

1 "Commissioner" means one of the members of the lottery
2 commission as appointed by the governor.

3 "Department" means the department of business, economic
4 development, and tourism.

5 "Director" means the director of the state limited lottery.

6 "Lottery" or "limited lottery" means the state limited
7 lottery established and operated under this chapter.

8 "Lottery game" means any procedure authorized under this
9 chapter whereby a monetary prize is awarded among persons who
10 have paid for tickets that provide the opportunity to win such a
11 monetary prize.

12 "Lottery retailer" means a person with whom the State has
13 contracted for the purpose of selling tickets in lottery games
14 to the public.

15 § -2 **Lottery commission; establishment.** There is
16 established a commission within the department to oversee the
17 lottery. The commission shall consist of five members appointed
18 by the governor subject to section 26-34. A majority of members
19 shall constitute a quorum for the transaction of business.

20 § -3 **Rules and procedures.** (a) The commission shall
21 adopt rules pursuant to chapter 91 to implement this chapter and



1 to govern the procedures relating to the lottery. The rules
2 shall include but not be limited to:

3 (1) Prohibiting the sale of lottery tickets to persons
4 under the age of eighteen;

5 (2) Prohibiting the participation of any person under the
6 age of eighteen years in any lottery game;

7 (3) Establishing the lottery ticket price to be \$1 per
8 ticket; and

9 (4) Limiting the sale of lottery tickets to the amount of
10 one hundred tickets per person per lottery game;

11 (b) The commission shall establish procedures for the
12 general operation of the lottery, including but not limited to:

13 (1) The time length of each lottery game; provided that
14 the minimum length shall be three months;

15 (2) The procedure necessary to enforce the maximum amount
16 of tickets that may be purchased per person per
17 lottery game;

18 (3) The procedure for the procurement of lottery
19 retailers; provided that the procedure shall comply
20 with all state procurement laws;

21 (4) Establishing the type of lottery game that shall
22 constitute the lottery;



- 1 (5) The procedure for which lottery tickets shall be sold
- 2 by lottery retailers;
- 3 (6) The procedure for the determination of the winning
- 4 lottery ticket; and
- 5 (7) The procedure for the payment of prizes.
- 6 (c) The commission shall have oversight over the lottery
- 7 office and its director.

8 § -4 Limited lottery office; established; duties. (a)

9 There shall be established a lottery office, within the

10 department.

11 (b) The director shall be appointed by the governor under

12 section 26-34. The director shall:

- 13 (1) Supervise and administer the operation of the lottery
- 14 program in accordance with this chapter and the rules
- 15 and procedures adopted by the commission;
- 16 (2) Appoint personnel, including deputy and assistant
- 17 directors, as necessary, to carry out the functions
- 18 and duties of the director's office;
- 19 (3) Confer with the commission on the operation and
- 20 administration of the lottery; and
- 21 (4) Perform all things necessary to carry out this
- 22 chapter.



1 § -5 State lottery account. (a) There shall be
2 created, within the state treasury, a state account. The
3 account shall be maintained and controlled by the lottery
4 commission and shall consist of all revenues received from the
5 sale of lottery tickets and all other moneys credited or
6 transferred thereto from any other fund or source permitted by
7 law.

8 (b) The moneys deposited in the state lottery account
9 shall only be used for:

- 10 (1) The promotion and operation of the lottery program;
- 11 (2) The payment of prizes to the holders of winning
12 lottery tickets;
- 13 (3) The operating expenses of the lottery office,
14 including the hiring of exempt staff, not to exceed
15 fifteen per cent of the gross revenues; and
- 16 (4) The state education facilities improvement special
17 fund and the mental health and substance abuse special
18 fund.

19 Fifty per cent of any moneys remaining after any payments under
20 paragraphs (1), (2), and (3) shall be deposited into the state
21 education facilities improvement special fund and fifty per cent



1 shall be deposited into the mental health and substance abuse
2 special fund.

3 **§ -6 Number and value of prizes.** There shall be one
4 prize for each lottery game. The prize for each lottery game
5 shall be set at \$2,000,000. The lottery retailer who sells the
6 winning ticket in a lottery game shall be entitled to payment of
7 \$100,000.

8 **§ -7 Lottery to be self-supporting.** Except for such
9 moneys necessary to fund the start-up of the lottery, the
10 lottery shall operate as a self-supporting revenue-raising
11 agency of the State and no appropriations, loans, or other
12 transfers of state funds shall be made to it.

13 **§ -8 Use of public assistance and electronic benefit**
14 **transfer cards prohibited.** The use of electronic benefit
15 transfer cards or any other type of public assistance benefit
16 for the purchase of lottery tickets is prohibited. As used in
17 this section, "public assistance" shall have the same meaning as
18 under section 346-1.

19 **§ -9 Unclaimed prizes.** Unclaimed prizes shall be
20 retained in the state lottery account for the person entitled
21 thereto for one hundred eighty day after the prize is won. If
22 no claim is made for the prize within this time, the prize shall



1 be waived and the prize moneys shall become a part of the state
2 general fund.

3 § -10 Prohibited acts. (a) A person shall not:

4 (1) Alter or forge a lottery ticket;

5 (2) Claim a lottery prize by means of fraud, deceit,
6 misrepresentation; or

7 (3) Conspire, aid, abet, or agree to aid another person or
8 to claim a lottery prize by means of fraud, deceit,
9 misrepresentation, or in violation of any of the rules
10 created by the commission.

11 (b) Any person who violates this section shall forfeit any
12 winnings received as a result of the violation.

13 (c) A violation of this section shall be a class C
14 felony."

15 SECTION 3. Section 712-1220, Hawaii Revised Statutes, is
16 amended by amending the definition of "gambling" to read as
17 follows:

18 "(4) "Gambling". A person engages in gambling if he stakes
19 or risks something of value upon the outcome of a contest of
20 chance or a future contingent event not under his control or
21 influence, upon an agreement or understanding that he or someone
22 else will receive something of value in the event of a certain



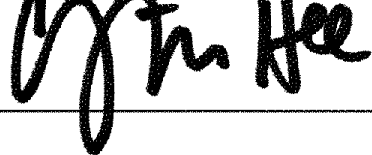
1 outcome. Gambling does not include a limited lottery under
 2 chapter , bona fide business transactions valid under the law
 3 of contracts, including but not limited to contracts for the
 4 purchase or sale at a future date of securities or commodities,
 5 and agreements to compensate for loss caused by the happening of
 6 chance, including but not limited to contracts of indemnity or
 7 guaranty and life, health, or accident insurance."

8 SECTION 4. There is appropriated out of the general
 9 revenues of the State of Hawaii the sum of \$, or so
 10 much thereof as may be necessary for fiscal year 2007-2008, for
 11 the start-up costs of the lottery.

12 The sum appropriated shall be expended by the department of
 13 business, economic development, and tourism for the purposes of
 14 this Act.

15 SECTION 5. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 2007.

17 INTRODUCED BY: 

18



Report Title:

Lottery; Limited

Description:

Creates a state limited lottery program to fund education, mental health, and substance abuse treatment programs. Establishes the rules, regulations, and procedures for the state limited lottery.

