
A BILL FOR AN ACT

RELATING TO A STATE LOTTERY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to create a state
2 lottery restricted to participation by nonresidents, with
3 revenues generated from lottery ticket sales to be partly
4 deposited into an education fund for expenditure on educational
5 purposes.

6 SECTION 2. The Hawaii Revised Statutes is amended by
7 adding a new chapter to be appropriately designated and to read
8 as follows:

9 **"CHAPTER**

10 **STATE LOTTERY**

11 **§ -1 Definitions.** For the purposes of this chapter,
12 unless the context clearly requires otherwise:

13 "Commission" means the state lottery commission established
14 by this chapter.

15 "Director" means the director of the state lottery
16 established by this chapter.

17 "Lottery" or "state lottery" means the lottery established
18 and operated pursuant to this chapter.



1 "Nonresident" means every individual who is not permanently
2 domiciled in this State.

3 "Person" means an individual, association, corporation,
4 club, trust, estate, society, company, joint stock company,
5 receiver, trustee, assignee, referee, or any other person acting
6 in a fiduciary or representative capacity, whether appointed by
7 a court or otherwise, and any combination of individuals. A
8 person does not include any department, commission, agency, or
9 instrumentality of the State, or any county or agency or
10 instrumentality thereof.

11 "Resident" means an individual who has a place of permanent
12 domicile in this State.

13 "Ticket" means a lottery ticket.

14 **§ -2 State lottery commission created; membership;**
15 **terms; vacancies; chair; quorum.** (a) There is created the
16 state lottery commission to consist of five members appointed by
17 the governor with the advice and consent of the senate, pursuant
18 to section 26-34. The governor shall designate one member of
19 the commission to serve as chairperson at the governor's
20 pleasure. A majority of the members shall constitute a quorum
21 for the transaction of business.



1 (b) Members shall not be compensated but shall be
2 reimbursed for actual costs incurred in carrying out the duties
3 of the commission, including travel expenses.

4 (c) The lottery commission shall be attached to the
5 department of commerce and consumer affairs for administrative
6 purposes.

7 **§ -3 Powers and duties of commission; when legislative**
8 **approval required.** The commission shall have the following
9 powers and duties:

10 (1) Adopt rules in accordance with chapter 91 governing
11 the establishment and operation of a state lottery;
12 provided that the rules shall be adopted as soon as
13 practicable to enable implementation of the lottery in
14 order to produce the maximum amount of net revenues
15 for the State. The rules shall include:

16 (A) The type of lottery to be conducted, which may
17 include the sale of tickets; provided that:

18 (i) The tickets shall not be sold over the
19 Internet; and

20 (ii) The use of electronic or mechanical devices
21 or video terminals that allow for individual



- 1 play against those devices or terminals
2 shall be prohibited;
- 3 (B) The price of tickets in each lottery;
- 4 (C) The numbers and sizes of the prizes on the
5 winning tickets;
- 6 (D) The manner and time of payment of prizes to the
7 holder of winning tickets which, at the
8 director's option, may be paid in lump sum
9 amounts or by installments over a period of
10 years;
- 11 (E) The frequency of the lottery;
- 12 (F) The type or types of locations at which tickets
13 may be sold; provided that there shall be no
14 limit on the number of locations at which tickets
15 may be sold;
- 16 (G) The method to be used in selling tickets;
17 provided that sales of tickets on the Internet
18 are prohibited;
- 19 (H) The licensing of agents to sell or distribute
20 tickets, except that a person under the age of
21 eighteen shall not be licensed as an agent;



1 (I) The manner and amount of compensation, if any, to
2 be paid to licensed sales agents necessary to
3 provide for the adequate availability of tickets
4 to prospective buyers and for the convenience of
5 the public; and

6 (J) Any other matters necessary or desirable for the
7 efficient and economical operation and
8 administration of the lottery and for the
9 convenience of the purchasers of tickets and the
10 holders of winning tickets;

11 (2) Ensuring that in each place authorized to sell
12 tickets, on the back of the ticket, and in any
13 advertising or promotion, there shall be conspicuously
14 displayed an estimate of the probability of winning;
15 and

16 (3) Advising and making recommendations to the director
17 for the operation and administration of the lottery.

18 § -4 **Lottery commencement.** A lottery shall be conducted
19 no later than July 1, 2014.

