

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 260
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred S.B. No. 260 entitled:

"A BILL FOR AN ACT RELATING TO GAMBLING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the definition of "gambling" to clarify that the purchase of a sweepstakes entry that also provides nominal non-gambling value constitutes gambling even if the sweepstakes entry can be obtained without payment of consideration; and
- (2) Eliminate free play as a defense under certain circumstances.

Your Committee received testimony in support of this measure from the Honolulu Police Department; Honolulu Liquor Commission; The League of Women Voters of Hawaii; Hawaii Coalition Against Legalized Gambling; Maryknoll Sisters; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a proliferation of vending machines that dispense "sweepstakes" game cards that can also be used to make brief, long distance telephone calls. These cards typically cost \$1 each and, while vendors make it possible to obtain a card by mail at no cost, these cards are from a separate



pool of possible winners, rather than the pool of cards placed in a vending machine. Your Committee believes that the chance element of this scheme should constitute gambling.

Your Committee notes that the Honolulu Liquor Commission does not issue licenses, permits, or approvals for those machines. Your Committee further notes that the liquor commissions are lacking in current resources to enforce this measure.

Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Making the criminal provision effective January 1, 2011; and
- (3) Changing the effective date of the entire measure to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 260, 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
Government Operations,



BRIAN T. TANIGUCHI, Chair



