount Refunded	1,781 / \$429,525	1,763 / \$417,476	1,800 / \$438,500	1,800 / \$438,500
Bank Franchise Returns / Qtr Reports Filed	917 / 0	963 / 0	1,000 / 0	1,000 / 0
Cigarette Wholesaler & Distributor Licenses	78	75	80	80
Cigarette Retailers Registered	2,155	2,118	2,175	2,175
Cigarette Stamps	38,340,750	34,745,250	34,000,000	34,000,000
Other Tobacco Products Reports Filed	810	898	950	950
Retail Compliance Checks / Cigarette Seizures	980 / 546	776 / 0	800 / 60	800 / 60
Liquor & Beer Licenses	6,585	6,682	6,700	6,700
Levies Approved	4,038	4,091	4,100	4,100
Tax Increment Finance Districts	171	185	185	185
Assessors Certified/Attendance Annual School	180 / 143	201 / 127	200 / 140	200 / 140
Centrally Assessed Companies	146	148	150	150
Property Transfers Analyzed	39,592	40,082	40,000	40,000

# REVENUE

## 0250 Audits

### Mission:

To detect and resolve reporting errors and omissions made by taxpayers and correct reporting habits for future returns.

The Audit Division is responsible for selecting and performing audits on behalf of the Department of Revenue. The primary purpose of the audit function is to verify the gross receipts, deductions, and use tax reported on tax returns, ensure required record-keeping is in place, and work with auditees to ensure understanding of the tax laws.

The Audit Division conducts audits for the following taxes administered by the department:

- \* Sales and Use Tax
- \* Contractor's Excise Tax
- \* Motor Fuel Tax
- \* International Fuel Tax Agreement (IFTA)
- \* International Registration Plan (IRP)
- \* Bank Tax

Audits are conducted all over the United States with a major emphasis placed on auditing companies headquartered outside of South Dakota. Auditors provide on-site education as part of the audit process to increase future compliance with the tax requirements.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	4,228,901	4,186,108	4,466,674	4,791,812	4,661,757	195,083
<b>Total</b>	<b>\$ 4,228,901</b>	<b>\$ 4,186,108</b>	<b>\$ 4,466,674</b>	<b>\$ 4,791,812</b>	<b>\$ 4,661,757</b>	<b>\$ 195,083</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 3,642,948	\$ 3,683,930	\$ 3,841,541	\$ 4,120,179	\$ 4,008,724	\$ 167,183
Operating Expenses	585,954	502,178	625,133	671,633	653,033	27,900
<b>Total</b>	<b>\$ 4,228,901</b>	<b>\$ 4,186,108</b>	<b>\$ 4,466,674</b>	<b>\$ 4,791,812</b>	<b>\$ 4,661,757</b>	<b>\$ 195,083</b>
<b>Staffing Level FTE:</b>	<b>53.0</b>	<b>52.6</b>	<b>55.0</b>	<b>60.0</b>	<b>58.0</b>	<b>3.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Audit Assessments: *				
Sales/Use & Excise Tax Assessments	18,722,685	17,432,640	18,000,000	18,500,000
IFTA, Motor Fuel, Prorate Assessments	174,640	23,106	100,000	100,000
Bank Franchise Tax Assessments			2,000,000	4,000,000
<b>Total</b>	<b>18,897,325</b>	<b>17,455,746</b>	<b>20,100,000</b>	<b>22,600,000</b>

\* Number of audits completed and audit assessments are based on the level of experience of the audit staff. The audit staff consists of 40 Sales, Use & Excise Tax auditors, five Fuel Tax auditors, one Bank Franchise auditor, and 4 audit managers. Currently 70% of the audit staff have over 4 years of experience. The level of experience has a direct effect on the number and types of audits which can be completed.

### PERFORMANCE INDICATORS

#### Number of Audits: \*

Sales/Use & Excise Audits	2,114	1,970	2,150	2,150
IFTA, Motor Fuel, Prorate Audits	249	202	200	225
Bank Franchise Audits	--	0	7	10

\* Number of audits completed and audit assessments are based on the level of experience of the audit staff. The audit staff consists of 40 Sales, Use & Excise Tax auditors, 5 Fuel Tax auditors, 1 Bank Franchise auditor, and 4 audit managers. Currently 80% of the audit staff have over 4 years of experience. The level of experience has a direct effect on the number and types of audits which can be completed.

