

STAND. COM. REP. NO. **2615**

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 3024
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 3024, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit the sale of video games that contain a system of further purchasing a randomized reward or a virtual item that can be redeemed to receive a randomized reward to consumers under twenty-one years of age.

Your Committee received testimony in support of this measure from the Hawaii Youth Services Network. Your Committee received testimony in opposition to this measure from the Entertainment Software Association and TechNet. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Entertainment Software Rating Board.

Your Committee finds that the video game industry is a multi-billion dollar industry with a diverse consumer base that continues to grow substantially each year. Video games are increasingly prevalent and accessible, as smart phones, gaming consoles, and personal computers become more available. Increased access to video games has increased the popularity of an in-game mechanism known as a "loot box". Loot boxes are purchased with money or earned through gameplay, and contain randomized rewards

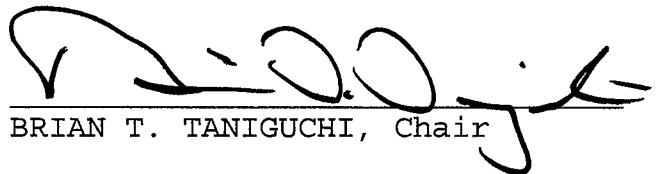


that can help an individual progress in the game or are merely cosmetic. According to testimony received by your Committee, this mechanism is similar to gambling, and could lead to children and youth developing a behavioral addiction to gambling. Because parents and other responsible adults are often unaware of the randomized rewards that are available in video games, your Committee concludes that in order to reduce the exposure of children and youth to gambling and its harmful effects, the sale of video games that contain a system of further purchasing a randomized reward to children and youth should be prohibited.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3024, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,




BRIAN T. TANIGUCHI, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3024, SD1	CPH, JDC	2/27/2018		
<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
TANIGUCHI, Brian T. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
THIELEN, Laura H.	✓			
TOTAL	5	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes