
HOUSE CONCURRENT RESOLUTION

CONVENING A DIGITAL GAMING ADVISORY GROUP TO ASSESS AND MONITOR
PREDATORY PRACTICES IN THE DIGITAL GAMING INDUSTRY.

1 WHEREAS, in recent years, gaming industry developers have
2 begun to employ predatory variable reward mechanisms known as
3 "loot boxes," which operate similarly to slot machines, in
4 digital games marketed to adults and children of all ages,
5 through which players can pay real money for chances to win
6 randomized virtual items of varying value; and
7

8 WHEREAS, digital and physical variable reward mechanisms
9 such as casino slot machines and digital loot boxes are designed
10 to exploit human psychology to cause repetitive consumption,
11 which maximizes player spending; and
12

13 WHEREAS, on numerous occasions, studies have found negative
14 psychological impacts from extended exposure to exploitive
15 variable reward mechanisms, which can lead to addiction and
16 cognitive development problems in particularly vulnerable youth,
17 leading countries such as China, Belgium, the Netherlands, and
18 others to begin to regulate or ban predatory variable reward
19 mechanisms such as digital loot boxes in video games; and
20

21 WHEREAS, in the United States, departments and agencies
22 heavily regulate exploitive variable reward mechanisms in casino
23 games to minimize negative impacts on mental health,
24 particularly in developing youth, and ensure transparency and
25 basic consumer protections by requiring strict disclosure to
26 consumers of the odds of winning possible rewards contained
27 within; and
28

29 WHEREAS, there is currently no requirement or oversight for
30 digital game developers to disclose to consumers the odds of
31 winning any rewards within predatory variable reward mechanisms



H.C.R. NO. 224

1 such as digital loot boxes, and it has already been discovered
2 that in some games, the odds of winning particular items
3 frequently advertised to consumers were, deceptively, just
4 fractions of one percent; and

5
6 WHEREAS, there is no requirement for digital game
7 developers and publishers to disclose to consumers the specific
8 inclusion of predatory variable reward mechanisms such as
9 digital loot boxes in games being sold to the public, making it
10 impossible for parents to know which games contain these
11 mechanisms and which games do not; and

12
13 WHEREAS, when called upon to inform parents and include
14 specific disclosures of which games contain predatory variable
15 reward mechanisms such as digital loot boxes, the game industry
16 responded by hiding their inclusion behind a blanket disclosure
17 on all games which contain any type of in-game purchases, making
18 it impossible for parents to distinguish between games that
19 allow purchases of regular in-game content and those that
20 include predatory variable reward mechanisms such as digital
21 loot boxes; and

22
23 WHEREAS, through regular online updates that often occur
24 long after the purchase of a game, game developers and
25 publishers have been inserting predatory variable reward
26 mechanisms such as digital loot boxes into games without
27 meaningful player or parental knowledge; and

28
29 WHEREAS, in 2017, game developers filed patents to further
30 expand predatory game design by raising or lowering the odds of
31 winning items within exploitive variable reward mechanisms such
32 as digital loot boxes to match the likelihood that specific
33 players will continue to spend money, potentially lowering the
34 odds of winning valuable items for players identified as likely
35 to continue purchasing chances to win; and

36
37 WHEREAS, seeing opportunities to further compel in-game
38 purchases, game developers have begun designing games to
39 increase difficulty and time required to achieve in-game
40 objectives and increasingly stack players of mismatched strength
41 against one another in multiplayer games to encourage greater
42 numbers of consumers to purchase predatory variable reward



1 mechanisms such as digital loot boxes to win items that would
2 more easily enable successful play; and

3
4 WHEREAS, unlike traditional games of chance, baseball
5 cards, and other randomized novelties, video games require
6 active, lengthy participation during which consumers are exposed
7 to the psychological manipulation techniques employed by
8 exploitive predatory variable reward mechanisms such as digital
9 loot boxes that aggressively compel spending and can lead to
10 psychological and developmental harm; and

11
12 WHEREAS, the American Psychological Association has
13 identified "internet gaming disorder" in the Diagnostic and
14 Statistical Manual of Mental Disorders as an emerging diagnosis
15 that warrants further study; and

16
17 WHEREAS, the World Health Organization has identified
18 "gaming disorder" alongside gambling as a pattern of gaming
19 behavior that appreciably increases the risk of harmful physical
20 or mental health and included "hazardous gaming" as a threat to
21 public health in the latest draft of its International
22 Compendium of Diseases; and

23
24 WHEREAS, with no requirements for disclosure, transparency,
25 or basic protection against predatory and exploitive practices,
26 countless families, individuals, and particularly vulnerable
27 youth have been harmed by exposure to the predatory variable
28 reward mechanisms such as digital loot boxes now aggressively
29 marketed to players of all ages on personal computers, gaming
30 consoles, and the mobile phones in people's pockets; now,
31 therefore,

32
33 BE IT RESOLVED by the House of Representatives of the
34 Thirtieth Legislature of the State of Hawaii, Regular Session of
35 2019, the Senate concurring, that a Digital Gaming Advisory
36 Group is convened to examine, assess, and monitor predatory or
37 exploitive practices in digital games and to make
38 recommendations; and

39
40 BE IT FURTHER RESOLVED that the working group shall be
41 chaired by the Attorney General and shall consist of the Chairs
42 of the House and Senate standing committees with subject matter



H.C.R. NO. 224

1 jurisdiction over Consumer Protection and Judiciary and shall
 2 include the Executive Director of Consumer Protection and
 3 Director of Health or their designees, and any others invited by
 4 the working group's Chair, all of whom shall serve without
 5 compensation; and
 6

7 BE IT FURTHER RESOLVED that the Department of the Attorney
 8 General is requested to provide staff and administrative support
 9 to the working group, including clerical and research services,
 10 as needed; and
 11

12 BE IT FURTHER RESOLVED that the working group is requested
 13 to submit a report of its findings and recommendations no later
 14 than twenty days prior to the convening of each Regular Session
 15 of 2020 and 2021; and
 16

17 BE IT FURTHER RESOLVED that the working group shall cease
 18 to exist on June 30, 2021; and
 19

20 BE IT FURTHER RESOLVED that certified copies of this
 21 Concurrent Resolution be transmitted to the Governor, Attorney
 22 General, Director of Commerce and Consumer Affairs, Executive
 23 Director of Consumer Protection, and Director of Health.
 24
 25
 26

OFFERED BY: 

MAR 0 8 2019