20 § -5 **Director; appointment; salary; duties.** The
21 governor shall appoint the director, subject to the advice and
22 consent of the senate. The director shall serve at the pleasure



1 of the governor and shall receive a salary to be determined by
2 the governor, but in no case shall the director's salary be more
3 than ninety per cent of the salary of the governor. The
4 director shall:

5 (1) Supervise and administer the operation of the lottery
6 in accordance with this chapter and with the rules of
7 the commission;

8 (2) Without regard to chapters 76 and 89, appoint deputy
9 and assistant directors that may be required to carry
10 out the functions and duties of director;

11 (3) Appoint professional, technical, and clerical
12 assistants and employees that may be necessary to
13 perform the duties imposed by this chapter; provided
14 that chapters 76 and 89 shall not apply to any
15 employees engaged in undercover audit, investigative
16 work, or security operations but shall apply to other
17 employees appointed by the director;

18 (4) In accordance with this chapter and the rules of the
19 commission, license as agents to sell or distribute
20 tickets those persons who, in the director's opinion,
21 will best serve the public convenience and promote the
22 sale of tickets. The director may require a bond from



1 any licensed agent, in any amount provided in the
2 rules of the commission. Every licensed agent shall
3 prominently display a license, or a copy, as provided
4 in the rules of the commission. License fees may be
5 established by the commission, and, if established,
6 shall be deposited in the state lottery account
7 created under section -21;

8 (5) Confer regularly as necessary or desirable with the
9 commission on the operation and administration of the
10 lottery; upon request, make available for inspection
11 by the commission all books, records, files, and other
12 information and documents of the lottery; and advise
13 the commission and make recommendations on any matters
14 that the director deems necessary and advisable to
15 improve the operation and administration of the
16 lottery;

17 (6) Enter into contracts for the operation of the lottery,
18 or any part thereof, and for the promotion of the
19 lottery. No contract awarded or entered into by the
20 director may be assigned by the holder except by
21 specific approval of the commission; provided that
22 nothing in this chapter shall authorize the director



1 to enter into public contracts for the regular and
2 permanent administration of the lottery after the
3 initial development and implementation;

4 (7) Certify quarterly to the director of finance and the
5 commission a full and complete statement of lottery
6 revenues, prize disbursements, and other expenses for
7 the preceding quarter;

8 (8) Carry on a continuous study and investigation of the
9 lottery throughout the State to:

10 (A) Discover any defects in this chapter or rules
11 adopted under this chapter that may give rise to
12 any abuse in the administration and operation of
13 the lottery or any evasion of this chapter or
14 rules;

15 (B) Formulate recommendations for changes in this
16 chapter and rules adopted under this chapter to
17 prevent abuses and evasions;

18 (C) Guard against the use of this chapter and rules
19 adopted under this chapter to hide the carrying
20 on of professional gambling and crime; and



- 1 (D) Ensure that this chapter and rules adopted under
- 2 this chapter are administered to serve the true
- 3 purposes of this chapter;
- 4 (9) Carry on continuous study and investigation of:
- 5 (A) The operation and the administration of similar
- 6 laws in other states or countries;
- 7 (B) The operation of other games of chance for the
- 8 benefit of a particular program or purpose;
- 9 (C) Any literature on the subject that may be
- 10 published or available;
- 11 (D) Any federal laws that may affect the operation of
- 12 the lottery; and
- 13 (E) The reaction of the residents of this State to
- 14 existing and potential features of the lottery
- 15 with a view to recommending changes that will
- 16 tend to serve the purposes of this chapter;
- 17 (10) Have all enforcement powers necessary to implement
- 18 this chapter; and
- 19 (11) Perform all other actions necessary to carry out the
- 20 purposes of this chapter.

21 **§ -6 Licenses for lottery sales agents; issuance;**
22 **application considerations.** (a) No person shall sell lottery



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1 tickets unless that person is licensed as a lottery sales agent.
2 No lottery sales agent license shall be issued to any person to
3 engage in business to sell lottery tickets exclusively.

4 (b) A lottery sales agent license shall be issued for a
5 period of months, subject to renewals of months
6 thereafter.

7 (c) In considering an application for issuance of a
8 lottery sales agent license, the director shall take into
9 account the:

- 10 (1) Personal financial responsibility and solvency of the
11 applicant and the applicant's business activity;
- 12 (2) Accessibility of the person's place of business or
13 activity to the public;
- 14 (3) Sufficiency of existing licenses to serve the public
15 convenience;
- 16 (4) Volume of expected sales; and
- 17 (5) Criminal record of the applicant; provided that a
18 felony conviction under the laws of this State or
19 another jurisdiction shall disqualify the applicant
20 from obtaining a license under this section.



