
HOUSE 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
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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
31 winning any rewards within predatory variable reward mechanisms
32 such as digital loot boxes, and it has already been discovered
33 that in some games, the odds of winning particular items



1 frequently advertised to consumers were, deceptively, just
2 fractions of one percent; and

3
4 WHEREAS, there is no requirement for digital game
5 developers and publishers to disclose to consumers the specific
6 inclusion of predatory variable reward mechanisms such as
7 digital loot boxes in games being sold to the public, making it
8 impossible for parents to know which games contain these
9 mechanisms and which games do not; and

10
11 WHEREAS, when called upon to inform parents and include
12 specific disclosures of which games contain predatory variable
13 reward mechanisms such as digital loot boxes, the game industry
14 responded by hiding their inclusion behind a blanket disclosure
15 on all games which contain any type of in-game purchases, making
16 it impossible for parents to distinguish between games that
17 allow purchases of regular in-game content and those that
18 include predatory variable reward mechanisms such as digital
19 loot boxes; and

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

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

34
35 WHEREAS, seeing opportunities to further compel in-game
36 purchases, game developers have begun designing games to
37 increase difficulty and time required to achieve in-game
38 objectives and increasingly stack players of mismatched strength
39 against one another in multiplayer games to encourage greater
40 numbers of consumers to purchase predatory variable reward
41 mechanisms such as digital loot boxes to win items that would
42 more easily enable successful play; and



1
2 WHEREAS, unlike traditional games of chance, baseball
3 cards, and other randomized novelties, video games require
4 active, lengthy participation during which consumers are exposed
5 to the psychological manipulation techniques employed by
6 exploitive predatory variable reward mechanisms such as digital
7 loot boxes that aggressively compel spending and can lead to
8 psychological and developmental harm; and
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10 WHEREAS, the American Psychological Association has
11 identified "internet gaming disorder" in the Diagnostic and
12 Statistical Manual of Mental Disorders as an emerging diagnosis
13 that warrants further study; and
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15 WHEREAS, the World Health Organization has identified
16 "gaming disorder" alongside gambling as a pattern of gaming
17 behavior that appreciably increases the risk of harmful physical
18 or mental health and included "hazardous gaming" as a threat to
19 public health in the latest draft of its International
20 Compendium of Diseases; and
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22 WHEREAS, with no requirements for disclosure, transparency,
23 or basic protection against predatory and exploitive practices,
24 countless families, individuals, and particularly vulnerable
25 youth have been harmed by exposure to the predatory variable
26 reward mechanisms such as digital loot boxes now aggressively
27 marketed to players of all ages on personal computers, gaming
28 consoles, and the mobile phones in people's pockets; now,
29 therefore,
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31 BE IT RESOLVED by the House of Representatives of the
32 Thirtieth Legislature of the State of Hawaii, Regular Session of
33 2019, that a Digital Gaming Advisory Group is convened to
34 examine, assess, and monitor predatory or exploitive practices
35 in digital games and to make recommendations; and
36

37 BE IT FURTHER RESOLVED that the working group shall be
38 chaired by the Attorney General and shall consist of the Chairs
39 of the House and Senate standing committees with subject matter
40 jurisdiction over Consumer Protection and Judiciary and shall
41 include the Executive Director of Consumer Protection and
42 Director of Health or their designees, and any others invited by



1 the working group's Chair, all of whom shall serve without
2 compensation; and
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4 BE IT FURTHER RESOLVED that the Department of the Attorney
5 General is requested to provide staff and administrative support
6 to the working group, including clerical and research services,
7 as needed; and
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9 BE IT FURTHER RESOLVED that the working group is requested
10 to submit a report of its findings and recommendations no later
11 than twenty days prior to the convening of each Regular Session
12 of 2020 and 2021; and
13

14 BE IT FURTHER RESOLVED that the working group shall cease
15 to exist on June 30, 2021; and
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17 BE IT FURTHER RESOLVED that certified copies of this
18 Resolution be transmitted to the Governor, Attorney General,
19 Director of Commerce and Consumer Affairs, Executive Director of
20 Consumer Protection, and Director of Health.
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OFFERED BY:



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