

STAND. COM. REP. NO.

2524

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2429
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2429 entitled:

"A BILL FOR AN ACT RELATING TO FANTASY COMPETITIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the offense of promoting fantasy competition as a violation and create an affirmative defense to the offense under limited situations; and
- (2) Add a definition of "fantasy competition" to section 712-1220, Hawaii Revised Statutes.

Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; Hawai'i Coalition Against Legalized Gambling; Hawaii Family Forum; and League of Women Voters of Hawaii. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that a fantasy competition is a contest in which individuals create fictitious sports teams within a particular professional or collegiate sport and serve as the owner, coach, or manager of their own fictitious team. These fictitious teams compete against each other using real world statistics for each athlete. The Department of the Prosecuting



Attorney of the City and County of Honolulu testified that although fantasy sports competitions are based on statistical performances of real athletes in real sporting events, fantasy sports competitions are a form of gambling. Accordingly, this measure makes the offense of promoting fantasy competition a violation.

Your Committee notes the testimony from the Department of the Prosecuting Attorney of the City and County of Honolulu and Department of the Attorney General that this measure is unnecessary because existing state gambling laws include similar charges to the proposed offense of promoting fantasy competition. Your Committee further notes the testimony from the Department of the Prosecuting Attorney of the City and County of Honolulu that the definition of "contest of chance" includes fantasy competitions because there is a material degree of chance involved when the fantasy competition is based on the future performance of real world athletes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have established the offense of promoting fantasy competition as a violation and would have created an affirmative defense under limited situations;
- (2) Including fantasy competitions in the definition of "contest of chance" in section 712-1220, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 2429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2429, 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,



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2429	Committee Referral: JDL	Date: 2/11/16		
<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
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)	/			
GABBARD, Mike	/			
KIM, Donna Mercado	/			
THIELEN, Laura H.		/		
SLOM, Sam				/
TOTAL	4	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee'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