



# *FY2017 Recommended Budget*

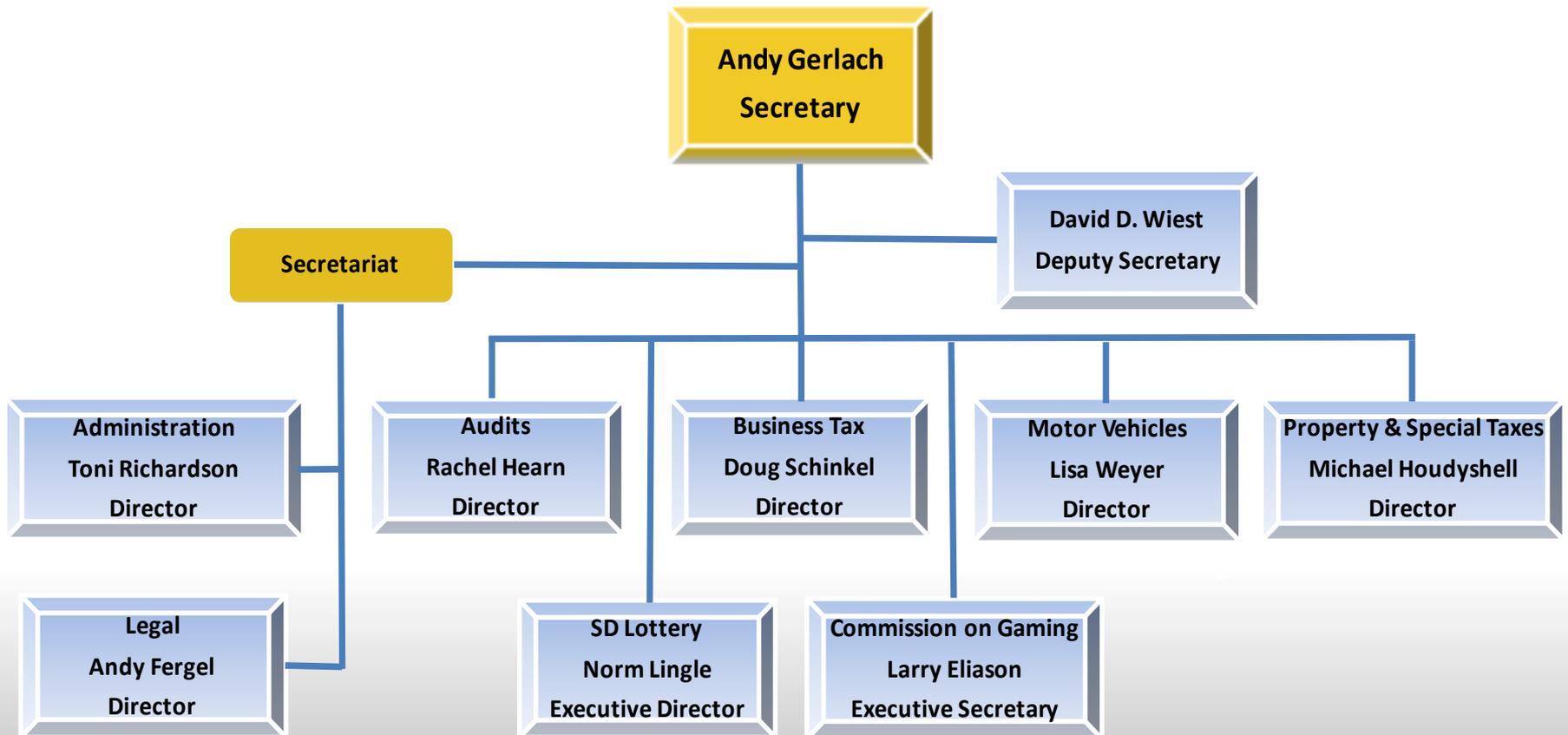
## *Department of Revenue*



# WHAT WE DO

The Department of Revenue is responsible for the administration and collection of business taxes, motor fuel taxes, motor vehicle fees, special taxes, operation of the state lottery, and regulation of the gaming and racing industries in South Dakota.

