A BILL FOR AN ACT

RELATING TO A STATE LOTTERY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The purpose of this Act is to establish the 2 state lottery commission and allow lottery proceeds to be used 3 to fund university facilities and operations and public school operations for the overall betterment of the State. 4 5 SECTION 2. The Hawaii Revised Statutes is amended by 6 adding a new chapter to be appropriately designated and to read 7 as follows: 8 "CHAPTER 9 STATE LOTTERY 10 -1 Definitions. For the purposes of this chapter, 11 unless the context clearly requires otherwise: "Administrative account" means the lottery administrative 12 13 account established under section 14 "Commission" means the state lottery commission established
- 16 "Director" means the director of the state lottery
- 17 established by this chapter.

under section

15



-3.

- 1 "Lottery" or "state lottery" means the lottery established
- 2 and operated pursuant to this chapter.
- 3 "Ticket" means a lottery ticket.
- 4 § -2 Hawaii state lottery task force. (a) There is
- 5 established a Hawaii state lottery task force within the
- 6 department of accounting and general services for administrative
- 7 purposes. The purpose of the task force is to examine the
- 8 creation and sustainability of a state lottery, the proceeds of
- 9 which would be used to address funding issues for university and
- 10 public education.
- 11 (b) The task force shall begin no later than January 1,
- 12 2022, and shall cease after December 31, 2026.
- 13 § -3 State lottery commission; establishment;
- 14 membership; chair; quorum. (a) There is established the state
- 15 lottery commission to consist of five members appointed by the
- 16 governor, with the advice and consent of the senate, pursuant to
- 17 section 26-34. The governor shall designate one member of the
- 18 commission to serve as chairperson. A majority of the members
- 19 shall constitute a quorum for the transaction of business.
- 20 (b) Notwithstanding any other law to the contrary, members
- 21 shall be compensated \$2,000 per year and shall be reimbursed for

- 1 actual costs incurred in carrying out the duties of the
- 2 commission, including travel expenses.
- 3 (c) The lottery commission shall be attached to the
- 4 department of commerce and consumer affairs for administrative
- 5 purposes.
- 6 § -4 Powers and duties of commission; rules. (a) The
- 7 commission shall have the following powers and duties:
- 8 (1) Adopt, amend, or repeal rules pursuant to chapter 91
- 9 governing the establishment and operation of a state
- 10 lottery, so as to begin operation of the lottery as
- 11 soon as practicable and to produce the maximum amount
- of net revenues for the State consistent with the
- dignity of the State, as well as any other rules the
- commission deems necessary or desirable;
- 15 (2) Ensure that in each place authorized to sell tickets,
- on the back of each ticket and in any advertising or
- 17 promotion, there shall be conspicuously displayed an
- estimate of the probability of purchasing a winning
- 19 ticket; and
- 20 (3) Advise and make recommendations to the director for
- 21 the operation and administration of the lottery.

1	(b)	Rules adopted pursuant to chapter 91 shall include:
2	(1)	The type of lottery to be conducted, which may include
3		the selling of lottery tickets; provided that the
4		tickets may not be sold over the Internet and the use
5		of electronic or mechanical devices or video terminals
6		that allow for individual play against those devices
7		or terminals shall be prohibited;
8	(2)	The price or prices of tickets in each game;
9	(3)	The numbers and sizes of the prizes on the winning
10		tickets;
11	(4)	The manner and time of payment of prizes to the holder
12		of winning tickets which, at the director's option,
13		may be paid in lump sum amounts or by installments
14		over a period of years;
15	(5)	The frequency of the lottery games;
16	(6)	Without limit as to number, the type or types of
17		locations at which tickets may be sold;
18	(7)	The method to be used in selling tickets, except as
19		limited by paragraph (1);

1	(8)	The ficensing of agencs to self of distribute tickets,
2		except that a person under the age of eighteen shall
3		not be licensed as an agent;
4	(9)	The manner and amount of compensation, if any, to be
5		paid to licensed sales agents necessary to provide for
6		the adequate availability of tickets to prospective
7		buyers and for the convenience of the public;
8	(10)	The apportionment of the total revenues accruing from
9		the sale of tickets and from all other sources among:
10		(A) The payment of prizes to the holders of winning
11		tickets, which shall not be less than forty-five
12		per cent of the gross annual revenue from the
13		lottery;
14		(B) Transfers to the administrative account; and
15		(C) Transfers to the school operations special fund
16		established pursuant to section 302A- ,
17		university facilities and operations special fund
18		established pursuant to section 304A- , and the
19		general fund; and
20	(11)	Any other matters necessary or desirable for the
21		efficient and economical operation and administration

