
HOUSE CONCURRENT RESOLUTION

CONVENING A DIGITAL GAMING ADVISORY GROUP TO ASSESS AND MONITOR
GAMBLING AND 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
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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
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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
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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
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29 WHEREAS, there is currently no requirement or oversight for
30 digital game developers to disclose to consumers the odds of



1 winning any rewards within predatory variable reward mechanisms
2 such as digital loot boxes, and it has already been discovered
3 that in some games, the odds of winning particular items
4 frequently advertised to consumers were, deceptively, just
5 fractions of one percent; and
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7 WHEREAS, there is no requirement for digital game
8 developers and publishers to disclose to consumers the specific
9 inclusion of predatory variable reward mechanisms such as
10 digital loot boxes in games being sold to the public, making it
11 impossible for parents to know which games contain these
12 mechanisms and which games do not; and
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14 WHEREAS, when called upon to inform parents and include
15 specific disclosures of which games contain predatory variable
16 reward mechanisms such as digital loot boxes, the game industry
17 responded by hiding their inclusion behind a blanket disclosure
18 on all games which contain any type of in-game purchases, making
19 it impossible for parents to distinguish between games that
20 allow purchases of regular in-game content and those that
21 include predatory variable reward mechanisms such as digital
22 loot boxes; and
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24 WHEREAS, through regular online updates that often occur
25 long after the purchase of a game, game developers and
26 publishers have been inserting predatory variable reward
27 mechanisms such as digital loot boxes into games without
28 meaningful player or parental knowledge; and
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30 WHEREAS, in 2017, game developers filed patents to further
31 expand predatory game design by raising or lowering the odds of
32 winning items within exploitive variable reward mechanisms such
33 as digital loot boxes to match the likelihood that specific
34 players will continue to spend money, potentially lowering the
35 odds of winning valuable items for players identified as likely
36 to continue purchasing chances to win; and
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38 WHEREAS, seeing opportunities to further compel in-game
39 purchases, game developers have begun designing games to
40 increase difficulty and time required to achieve in-game
41 objectives and increasingly stack players of mismatched strength
42 against one another in multiplayer games to encourage greater
43 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

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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

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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

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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

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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,

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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 gambling and
37 predatory practices in digital games and their potential impacts
38 on the public; and

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40 BE IT FURTHER RESOLVED that the advisory group shall
41 examine, assess, and monitor evolving gambling and predatory
42 practices in digital video games which may present a potential
43 public health or consumer risk, potential negative impacts to



1 the public, provide for education and awareness, and make
2 recommendations; and

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4 BE IT FURTHER RESOLVED that the advisory group shall be co-
5 chaired by the Chairs of the House and Senate standing
6 committees with subject matter jurisdiction over Judiciary and
7 shall include the Attorney General or designee, the Director of
8 Consumer Protection or designee, and Director of Health or
9 designee, and others with relevant oversight or experience
10 invited by the advisory group's co-chairs, all of whom shall
11 serve without compensation; and

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13 BE IT FURTHER RESOLVED that the Legislative Reference
14 Bureau is requested to provide final drafting support to the
15 advisory group for its reports; and

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17 BE IT FURTHER RESOLVED that the advisory group is requested
18 to submit a report of any findings and recommendations as may be
19 necessary, no later than twenty days prior to the convening of
20 each Regular Session; and

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22 BE IT FURTHER RESOLVED that the advisory group shall cease
23 to exist on June 30, 2024; and

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25 BE IT FURTHER RESOLVED that certified copies of this
26 Concurrent Resolution be transmitted to the Governor, Attorney
27 General, Department of Commerce and Consumer Affairs, Department
28 of Health, and Legislative Reference Bureau.

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