1 **§ -7 Gifts of lottery tickets.** Nothing in this chapter
2 shall prohibit any person from giving lottery tickets to another
3 as a gift.

4 **§ -8 Denial, suspension, and revocation of licenses.**

5 The director may deny an application or suspend or revoke, after
6 notice and hearing, any lottery sales agent license. A license
7 may be temporarily suspended by the director pending any
8 prosecution, investigation, or hearing. A license may be
9 suspended or revoked or an application may be denied by the
10 director for one or more of the following reasons:

- 11 (1) Failure to:
 - 12 (A) Account for tickets received or the proceeds of
 - 13 the sale of tickets;
 - 14 (B) File a bond if required by the director;
 - 15 (C) File any return or report or to keep records or
 - 16 to pay any tax required by this chapter; or
 - 17 (D) Comply with the instructions of the director
 - 18 concerning the licensed activity;
- 19 (2) For a violation of this chapter or the rules of the
- 20 commission;
- 21 (3) Fraud, deceit, misrepresentation, or conduct
- 22 prejudicial to public confidence in the state lottery;



- 1 (4) The number of tickets sold by the lottery sales agent
- 2 is insufficient to meet administrative costs or the
- 3 public convenience is adequately served by other
- 4 licensees;
- 5 (5) Conviction of a felony under the laws of this State or
- 6 another jurisdiction during the license period; and
- 7 (6) A material change, after issuance of the license, with
- 8 respect to any matters required to be considered by
- 9 the director under section -6.

10 **§ -9 Assignments.** (a) No right of any person to a

11 prize won is assignable, except:

- 12 (1) Voluntary assignments pursuant to subsection (b);
- 13 (2) Payment of any prize won may be paid to the estate of
- 14 a deceased prize winner; and
- 15 (3) Any person pursuant to an appropriate judicial order
- 16 may be paid the prize to which the winner is entitled.

17 (b) The payment of all or part of the remainder of an

18 annuity may be assigned to another person, pursuant to a

19 voluntary assignment of the right to receive future annual prize

20 payments, if the prize winner is:

- 21 (1) A resident of the State and the assignment is made
- 22 pursuant to an appropriate judicial order of the



1 district court of the district in which the prize
2 winner resides; or

3 (2) Not a resident of the State and the assignment is made
4 pursuant to an appropriate judicial order from the
5 first circuit court.

6 (c) If there is a voluntary assignment under subsection
7 (b), a copy of the petition for an order under subsection (b)
8 and all notices of any hearing in the matter shall be served on
9 the attorney general no later than ten days before any hearing
10 or entry of any order.

11 (d) The court receiving the petition under subsection (c)
12 may issue an order approving the assignment and directing the
13 director to pay to the assignee the remainder or a portion of an
14 annuity so assigned upon finding that all of the following
15 conditions have been met:

16 (1) The assignment has been memorialized in writing and
17 executed by the assignor and is subject to state law;

18 (2) The assignor provides a sworn declaration to the court
19 attesting to the fact that the assignor has had the
20 opportunity to be represented by independent legal
21 counsel in connection with the assignment, has
22 received independent financial and tax advice



1 concerning the effects of the assignment, and is of
2 sound mind and not acting under duress, and the court
3 makes findings determining so;

4 (3) The assignee has provided a one-page written
5 disclosure statement that sets forth in bold-face
6 type, fourteen point or larger, the payments being
7 assigned by amount and payment dates, the purchase
8 price, or loan amount being paid; the interest rate or
9 rate of discount to present value, assuming monthly
10 compounding and funding on the contract date; and the
11 amount, if any, of any origination or closing fees
12 that will be charged to the lottery winner. The
13 disclosure statement shall also advise the winner that
14 the winner should consult with and rely upon the
15 advice of independent legal or financial advisors
16 regarding the potential federal and state tax
17 consequences of the transaction; and

18 (4) The proposed assignment shall not include or cover
19 payments or portions of payments subject to set-offs
20 pursuant to section -24 unless appropriate
21 provision is made to satisfy the obligations giving
22 rise to the set-off.