# REVENUE

## 028 Lottery

### Mission:

To work cooperatively with our partner licensees to promote and ensure the integrity, fairness, security and honesty of lottery games, to maximize revenues for state programs and initiatives, and to ensure the Lottery remains a viable and sustainable source of revenue and entertainment for the State of South Dakota.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	39,486,239	45,455,776	41,106,016	41,106,016	41,106,016	0
Total	<u>\$ 39,486,239</u>	<u>\$ 45,455,776</u>	<u>\$ 41,106,016</u>	<u>\$ 41,106,016</u>	<u>\$ 41,106,016</u>	<u>\$ 0</u>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 1,967,103	\$ 1,845,733	\$ 2,221,874	\$ 2,221,874	\$ 2,221,874	\$ 0
Operating Expenses	37,519,136	43,610,043	38,884,142	38,884,142	38,884,142	0
Total	<u>\$ 39,486,239</u>	<u>\$ 45,455,776</u>	<u>\$ 41,106,016</u>	<u>\$ 41,106,016</u>	<u>\$ 41,106,016</u>	<u>\$ 0</u>
Staffing Level FTE:	30.7	28.6	31.0	31.0	31.0	0.0

# REVENUE

## 0281 Instant and On-line Operations - Info

### Mission:

To work cooperatively with our partner licensees to promote and ensure the integrity, fairness, security and honesty of lottery games, to maximize revenues for state programs and initiatives, and to ensure the Lottery remains a viable and sustainable source of revenue and entertainment for the State of South Dakota.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	36,995,973	43,276,358	38,423,665	38,423,665	38,423,665	0
<b>Total</b>	<b>\$ 36,995,973</b>	<b>\$ 43,276,358</b>	<b>\$ 38,423,665</b>	<b>\$ 38,423,665</b>	<b>\$ 38,423,665</b>	<b>\$ 0</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 1,248,619	\$ 1,157,615	\$ 1,482,602	\$ 1,482,602	\$ 1,482,602	\$ 0
Operating Expenses	35,747,353	42,118,743	36,941,063	36,941,063	36,941,063	0
<b>Total</b>	<b>\$ 36,995,973</b>	<b>\$ 43,276,358</b>	<b>\$ 38,423,665</b>	<b>\$ 38,423,665</b>	<b>\$ 38,423,665</b>	<b>\$ 0</b>
<b>Staffing Level FTE:</b>	<b>19.6</b>	<b>18.3</b>	<b>21.0</b>	<b>21.0</b>	<b>21.0</b>	<b>0.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Instant Proceeds-General Fund	5,517,739	6,240,567	6,800,000	6,800,000
On-Line Proceeds-General Fund	1,400,000	1,400,000	2,100,000	2,800,000
On-Line Proceeds-Capital Construction Fund	5,537,710	6,844,532	6,300,000	5,200,000
<b>Total</b>	<b>12,455,449</b>	<b>14,485,099</b>	<b>15,200,000</b>	<b>14,800,000</b>

SB183 (2018 Legislation) established a new way of allocating Online proceeds.

FY2019: 25% to GF & 75% to CCF

FY2020: 35% to GF & 65% to CCF

FY2021: 35% to GF & 65% to CCF

FY2022: 50% to GF & 50% to CCF

FY2023 and thereafter: 70% to GF & 30% to CCF

### PERFORMANCE INDICATORS

Instant Games Introduced	27	28	32	32
On-Line Games Offered	5	5	5	5
Licensed Lottery Retailers-On-Line	632	636	650	655
Licensed Lottery Retailers-Instant Only	13	13	13	13
Prizes Paid to Players	\$28,226,233	\$33,543,333	\$36,399,800	\$37,873,916
Retailer Commissions Paid	\$2,626,598	\$3,108,189	\$3,355,112	\$3,490,987
Total Sales-Instant Games	\$26,113,394	\$30,139,413	\$33,228,000	\$34,889,400
Total Sales-On-Line Games	\$23,084,169	\$27,821,057	\$30,076,000	\$30,978,280
Total Sales (Instant + On-Line)	\$49,197,563	\$57,960,470	\$63,304,000	\$65,867,680