1	of a state foctory and for the convenience of the
2	purchasers of tickets and the holders of winning
3	tickets.
4	§ -5 New games. (a) The lottery commission shall
5	conduct new games intended to generate additional moneys
6	sufficient to cover the distributions under section -23. No
7	game may be conducted under this section before January 1, 2023
8	(b) For the purposes of this section, the lottery may
9	accept and market prize promotions provided in conjunction with
10	private-sector marketing efforts.
11	§ -6 Director; appointment; salary; duties. (a) The
12	governor shall appoint the director with the advice and consent
13	of the senate. The director shall receive a salary to be
14	determined by the governor, which shall not be more than ninety
15	per cent of the salary of the governor.
16	(b) The director shall:
17	(1) Supervise and administer the operation of the lottery
18	in accordance with this chapter and the rules of the
19	commission;

(2)	Without regard to chapters 76 and 89, appoint deputy
	and assistant directors that may be required to carry
	out the functions and duties of the director:

- (3) Appoint professional, technical, and clerical assistants and employees that may be necessary to perform the duties imposed by this chapter; provided that chapters 76 and 89 shall not apply to any employees engaged in undercover audit, investigative work, or security operations but shall apply to other employees appointed by the director;
- (4) In accordance with this chapter and the rules adopted by the commission, license any persons as agents to sell or distribute tickets who in the director's opinion will best serve the public convenience and promote the sale of tickets. The director may require a bond from any licensed agent, in any amount provided in the rules of the commission. Every licensed agent shall prominently display a license, or a copy, as provided in the rules of the commission. License fees may be established by the commission, and, if

1	established,	shall be	deposited	in the	state	lottery
2	account creat	ed under	section	-22;		

- (5) Confer regularly as necessary or desirable with the commission on the operation and administration of the lottery; upon request, make available for inspection by the commission all books, records, files, and other information and documents of the lottery; and advise the commission and make recommendations on any matters that the director deems necessary and advisable to improve the operation and administration of the lottery;
- or any part thereof, and for the promotion of the lottery, or any part thereof, and for the promotion of the lottery. No contract awarded or entered into by the director may be assigned by the holder except by specific approval of the commission; provided that nothing in this chapter shall authorize the director to enter into public contracts for the regular and permanent administration of the lottery after the initial development and implementation;

1	(7)	Certify quarterly to the director of finance and the
2		commission a full and complete statement of lottery
3		revenues, prize disbursements, and other expenses for
4		the preceding quarter;
5	(8)	Carry on a continuous evaluation of the lottery
6		throughout the State to:
7		(A) Identify any defects in this chapter or rules
8		adopted pursuant thereto that may give rise to
9		any abuse in the administration and operation of
10		the lottery or any evasion of this chapter or
11		rules adopted pursuant thereto that may lead to
12		the proliferation of illegal activity;
13		(B) Recommend any amendments to this chapter or rules
14		adopted pursuant thereto necessary to prevent
15		abuses and evasions; and
16		(C) Ensure that this chapter and rules adopted
17		pursuant thereto are administered in a manner
18		that serves the true intent of this chapter;
19	(9)	Have all enforcement powers necessary to implement
20		this chapter; and

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2		purposes of this chapter.
3	§	-7 Licenses for lottery sales agents. (a) No license
4	as an age	ent to sell tickets shall be exclusively issued to any
5	one perso	on to act as a lottery sales agent. Before issuing a
6	license,	the director shall consider the following factors:
7	(1)	Financial responsibility and security of the person
8		and the person's business or activity;
9	(2)	Accessibility of the person's place of business or
10		activity to the public;
11	(3)	Sufficiency of existing licenses to serve the public
12		convenience; and
13	(4)	Volume of expected sales.
14	(b)	For purposes of this section, the term "person":
15	(1)	Means an individual, association, corporation, club,
16		trust, estate, society, company, joint stock company,
17		receiver, trustee, assignee, referee, or any other
18		person acting in a fiduciary or representative
19		capacity, whether appointed by a court or otherwise,
20		and any combination of individuals; and