# ORGANIZATIONAL CHART



*South Dakota*



Aberdeen ★

Watertown ★

Deadwood ★

Pierre ★

Rapid City ★

Mitchell ★  
Sioux Falls ★

Yankton ★



# **FY2017 RECOMMENDED BUDGET**

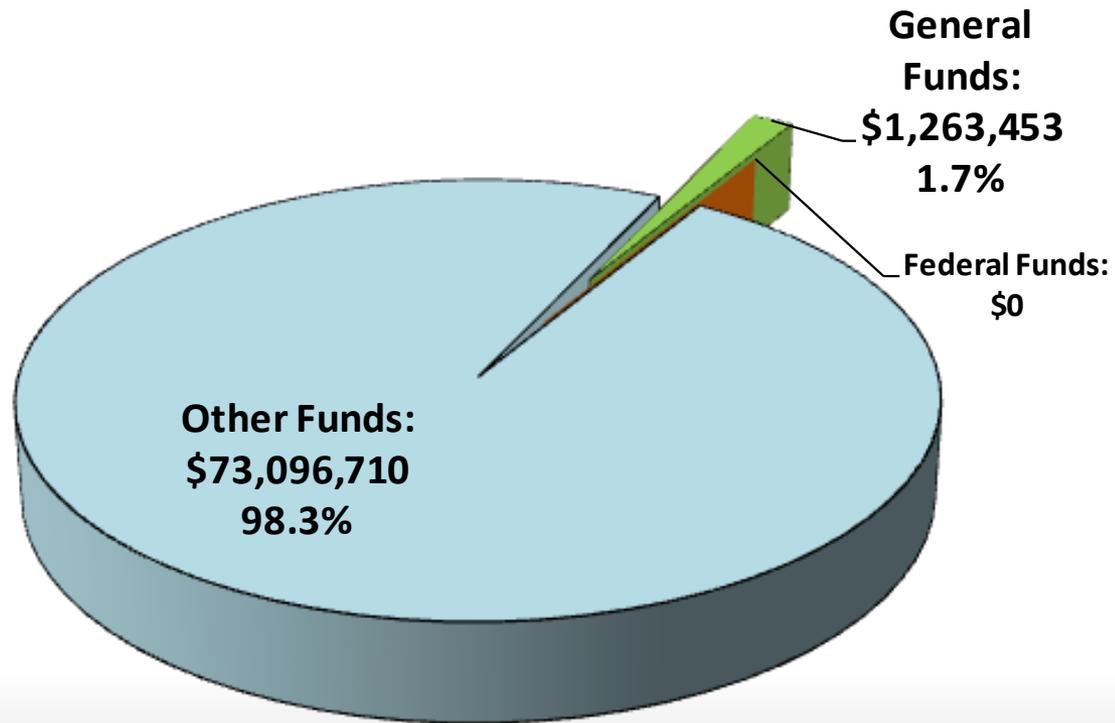


# FY2017 RECOMMENDED BUDGET

## FY2017 Recommended Budget

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	248.5	\$1,263,453	\$0	\$73,096,710	\$74,360,163
FY2017 Requested + / (-)	0.0	\$0	\$0	\$0	\$0
FY2017 Requested Budget	248.5	\$1,263,453	\$0	\$73,096,710	\$74,360,163

# FY2017 RECOMMENDED BUDGET





# COMPARISON OF FY2016 AND FY2017

## Comparison of FY2016 & FY2017 Budgets By Personal Services & Operating Expenses

	Budget FY2016	Recommended FY2017	Increase / (Decrease)
Personal Services	\$16,050,993	\$16,050,993	\$0
Travel	\$834,624	\$834,624	\$0
Contractual Services	\$41,982,878	\$41,982,878	\$0
Supplies	\$5,681,933	\$5,681,933	\$0
Grants	\$9,175,000	\$9,175,000	\$0
Capital Assets	\$341,735	\$341,735	\$0
Other	\$293,000	\$293,000	\$0
Total OE	\$58,309,170	\$58,309,170	\$0
Total PS & OE	\$74,360,163	\$74,360,163	\$0
FTE	248.5	248.5	0.0



## FY2017 Recommended Budget

### Secretariat

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	28.0	\$0	\$0	\$3,714,327	\$3,714,327
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2017 Recommended	28.0	\$0	\$0	\$3,714,327	\$3,714,327
Personal Services		\$0	\$0	\$2,080,738	\$2,080,738
Operating Expenses		\$0	\$0	\$1,633,589	\$1,633,589
Total FY2017 Budget		\$0	\$0	\$3,714,327	\$3,714,327

No Recommended Increases

Fund Source: Other Funds - Sales & Use Tax Collection Fund & Motor Vehicle Fund



# BUSINESS TAX

## FY2017 Recommended Budget

### Business Tax

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	57.5	\$0	\$0	\$4,447,092	\$4,447,092
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2017 Recommended	57.5	\$0	\$0	\$4,447,092	\$4,447,092
Personal Services		\$0	\$0	\$3,558,749	\$3,558,749
Operating Expenses		\$0	\$0	\$888,343	\$888,343
Total FY2017 Budget		\$0	\$0	\$4,447,092	\$4,447,092

