

STAND. COM. REP. NO.

2707

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2009
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2009 entitled:

"A BILL FOR AN ACT RELATING TO GAMBLING,"

begs leave to report as follows:

The purpose of this measure is to clarify that, where the chance to win something of value is offered in conjunction with purchase of an item, the activity constitutes gambling, even if a chance to win is offered by mail at no cost, if the item is offered at a price that is disproportionate to the value of the item, or if the chance to win at no cost by mail is offered from a pool different from the pool from which the chance to win via purchase is drawn.

Testimony in support of this measure was submitted by the Liquor Commission and the Hawaii Coalition Against Legalized Gambling.

Your Committee finds that this measure would address community concerns about vending machines located in bars, lounges, and other retail establishments that dispense sweepstakes cards which, in return for a small fee, provide an opportunity to win various amounts of money along with an item of low value, such as a telephone calling card.

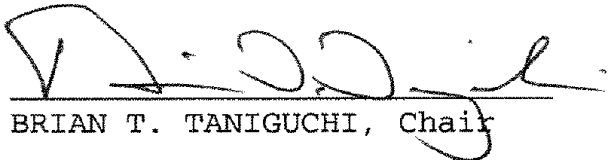
Your Committee has amended this measure by:



- (1) Limiting the application of its free play defense provisions to devices into which a consumer inserts money and the device provides a sweepstakes ticket or card that, by reason of chance, may entitle the consumer to a money prize;
- (2) Revising the phrase "if the item is offered at a price that is disproportionate to the value of the item" by changing "disproportionate to" to "disproportionately high compared to";
- (3) Changing the effective date from upon approval to July 1, 3011; and
- (4) Making technical amendments by placing the new section to be added to the Hawaii Revised Statutes before the section that amends definitions in section 712-1220, Hawaii Revised Statutes, to conform to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2009, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,




BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2009	Committee Referral: JDL	Date: 2-26-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, BRIAN T. (C)	✓			
HEE, Clayton (VC)				✓
GABBARD, Mike	✓			
KOKUBUN, Russell S.				✓
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
TOTAL	4			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designer's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes