

JAN 18 2013

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# 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 the Honolulu police  
2 department, as well as nationally recognized economists, have  
3 appeared before legislative hearings testifying to the fact that  
4 gambling is an addictive activity and has a serious negative  
5 impact on our community.

6           There is a recent gambling scheme in which participants  
7 purchase items or services that then entitles them to  
8 participate in the gambling scheme. The dollar amount a user  
9 spends to purchase items or services is directly related to the  
10 number of credits a user is allotted. The more money spent or  
11 put into the machine, the more credits or plays a user is given.

12           The legislature further finds that establishments promoting  
13 these activities claim that it is legal. However, the Honolulu  
14 police department has found that users, and even employees of  
15 the establishments, are unaware of, or completely disregard the  
16 items or services purchased and proceed directly to the gambling  
17 portion of the device. It is clear that the intent of these  
18 establishments and machines is to promote gambling.



1           The purpose of this Act is to clarify what constitutes  
2 gambling, a gambling device, and something of value.

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

5           1. By amending the definition of "gambling" to read:

6           "(4) "Gambling". A person engages in gambling if [~~he~~] the  
7 person stakes or risks something of value upon the outcome of a  
8 contest of chance or a future contingent event not under [~~his~~]  
9 the person's control or influence, upon an agreement or  
10 understanding that [~~he~~] the person or someone else will receive  
11 something of value in the event of a certain outcome. Gambling  
12 [~~does~~]:

13           (a) Includes the use of any gambling device that is  
14 offered incident to the purchase of other goods or  
15 services, at no additional charge; and

16           (b) Does not include bona fide business transactions valid  
17 under the law of contracts, including but not limited  
18 to contracts for the purchase or sale at a future date  
19 of securities or commodities, and agreements to  
20 compensate for loss caused by the happening of chance,  
21 including but not limited to contracts of indemnity or  
22 guaranty and life, health, or accident insurance."



1           2. By amending the definition of "gambling device" to  
2 read:

3           "(5) "Gambling device" means any device, machine,  
4 paraphernalia, or equipment that is [used]:

5           (a) Used or usable in the playing phases of any gambling  
6           activity, whether that activity consists of gambling  
7           between persons or gambling by a person involving the  
8           playing of a machine [~~—However,~~]; or

9           (b) Available to play or operate a contest of chance upon  
10           payment of something of value, including the purchase  
11           of goods or services incidental to play or operation  
12           of the machine, and which may deliver or entitle the  
13           person playing or operating the machine to a payout of  
14           anything of value, whether the payout is made  
15           automatically by the machine or in any other manner;  
16           provided that lottery tickets and other items used in  
17           the playing phases of lottery schemes are not gambling  
18           devices within this definition."

19           3. By amending the definition of "something of value" to  
20 read:

21           "(11) "Something of value" means any money or property,  
22 any token, object, or article exchangeable for money or



1 property, or any purchase of items or services that entitles a  
2 person to participate in a gambling scheme or gambling device,  
3 or any form of credit or promise directly or indirectly  
4 contemplating transfer of money or property or of any interest  
5 therein, or involving extension of a service or entertainment."

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

9 SECTION 4. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

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

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**Report Title:**

Gambling; Gambling Device; Something of Value

**Description:**

Clarifies the definitions of "gambling", "gambling device", and "something of value" to include the purchase of goods or services incidental to play or operation of a machine which may deliver or entitle the participant to a payout of value.

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