# REVENUE

## 0282 Video Lottery

### Mission:

To work cooperatively with our partner licensees to promote and ensure the integrity, fairness, security and honesty of lottery games, to maximize revenues for state programs and initiatives, and to ensure the Lottery remains a viable and sustainable source of revenue and entertainment for the State of South Dakota.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	2,490,266	2,179,418	2,682,351	2,682,351	2,682,351	0
<b>Total</b>	<b>\$ 2,490,266</b>	<b>\$ 2,179,418</b>	<b>\$ 2,682,351</b>	<b>\$ 2,682,351</b>	<b>\$ 2,682,351</b>	<b>\$ 0</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 718,484	\$ 688,118	\$ 739,272	\$ 739,272	\$ 739,272	\$ 0
Operating Expenses	1,771,782	1,491,300	1,943,079	1,943,079	1,943,079	0
<b>Total</b>	<b>\$ 2,490,266</b>	<b>\$ 2,179,418</b>	<b>\$ 2,682,351</b>	<b>\$ 2,682,351</b>	<b>\$ 2,682,351</b>	<b>\$ 0</b>
<b>Staffing Level FTE:</b>	<b>11.1</b>	<b>10.3</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
License Fees to VL Operating Fund	1,279,550	1,319,902	1,300,000	1,300,000
Additional Mfg. License Fee-General Fund	75,000	60,000	75,000	75,000
Video Lottery Proceeds	104,849,517	108,974,498	112,243,733	114,488,608
Video Lottery Proceeds-VL Operating Fund	1,059,086	1,103,120	1,136,214	1,158,938
Miscellaneous Revenue	54,989	50,000	50,000	50,000
<b>Total</b>	<b>107,318,142</b>	<b>111,507,520</b>	<b>114,804,947</b>	<b>117,072,546</b>

<b>PERFORMANCE INDICATORS</b>				
Machines Placed (12-Month Avg)	9,071	9,108	9,100	9,100
Licensed Establishments (12-Month Avg)	1,343	1,336	1,325	1,325
Licensed Operators	115	102	100	100
Licensed Distributors	6	5	6	6
Licensed Manufacturers	5	4	5	5

# REVENUE

## 0293 Commission on Gaming - Info

### Mission:

The South Dakota Commission on Gaming is given statutory authority (SDCL 42-7 & 42-7B) to regulate the gaming and racing industries within the State of South Dakota. This includes the promulgation of rules, enforcement of such rules and statutes, the collection and distribution of funds derived from these industries.

	ACTUAL FY 2017	ACTUAL FY 2018	BUDGETED FY 2019	REQUESTED FY 2020	GOVERNOR'S RECOMMENDED FY 2020	RECOMMENDED INC/(DEC) FY 2020
<b>FUNDING SOURCE:</b>						
General Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0
Other Funds	9,908,693	10,267,152	10,693,930	10,693,930	10,693,930	0
<b>Total</b>	<b>\$ 9,908,693</b>	<b>\$ 10,267,152</b>	<b>\$ 10,693,930</b>	<b>\$ 10,693,930</b>	<b>\$ 10,693,930</b>	<b>\$ 0</b>
<b>EXPENDITURE DETAIL:</b>						
Personal Services	\$ 910,352	\$ 899,381	\$ 1,082,644	\$ 1,082,644	\$ 1,082,644	\$ 0
Operating Expenses	8,998,341	9,367,771	9,611,286	9,611,286	9,611,286	0
<b>Total</b>	<b>\$ 9,908,693</b>	<b>\$ 10,267,152</b>	<b>\$ 10,693,930</b>	<b>\$ 10,693,930</b>	<b>\$ 10,693,930</b>	<b>\$ 0</b>
<b>Staffing Level FTE:</b>	<b>13.6</b>	<b>13.1</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	<b>0.0</b>

	ACTUAL FY 2017	ACTUAL FY 2018	ESTIMATED FY 2019	ESTIMATED FY 2020
<b>REVENUES</b>				
Gaming Fund:				
Device Fees	6,352,000	6,180,000	5,694,000	5,694,000
Gross Revenue Tax	8,840,173	9,121,794	8,700,000	8,700,000
City Slot Tax	401,500	401,500	401,500	401,500
Application Fees	86,500	58,571	80,000	80,000
License Fees	101,600	94,105	95,000	95,000
Device Testing Fees	15,945	16,307	16,000	16,000
Penalties	1,710	75,780	2,000	2,000
Interest	20,855	18,021	18,000	18,000
Racing Revenues:				
Dogs:				
Commission	11,477	9,895	3,958	3,958
Licenses & Fees	3,600	3,550	3,550	3,550
Revolving Fund	81,004	21,591	8,636	8,636
Bred Fund	28,859	12,819	5,128	5,128
Horses:				
Commission	31,918	31,224	12,490	12,490
Licenses & Fees	48,975	19,045	7,618	7,618
Revolving Fund	112,892	61,704	24,682	24,682
Bred Fund	52,887	39,675	15,870	15,870
Interest	5,007	4,523	1,800	1,800
<b>Total</b>	<b>16,196,902</b>	<b>16,170,104</b>	<b>15,090,232</b>	<b>15,090,232</b>

### PERFORMANCE INDICATORS

Licenses Issued:				
Manufacturers / Distributors	15	16	19	19
Operators / Retailers	21 / 135	23 / 131	23 / 131	23 / 131
Support / Key Employees	1,325	1,384	1,384	1,384
Device Licenses	3,087	3,090	2,847	2,847
Gaming Distributions	\$14,306,739	\$14,597,511	\$14,000,000	\$14,000,000