Ordinance No. 6508

AN ORDINANCE TO UPDATE THE PROCESS FOR VIDEO LOTTERY MACHINE
PLACEMENT BY AMENDING CHAPTER 5.64 OF THE RAPID CITY MUNICIPAL CODE

WHEREAS, the City of Rapid City has enacted ordinances relating to the number of
video lottery machine placements within the city; and

WHEREAS, the City has also approved a procedure for authorizing additional
placements by resolution of the Common Council; and

WHEREAS, despite population growth, no additional placements have been authorized
in the last several years; and

WHEREAS, the Common Council finds it to be in the best interests of the City to
update the ordinances to provide for an automatic process for issuing authorization for further
video lottery placements.

NOW THEREFORE, BE IT ORDAINED by the City of Rapid City that Chapter 5.64 of
the Rapid City Municipal Code be and is hereby amended to read in its entirety as follows:

CHAPTER 5.64: VIDEO LOTTERY MACHINES

Section
5.64.010 License–Fee–Term.
5.64.020 Number of video lottery machine placements authorized.
5.64.030 Procedure for additional authorizations.

5.64.010 License–Fee–Term.
From and after the date of implementation provided for pursuant to SDCL § 35-4-103, there is
imposed an annual municipal video lottery machine license fee, the license valid from July 1
through June 30 of each year, for the privilege of locating video lottery machines on the licensed
premises, in the amount of $50 for each video lottery machine. This license fee is in addition to
the license fees required under § 5.12.030. All fees under this section shall be deposited into the
general fund.

5.64.020 Number of video lottery machine placements authorized.
There shall be 75 authorizations for video lottery machines placement available for the first
74,000 of population. Not more than 1 authorization for video lottery machines placement as
provided in SDCL § 42-7A-64 will be granted for each additional 2,000 of population of the city
as determined by the Community Development Department annually. No establishment
authorized for a video lottery machine placement may be denied authorization in subsequent
years solely by reason of any limitations of the number of authorizations under the provisions of
this section. The quotas established in this section do not apply to other licenses issued pursuant
to SDCL § 35-4-2.
5.64.030 Procedure for additional authorizations.

Whenever population growth per § 5.64.020, or any other circumstance, permits the issuance of additional authorizations for video lottery machine placements, there shall be a drawing to determine which person(s) or entities may apply for the additional authorizations. The following process shall be utilized:

A. Notice. Whenever one or more authorizations become available, the Finance Director shall cause notice of such fact to be published on the City’s website and in the City’s official newspaper. The notice shall state the number of authorizations available, how to obtain an application, the application deadline, and the drawing date, time, and location. The notice shall be published at least 60 days prior to the drawing.

B. Application. Each person or entity desiring the right to apply for an alcohol license with video lottery designation shall meet the following requirements:
   1. Age. Each applicant, or if a corporate or other entity each owner, partner, manager, member, officer, and director, shall be at least 21 years of age.
   2. Form. All applications shall be made on a form provided by the Finance Office.
   3. Fee. Each application shall include a $1,000 non-refundable application fee.
   4. Locations. Each application shall identify the location for which authorization is sought. The location shall have secured all planning and zoning approvals necessary for issuance of an on-sale alcoholic beverage license prior to making application.
   5. Limit. Only one application shall be allowed for each potential location. Applicants may submit more than one application, as long as the locations are not the same. For purposes of this Chapter, separately addressed or numbered suites in the same structure shall each qualify as distinct locations.
   6. Deadline. Completed applications must be received in the Finance Office before the application deadline in the published notice. Incomplete applications will not be considered or entered in the drawing. Applications sent by mail, courier, or other service will not be accepted unless they arrive at the Finance Office prior to the deadline.
   7. Current Licensee. Any current holder of a license eligible to add a video lottery designation may apply and be included in the drawing the same as if such license holder was applying for a new license.

C. Drawing. The drawing shall be conducted at the time, place, and location identified in the notice. The drawing shall be open to the public. The Finance Director or designee shall conduct the drawing. The drawing may be conducted in any manner chosen by the Finance Director, so long as the method for drawing shall be random and give each application the same chance to be chosen. The drawing shall choose the number of applications as allowed by 5.64.020.

D. Successful Applicants. All applicants that are chosen by the drawing shall have right to apply for an alcohol license with video lottery designation.

E. Further Requirements.
   1. No right to apply for an alcohol license with video lottery designation shall be transferrable as to person or location.
2. Each successful applicant must submit an application for an on-sale alcohol license with video lottery, acquire such license, and operate the business, including sale of alcohol and operation of video lottery machines, within 9 months following the drawing provided by 5.64.030C above. If a successful applicant fails to obtain a license and operate the business within such time, it shall forfeit the right to have the video lottery designation. The forfeited designation shall be combined with any new designations in the next drawing.

CITY OF RAPID CITY

[signature]
Mayor

Attest:

[signature]
Finance Director

(seal)

First Reading: October 4, 2021
Second Reading: October 18, 2021
Published: October 23, 2021
Effective: November 12, 2021