1 (e) The commission may intervene as of right in any
2 proceeding under this section but shall not be deemed an
3 indispensable or necessary party.

4 (f) The director shall not pay the assignee an amount in
5 excess of the annual payment entitled to the assignor.

6 (g) The commission may adopt rules pertaining to the
7 assignment of prizes under this section, including recovery of
8 actual costs incurred by the commission. The recovery of actual
9 costs shall be deducted from the initial annuity payment made to
10 the assignee.

11 (h) No voluntary assignment under this section shall be
12 effective unless and until the Internal Revenue Service provides
13 a ruling that declares that the voluntary assignment of prizes
14 will not affect the federal income tax treatment of prize
15 winners who do not assign their prizes. If at any time the
16 Internal Revenue Service or a court of competent jurisdiction
17 provides a determination letter, revenue ruling, other public
18 ruling of the Internal Revenue Service, or published decision to
19 any state lottery or state lottery prize winner declaring that
20 the voluntary assignment of prizes will affect the federal
21 income tax treatment of prize winners who do not assign their
22 prizes, the director shall immediately file a copy of that



1 letter, ruling, or published decision with the governor. No
2 further voluntary assignments may be allowed after the date the
3 ruling, letter, or published decision is filed.

4 (i) The occurrence of any event described in subsection
5 (h) does not render invalid or ineffective assignments validly
6 made and approved pursuant to an appropriate judicial order
7 before the occurrence of any such event.

8 (j) The commission and the director shall be discharged of
9 all further liability upon payment of a prize pursuant to this
10 section.

11 **§ -10 Maximum price of ticket limited.** A licensed
12 lottery sales agent shall not sell a ticket at a price greater
13 than that fixed by rule of the commission.

14 **§ -11 Sale to minors prohibited; exception; penalties.**

15 (a) A ticket shall not be sold to any person under the age of
16 eighteen; provided that this section shall not be deemed to
17 prohibit the purchase of a ticket for the purpose of making a
18 gift by a person eighteen years of age or older to a person
19 younger than the age of eighteen.

20 (b) Any licensed lottery sales agent who knowingly sells
21 or offers to sell a ticket to any person under the age of
22 eighteen shall be guilty of a misdemeanor.



1 (c) A person under the age of eighteen who purchases a
2 ticket in violation of this section shall be guilty of a
3 misdemeanor. No prize shall be paid to that person and the
4 prize money otherwise payable on the ticket shall be treated as
5 an unclaimed prize under section -17.

6 **§ -12 Prohibited acts; penalty.** (a) No person shall:

- 7 (1) Alter or forge a ticket;
- 8 (2) Claim a lottery prize or share of a lottery prize by
9 means of fraud, deceit, or misrepresentation; or
- 10 (3) Conspire, aid, abet, or agree to aid another person or
11 persons to claim a lottery prize or share of a lottery
12 prize by means of fraud, deceit, or misrepresentation.

13 (b) A violation of this section shall be a class B felony.

14 **§ -13 Penalty for unlicensed activity.** (a) Any person
15 who conducts any activity for which a license is required by
16 this chapter or by rule of the commission, without the required
17 license, shall be guilty of a class B felony.

18 (b) In the case of a corporation, an officer of the
19 corporation shall be guilty of a class B felony if the officer
20 had knowledge of and acquiesced in the unlicensed activity of
21 the corporation.



1 **§ -14 Penalty for false or misleading statement or entry**
2 **or failure to produce documents.** Any person, in any application
3 for a lottery sales agent license or in any book or record
4 required to be maintained or in any report required to be
5 submitted, who makes any false or misleading statement, or makes
6 any false or misleading entry or wilfully fails to maintain or
7 make any entry required to be maintained or made, or who
8 wilfully refuses to produce for inspection any book, record, or
9 document required to be maintained or made by federal or state
10 law shall be guilty of a misdemeanor.

11 **§ -15 Penalty for violation of chapter; exceptions.** Any
12 person who commits a violation of this chapter, or any rule
13 adopted pursuant to it, for which no penalty is otherwise
14 provided, or knowingly causes, aids, abets, or conspires with
15 another to cause any person to violate this chapter or the rules
16 adopted pursuant to it, shall be guilty of a class C felony.