(10) Perform all other actions necessary to carry out the

1	(2) Does not mean any department, commission, agency, or
2	instrumentality of the State, or any county or agency
3	or instrumentality thereof.
4	§ -8 License as authority to act. Any person licensed
5	pursuant to this chapter is authorized to act as a lottery sales
6	agent.
7	§ -9 Denial, suspension, and revocation of licenses.
8	(a) The director may deny an application for or suspend or
9	revoke, after notice and hearing, any license issued pursuant to
10	this chapter. A license may be temporarily suspended by the
11	director without prior notice, pending any prosecution,
12	investigation, or hearing. A license may be suspended or
13	revoked or an application may be denied by the director for one
14	or more of the following reasons:
15	(1) Failure to:
16	(A) Account for tickets received or the proceeds of
17	the sale of tickets;
18	(B) File a bond if required by the director;
19	(C) File any return or report or to keep records or
20	to pay any tax required by this chapter; or

		(b) comply with the instructions of the director
2		concerning the licensed activity;
3	(2)	For a violation of this chapter or rules adopted
4		pursuant to this chapter;
5	(3)	Fraud, deceit, misrepresentation, or conduct
6		prejudicial to public confidence in the state lottery;
7	(4)	Ticket sales by the licensee that are insufficient to
8		meet administrative costs;
9	(5)	Insufficient need where public convenience is
10		adequately served by other licensees; or
11	(6)	A material change, after issuance of the license, with
12		respect to any matters required to be considered by
13		the director under section -7.
14	(b)	For the purpose of reviewing any application for a
15	license a	nd for considering the denial, suspension, or
16	revocatio	n of any license, the director may consider any prior
17	criminal	conduct of the applicant or licensee.
18	§	-10 Right to prize not assignable; exceptions. (a)
19	The right	of any person to a prize shall not be assignable;
20	provided	that:

1	(1)	Payment of any prize drawn or the remainder of any
2		annuity purchased may be paid to any of the following:
3		(A) The estate of a deceased prize winner;
4		(B) The beneficiary of a deceased prize winner; or
5		(C) A person pursuant to an appropriate judicial
6		order;
7	(2)	Payments to winners in an amount exceeding \$600 shall
8		be subject to setoff pursuant to section -25; and
9	(3)	If a voluntary assignment occurs, the remainder of any
10		annuity, or a portion of the remainder of the annuity,
11		may be assigned by a prize winner pursuant to an
12		appropriate judicial order if all of the following
13		conditions are met:
14		(A) The prize winner provides an affidavit to the
15		court to the effect that the affiant is of sound
16		mind, not acting under duress, and has received
17		independent financial and tax advice concerning
18		the assignment;
19		(B) The assignee pays the prize winner a lump sum
20		under the assignment agreement for all amounts

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1	that are due to the prize winner on or before the
2	date that the assignment takes effect; and
3	(C) The parties to the assignment pay a fee to the
4	commission to defray the expenses incurred by the
5	commission in processing the assignment. The
6	commission shall determine the amount of the fee.
7	Moneys collected by the commission pursuant to
8	this subparagraph shall be deposited in the
9	administrative account.
10	(b) The director shall make a voluntary assignment upon
11	receipt of a court order that meets the requirements of
12	subsection (a)(3).
13	(c) The commission and director shall be discharged of all
14	further liability upon payment of a prize pursuant to this
15	section.
16	§ -11 Maximum price of ticket limited; sale by other
17	than licensed agent prohibited. A person shall not sell a
18	ticket at a price greater than that fixed by rule of the

commission. No person other than a licensed lottery sales agent

shall sell tickets, except that nothing in this section shall

- 1 prevent any person from giving tickets to another person as a
- 2 gift.
- 3 § -12 Sale to minor prohibited; exception; penalties.
- 4 (a) A ticket shall not be sold to any person under the age of
- 5 eighteen; provided that this shall not be deemed to prohibit the
- 6 purchase of a ticket for the purpose of making a gift by a
- 7 person eighteen years of age or older to a person younger than
- 8 the age of eighteen.
- 9 (b) Any licensee who knowingly sells or offers to sell a
- 10 ticket to any person under the age of eighteen shall be guilty
- 11 of a misdemeanor.
- (c) A person under the age of eighteen who directly
- 13 purchases a ticket in violation of this section shall be guilty
- 14 of a misdemeanor. No prize shall be paid to that person and the
- 15 prize money otherwise payable on the ticket shall be treated as
- 16 unclaimed pursuant to section -18.
- 17 § -13 Prohibited acts; penalty. (a) A person shall
- 18 not:
- 19 (1) Alter or forge a ticket;
- 20 (2) Claim a lottery prize or share of a lottery prize by
- 21 means of fraud, deceit, or misrepresentation; or