No Recommended Increases

Fund Source: Other Funds - Sales & Use Tax Collection Fund



# MOTOR VEHICLES

## FY2017 Recommended Budget Motor Vehicle

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	46.0	\$0	\$0	\$8,792,515	\$8,792,515
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2017 Recommended	46.0	\$0	\$0	\$8,792,515	\$8,792,515
Personal Services		\$0	\$0	\$2,352,847	\$2,352,847
Operating Expenses		\$0	\$0	\$6,439,668	\$6,439,668
Total FY2017 Budget		\$0	\$0	\$8,792,515	\$8,792,515

No Recommended Increases

Fund Source: Other Funds - Motor Vehicle Fund & License Plate Revolving Fund



# PROPERTY & SPECIAL TAXES

## FY2017 Recommended Budget Property & Special Taxes

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	15.0	\$1,263,453	\$0	\$0	\$1,263,453
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
<b>FY2017 Recommended</b>	<b>15.0</b>	<b>\$1,263,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,263,453</b>
Personal Services		\$999,420	\$0	\$0	\$999,420
Operating Expenses		\$264,033	\$0	\$0	\$264,033
<b>Total FY2017 Budget</b>		<b>\$1,263,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,263,453</b>

No Recommended Increases

Fund Source: General Funds

## FY2017 Recommended Budget

	Audits				Total
	FTE	General Funds	Federal Funds	Other Funds	
FY2016 Operating Budget	55.0	\$0	\$0	\$4,539,213	\$4,539,213
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2017 Recommended	55.0	\$0	\$0	\$4,539,213	\$4,539,213
Personal Services		\$0	\$0	\$3,941,952	\$3,941,952
Operating Expenses		\$0	\$0	\$597,261	\$597,261
Total FY2017 Budget		\$0	\$0	\$4,539,213	\$4,539,213

No Recommended Increases

Fund Source: Other Funds - Sales & Use Tax Collection Fund & Motor Vehicle Fund



# S.D. LOTTERY – INSTANT AND ON-LINE OPERATIONS

## FY2017 Recommended Budget

### SD Lottery - Instant & On-Line Operations (Informational Budget)

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	21.0	\$0	\$0	\$38,347,802	\$38,347,802
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2017 Recommended	21.0	\$0	\$0	\$38,347,802	\$38,347,802
Personal Services		\$0	\$0	\$1,411,500	\$1,411,500
Operating Expenses		\$0	\$0	\$36,936,302	\$36,936,302
Total FY2017 Budget		\$0	\$0	\$38,347,802	\$38,347,802

No Recommended Increases

Fund Source: Other Funds - Instant & On-Line



# S.D. LOTTERY – VIDEO LOTTERY

## FY2017 Recommended Budget SD Lottery - Video Lottery

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	10.0	\$0	\$0	\$2,612,459	\$2,612,459
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2017 Recommended	10.0	\$0	\$0	\$2,612,459	\$2,612,459
Personal Services		\$0	\$0	\$672,358	\$672,358
Operating Expenses		\$0	\$0	\$1,940,101	\$1,940,101
Total FY2017 Budget		\$0	\$0	\$2,612,459	\$2,612,459

No Recommended Increases

Fund Source: Other Funds - Video Lottery



# COMMISSION ON GAMING

## FY2017 Recommended Budget Commission on Gaming (Informational Budget)

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2016 Operating Budget	16.0	\$0	\$0	\$10,643,302	\$10,643,302
FY2017 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
<b>FY2017 Recommended</b>	<b>16.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,643,302</b>	<b>\$10,643,302</b>
Personal Services		\$0	\$0	\$1,033,429	\$1,033,429
Operating Expenses		\$0	\$0	\$9,609,873	\$9,609,873
<b>Total FY2017 Budget</b>		<b>\$0</b>	<b>\$0</b>	<b>\$10,643,302</b>	<b>\$10,643,302</b>

No Recommended Increases

Fund Source: Other Funds - Deadwood Gaming Administration

# **FY2016 BUDGET CHANGES**

# 2016 LICENSE PLATE RE-ISSUE

- Last re-issue in 2006
- 2014 Legislative Session, \$1.8M was appropriated to start the project in FY15
- RFP was issued to Intellectual Technology, Inc (ITI)
  - Contract was signed in late April 2015 so there were no expenditures in FY15

## Benefits of Intellectual Technology, Inc. (ITI)

- Project Management
- Technology
- Equipment/Materials
- Accountability
- Customer Service

- Original estimate of total cost of \$6M for the re-issue
- Adjusted estimate of total cost of \$7.7M
- Increased costs largely due to the need to replace aging and obsolete equipment
- Requesting an increase in FY16 Other Fund authority of \$3,092,745 (SB48)

# *Questions?*

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