17 **§ -16 Persons prohibited from purchasing tickets or**
18 **receiving prizes; penalty.** (a) Only nonresidents shall be
19 eligible to purchase a lottery ticket or to win a lottery prize.
20 (b) A ticket shall not be purchased by, and a prize shall
21 not be paid to any:

22 (1) Resident of this State; or



1 (2) Member, director, or employee of the commission or to
2 any spouse, child, brother, sister, or parent residing
3 as a member of the same household in the principal
4 place of abode of any member, director, or employee of
5 the commission.

6 (c) A violation or an attempt to violate this section
7 shall result in a forfeiture of any prize.

8 **§ -17 Unclaimed prizes.** Unclaimed prizes shall be
9 retained in the state lottery account for the person entitled
10 thereto for one hundred eighty days after the official end of
11 the lottery. If no claim is made for the prize within this
12 time, all rights to the prize shall be extinguished, and the
13 prize shall be retained in the state lottery fund for further
14 use as prizes, except that one-third of all unclaimed prize
15 money shall be deposited in the state general fund.

16 **§ -18 Deposit of moneys received by agents from sales;
17 power of director; reports.** The director, in the director's
18 discretion, may require any or all lottery sales agents to
19 deposit to the credit of the state lottery account in banks
20 designated by the director of finance, all moneys received by
21 those agents from the sale of tickets, less the amount, if any,
22 retained as compensation for the sale of the tickets, and to



1 file with the director reports of their receipts and
2 transactions in the sale of tickets in a form and containing the
3 information as the director may require. The director may make
4 any arrangements for any person, including a bank, to perform
5 any functions, activities, or services in connection with the
6 operation of the lottery as the director may deem advisable
7 pursuant to this chapter and the rules of the commission, and
8 the functions, activities, or services shall constitute lawful
9 functions, activities, and services of that person.

10 **§ -19 Other law inapplicable to sale of tickets.** No
11 other law providing any penalty for the sale of tickets or any
12 acts done in connection with a lottery shall apply to the sale
13 of tickets performed pursuant to this chapter.

14 **§ -20 Payment of prizes to minor.** If the person
15 entitled to a prize is under the age of eighteen and the prize
16 is less than \$5,000, the director may pay the prize to an adult
17 member of the minor's family or a guardian of the minor by a
18 check or draft payable to the order of the minor. However, if
19 the prize is \$5,000 or more, the director shall pay the minor by
20 depositing the amount of the prize in any bank to the credit of
21 an adult member of the minor's family or a guardian of the minor
22 as custodian for the minor. The commission and the director



1 shall be discharged of all further liability upon payment of a
2 prize to a minor pursuant to this section.

3 **§ -21 State lottery account.** There is created a state
4 lottery account as a separate account within the state treasury,
5 into which shall be deposited all revenues received from the
6 sale of tickets, and all other moneys credited or transferred
7 thereto from any other fund or source pursuant to law; provided
8 that of the total amount of revenues and all other moneys
9 deposited into the state lottery account each fiscal year,
10 per cent shall in turn be deposited into the education
11 fund created under section 302A- , and per cent shall be
12 deposited into the general fund. The state lottery account
13 shall be administered by the commission.

14 **§ -22 Use of moneys in state lottery account.** The
15 moneys in the state lottery account, after deposit of moneys
16 into the education fund and general fund pursuant to section
17 -21, shall be used only for:

18 (1) The payment of prizes to the holders of winning
19 tickets; provided that the payment of prizes to the
20 holders of winning tickets shall be per cent of
21 the gross revenue from lottery ticket sales;

22 (2) Administrative expenses;



1 (3) The purchase and promotion of tickets and lottery-
2 related services; and

3 (4) The payment of agent compensation.

4 **§ -23 Methods for payment of prizes by installments.**

5 The director may pay any prize by installments over a period of
6 years at the direction of the prize winner; provided that the
7 director shall select, for any specific lottery, only one of the
8 following methods of installment payments:

9 (1) The director may enter into a contract with any
10 financially responsible person or firm providing for
11 the payment of the installments; or

12 (2) The director may establish and maintain a reserve
13 account into which shall be placed sufficient moneys
14 for the director to pay the installments as they
15 become due. The reserve account shall be maintained
16 as a separate and independent account outside the
17 state treasury.

18 **§ -24 Debts owed to state agency or counties; debt
19 information to lottery commission; deduction from prize. (a)**

20 Any state agency or county that maintains records of debts owed
21 to the State or a county, or that the State is authorized to
22 enforce or collect, may submit debt information to the director



1 in a format specified by the director. State agencies or
2 counties submitting debt information shall provide updated debt
3 information monthly to the director; provided that the state or
4 county agency shall be solely responsible for the accuracy of
5 the information at the time the lottery prize is awarded.