- 1 (3) Conspire with, aid, abet, or agree to aid another
 2 person or persons to claim a lottery prize or share of
 3 a lottery prize by means of fraud, deceit, or
 4 misrepresentation.
- 5 (b) A violation of this section shall be a class B felony.
- 6 § -14 Penalty for unlicensed activity. (a) A person
- 7 who conducts any activity for which a license is required by
- 8 this chapter or by rule of the commission, without the required
- 9 license, shall be guilty of a class B felony.
- 10 (b) Any corporation that conducts any activity for which a
- 11 license is required by this chapter or by rule of the
- 12 commission, without the required license, may be punished by
- 13 forfeiture of its corporate charter, in addition to the other
- 14 penalties set forth in this chapter.
- 15 § -15 Penalty for false or misleading statement or entry
- 16 or failure to produce documents. Any person, in any application
- 17 for a license or in any book or record required to be maintained
- 18 or in any report required to be submitted, who makes any false
- 19 or misleading statement, or makes any false or misleading entry
- 20 or wilfully fails to maintain or make any entry required to be
- 21 maintained or made, or who wilfully refuses to produce for

- 1 inspection any book, record, or document required to be
- 2 maintained or made by federal or state law shall be guilty of a
- 3 misdemeanor and, notwithstanding section 706-640, shall be
- 4 subject to a fine of not less than \$ but not more than
- 5 \$.
- 6 § -16 Penalty for violation of chapter; exceptions. (a)
- 7 Any person who commits a violation of this chapter, or any rule
- 8 adopted pursuant to this chapter, for which no penalty is
- 9 otherwise provided, or who knowingly causes, aids, abets, or
- 10 conspires with another to cause any person to violate this
- 11 chapter or the rules adopted pursuant thereto, shall be guilty
- 12 of a class C felony.
- 13 (b) This chapter shall be exempt from gambling offenses
- 14 under part III of chapter 712.
- 15 § -17 Persons prohibited from purchasing tickets or
- 16 receiving prizes; penalty. (a) A ticket shall not be purchased
- 17 by, and a prize shall not be paid to any member of the
- 18 commission, the director, or an employee of the lottery or to
- 19 any spouse, child, brother, sister, or parent residing as a
- 20 member of the same household in the principal place of abode of

- 1 any member of the commission, the director, or an employee of
- 2 the lottery.
- 3 (b) A violation of this section shall be a misdemeanor.
- 4 § -18 Unclaimed prizes. Unclaimed prizes shall be
- 5 retained in the state lottery account established by section
- 6 -22 for the person entitled thereto for one hundred eighty
- 7 days after the official end of the game. If no claim is made
- 8 for the prize within this time, all rights to the prize shall be
- 9 extinguished, and the prize shall be retained in the state
- 10 lottery account established by section -22 for further use as
- 11 prizes, except that fifty per cent of all unclaimed prize money
- 12 shall be deposited into the school operations special fund
- 13 established under section 302A- .
- 14 § -19 Deposit of moneys received by agents from sales;
- 15 power of director; reports. The director, in the director's
- 16 discretion, may require any or all lottery sales agents to
- 17 deposit to the credit of the state lottery account in banks
- 18 designated by the director of finance, all moneys received by
- 19 those agents from the sale of tickets, less the amount, if any,
- 20 retained as compensation for the sale of the tickets, and to
- 21 file with the director reports of their receipts and

- 1 transactions in the sale of tickets in a form and containing the
- 2 information as the director may require. The director may make
- 3 any arrangements for any person, including a bank, to perform
- 4 any functions, activities, or services in connection with the
- 5 operation of the lottery as the director may deem advisable
- 6 pursuant to this chapter and the rules of the commission, and
- 7 the functions, activities, or services shall constitute lawful
- 8 functions, activities, and services of that person.
- 9 § -20 Other law inapplicable to sale of tickets. No
- 10 other law providing any penalty for the sale of tickets or any
- 11 acts done in connection with a lottery shall apply to the sale
- 12 of tickets performed pursuant to this chapter.
- 13 § -21 Payment of prizes to minor. If the person
- 14 entitled to a prize is a minor under the age of eighteen and the
- 15 prize is less than \$5,000, the director may pay the prize to an
- 16 adult member of the minor's family or a guardian of the minor by
- 17 a check or draft payable to the order of the minor; provided
- 18 that, if the prize is \$5,000 or more, the director shall pay the
- 19 minor by depositing the amount of the prize in any bank to the
- 20 credit of an adult member of the minor's family or a guardian of
- 21 the minor as custodian for the minor. The commission and the

