
A BILL FOR AN ACT

RELATING TO GAMBLING OFFENSES.

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

1 SECTION 1. The legislature finds that Hawaii's gambling
2 laws are being circumvented by a recent trend in which
3 participants make purchases of goods or services that entitle
4 the purchaser to participate in gaming activities on machines
5 that offer payouts and otherwise constitute gambling. The
6 participant earns more credits or plays each time money is spent
7 or deposited into the machine. Establishments that promote
8 these activities claim that the activities do not constitute
9 gambling. The legislature, however, disagrees. In addition,
10 law enforcement officials have found that participants, and even
11 employees of the establishments that provide the machines and
12 activities, are unaware of, or completely disregard, the
13 purchased goods or services and proceed directly to the gaming
14 activity. Hence, it is clear that the intent of these
15 establishments and machines is to promote gambling.

16 The purpose of this Act is to amend chapter 712, Hawaii
17 Revised Statutes, to clarify the gambling laws to provide that



1 gambling activities offered incident to the purchase of goods or
2 services constitute gambling.

3 SECTION 2. Section 712-1220, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§712-1220 Definitions of terms in this part.** In this
6 part unless a different meaning plainly is required, the
7 following definitions apply.

8 (1) "Advance gambling activity". A person "advances
9 gambling activity" if he engages in conduct that materially aids
10 any form of gambling activity. Conduct of this nature includes
11 but is not limited to conduct directed toward the creation or
12 establishment of the particular game, contest, scheme, device,
13 or activity involved, toward the acquisition or maintenance of
14 premises, paraphernalia, equipment, or apparatus therefor,
15 toward the solicitation or inducement of persons to participate
16 therein, toward the actual conduct of the playing phases
17 thereof, toward the arrangement of any of its financial or
18 recording phases, or toward any other phase of its operation. A
19 person advances gambling activity if, having substantial
20 proprietary control or other authoritative control over premises
21 being used with his knowledge for purposes of gambling activity,
22 he permits that activity to occur or continue or makes no effort



1 to prevent its occurrence or continuation. A person advances
2 gambling activity if he plays or participates in any form of
3 gambling activity.

4 (2) "Bookmaking" means advancing gambling activity by
5 accepting bets from members of the public upon the outcomes of
6 future contingent events.

7 (3) "Contest of chance" means any contest, game, gaming
8 scheme, or gaming device in which the outcome depends in a
9 material degree upon an element of chance, notwithstanding that
10 skill of the contestants may also be a factor therein.

11 (4) "Gambling". A person engages in gambling if he stakes
12 or risks something of value upon the outcome of a contest of
13 chance or a future contingent event not under his control or
14 influence, upon an agreement or understanding that he or someone
15 else will receive something of value in the event of a certain
16 outcome. Gambling does not include bona fide business
17 transactions valid under the law of contracts, including but not
18 limited to contracts for the purchase or sale at a future date
19 of securities or commodities, and agreements to compensate for
20 loss caused by the happening of chance, including but not
21 limited to contracts of indemnity or guaranty and life, health,
22 or accident insurance.



1 (5) "Gambling device" means any device, machine,
2 paraphernalia, or equipment that is used or usable in the
3 playing phases of any gambling activity, whether that activity
4 consists of gambling between persons or gambling by a person
5 involving the playing of a machine. However, lottery tickets
6 and other items used in the playing phases of lottery schemes
7 are not gambling devices within this definition.

8 (6) "Lottery" means a gambling scheme in which:

9 (a) The players pay or agree to pay something of value for
10 chances, represented and differentiated by numbers or
11 by combinations of numbers or by some other medium,
12 one or more of which chances are to be designated the
13 winning ones; and

14 (b) The winning chances are to be determined by a drawing
15 or by some other method based on an element of chance;
16 and

17 (c) The holders of the winning chances are to receive
18 something of value.

19 (7) "Mutuel" means a form of lottery in which the winning
20 chances or plays are not determined upon the basis of a drawing
21 or other act on the part of persons conducting or connected with
22 the scheme, but upon the basis of the outcome or outcomes of a



1 future contingent event or events otherwise unrelated to the
2 particular scheme.

3 (8) "Player" means a person who engages in gambling solely
4 as a contestant or bettor.

5 (9) "Profit from gambling activity". A person "profits
6 from gambling activity" if he accepts or receives money or other
7 property pursuant to an agreement or understanding with any
8 person whereby he participates or is to participate in the
9 proceeds of gambling activity.

10 (10) "Social gambling" is defined in section 712-1231.

11 (11) "Something of value" means: [~~any~~]

12 (a) Any money or property[~~r~~]; [~~any~~]

13 (b) Any token, object, or article exchangeable for money
14 or property[~~r~~];

15 (c) Any purchase of an item or service that entitles a
16 person to participate in a gambling scheme or use a
17 gambling device; or

18 (d) Any entries, credits, or play points that extend or
19 permit the privilege of playing a game of chance
20 without charge,

21 or any form of credit or promise directly or indirectly
22 contemplating transfer of money or property or of any



1 interest therein, or involving extension of a service or
2 entertainment."

3 SECTION 3. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Gambling Machines and Devices; Gambling Activities Offered
Incident to Purchase of Goods or Services

Description:

Amends a definition in the gambling law to provide that gambling activities offered incident to the purchase of goods or services constitute gambling. (HB343 HD1)

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