6 (b) The amount of any debt to a state or county agency, as
7 verified by debt information submitted to the director under
8 subsection (a), shall be deducted from the lottery prize of the
9 winner prior to payment of the prize to the winner. The amount
10 of the deduction for debt shall be paid over to the appropriate
11 state or county agency in the order of priority of the highest
12 to the lowest debt amount, or as otherwise prescribed by law.

13 **§ -25 Audits.** The auditor shall conduct an annual audit
14 of all accounts and transactions of the lottery and any other
15 special audits that the auditor may be directed to conduct.

16 **§ -26 Investigations by attorney general authorized.**
17 The attorney general may investigate violations of this chapter
18 and of the criminal laws within this State by the commission,
19 the director, or the director's employees, licensees, or agents.

20 **§ -27 Management review by director of finance.** The
21 director of finance may conduct a management review of the
22 commission's lottery operations to ensure that:



- 1 (1) The manner and timeliness of prize payments are
- 2 consistent with this chapter and the rules adopted
- 3 under this chapter;
- 4 (2) The apportionment of total revenues accruing from the
- 5 sale of tickets and from all other sources is
- 6 consistent with this chapter;
- 7 (3) The manner and type of lottery being conducted and
- 8 incidental expenses are the most efficient and cost-
- 9 effective; and
- 10 (4) The commission is not incurring unnecessary operating
- 11 and administrative costs.

12 In conducting a management review, the director of finance
13 may inspect the books, documents, and records of the commission.
14 Upon completion of a management review, all irregularities shall
15 be reported to the attorney general, the legislature, and the
16 state auditor. The director of finance shall make any
17 recommendations that may be necessary for the most efficient and
18 cost-effective operation of the lottery.

19 **§ -28 Verification by certified public accountant.** The
20 director of finance shall select a certified public accountant
21 to verify that:



1 (1) The manner of selecting the tickets is consistent with
2 this chapter; and

3 (2) The manner and timeliness of prize payments and
4 administrative expenses are consistent with this
5 chapter.

6 **§ -29 Enforcement powers of director.** The director, the
7 deputy director, assistant directors, and each of the director's
8 investigators, enforcement officers, and inspectors shall have
9 the power to enforce this chapter and the criminal laws of this
10 State relating to the conduct of or participation in lottery
11 activities and the manufacturing, importation, transportation,
12 distribution, possession, and sale of equipment or paraphernalia
13 used or for use in connection with the lottery. This power
14 shall include the power to apply for and execute all warrants
15 and service of process issued by the courts, and to arrest,
16 without a warrant, any person or persons found in violation of
17 any of the criminal provisions of this chapter. To the extent
18 set forth in this section, the director shall have the power to
19 investigate violations of this chapter, to enforce this chapter,
20 and to obtain information from and provide information to all
21 other law enforcement agencies.



1 **§ -30 Construction.** This chapter shall be liberally
2 construed to carry out the purposes and policies of this chapter.
3 This chapter shall not be interpreted to authorize games of
4 chance other than a lottery as conducted pursuant to this
5 chapter."

6 SECTION 3. Chapter 302A, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§302A- Education fund. The education fund is created
10 within the state treasury to be administered by the department.
11 The fund may receive deposits from the state lottery account
12 created under section -21. Moneys may be appropriated from
13 the education fund for any educational purpose."

14 SECTION 4. Section 712-1220, Hawaii Revised Statutes, is
15 amended by amending the definition of "gambling" to read as
16 follows:

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



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

7 A state lottery conducted in accordance with chapter
8 shall not constitute gambling."

9 SECTION 5. If any provision of this Act, or the
10 application thereof to any person or circumstance is held
11 invalid, the invalidity does not affect other provisions or
12 applications of the Act, which can be given effect without the
13 invalid provision or application, and to this end the provisions
14 of this Act are severable.

15 SECTION 6. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 7. This Act shall take effect upon its approval.

18

INTRODUCED BY: Michelle Sidani (br)



S.B. NO. 2156

Report Title:

State Lottery; Nonresidents

Description:

Creates a state lottery limited to nonresidents. Requires deposits of unspecified percentages of lottery proceeds to an education fund and the general fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