- 1 director shall be discharged of all further liability upon
- 2 payment of a prize to a minor pursuant to this section.
- 3 § -22 State lottery account; established. There is
- 4 established a separate account outside the state treasury, to be
- 5 known as the state lottery account. The account shall be
- 6 managed, maintained, and controlled by the commission and shall
- 7 consist of all revenues received from the sale of tickets and
- 8 all other moneys credited or transferred to the account from any
- 9 other fund or source. No appropriation shall be required to
- 10 expend moneys from the account, if the moneys are being expended
- 11 or transferred in accordance with section -23.
- 12 § -23 Use of moneys in state lottery account limited.
- 13 The state lottery account shall be used only for the following
- 14 purposes:
- 15 (1) The payment of prizes to the holders of winning
- 16 tickets;
- 17 (2) Depositing ten per cent of all revenues received from
- the sale of tickets and all other moneys credited or
- 19 transferred thereto from any other fund or source
- pursuant to law into the administrative account;

1	(3)	Depositing forty per cent of all revenues received
2		from the sale of tickets and all other moneys credited
3		or transferred thereto from any other fund or source
4		pursuant to law into each of the following funds
5		equally:
6		(A) The school operations special fund established
7		pursuant to section 302A- ;
8		(B) The university facilities and operations special
9		fund established pursuant to section 304A- ; and
10		(C) The general fund;
11	(4)	The purchase and promotion of tickets and game-related
12		services; and
13	(5)	The payment of agent compensation.
14	S	-24 Methods for payment of prizes by installments. If
15	the direc	tor decides to pay any prize by installments over a
16	period of	years, the director shall select, for any specific
17	lottery,	only one of the following methods:
18	(1)	The director may enter into a contract with any
19		financially responsible person or firm providing for
20		the payment of the installments; or



1	(2)	The director may establish and maintain a reserve
2		account into which shall be placed sufficient moneys
3		for the director to pay installments as they become
4		due. The reserve account shall be maintained as a
5		separate and independent account outside the state
6		treasury.

- 7 § -25 Debts owed to state agency or counties; debt 8 information to lottery commission; prize setoff against debts.
- 9 (a) Any state agency or county that maintains records of debts
 10 owed to the State or a county, or that the State is authorized
 11 to enforce or collect, may submit debt information to the
 12 director in a format specified by the director. State agencies
 13 or counties submitting debt information shall provide updates to
 14 the director no less than monthly and shall be solely
 15 responsible for the accuracy of the information.
- 16 (b) The director shall include the debt information
 17 submitted by state agencies or counties in its validation and
 18 prize payment process. The director shall delay payment of a
 19 prize exceeding \$600, for a period not to exceed two working
 20 days, to any person owing a debt to a state agency or county
 21 pursuant to the information submitted in subsection (a). The

- 1 lottery shall contact the state agency or county providing the
- 2 debt information to verify the debt. The prize shall be paid to
- 3 the claimant if the debt is not verified by the submitting state
- 4 agency or county within two working days. If the debt is
- 5 verified, the prize shall be disbursed pursuant to subsection
- 6 (c).
- 7 (c) Prior to disbursement, any lottery prize exceeding
- 8 \$600 shall be set off against any debts owed by the prize winner
- 9 to the State or a county, or that the State is authorized to
- 10 enforce or collect.
- 11 § -26 Lottery administrative account; establishment.
- 12 There is established the lottery administrative account in the
- 13 state treasury. The account shall be managed, controlled, and
- 14 maintained by the director. Moneys in the account shall be used
- 15 to cover administrative expenses incurred in the operation and
- 16 administration of the lottery.
- 17 § -27 Annual audit. The auditor shall conduct an annual
- 18 audit of all accounts and transactions of the lottery and any
- 19 other special audits that the auditor may be directed to
- 20 conduct.

- 1 § -28 Investigations authorized. The attorney general
- 2 may investigate violations by the commission, the director, or
- 3 the director's employees, licensees, or agents of this chapter
- 4 and other state laws.
- 5 S -29 Review by director of finance. (a) The director
- 6 of finance may conduct periodic reviews of the state lottery and
- 7 the commission as are necessary to ensure that:
- 8 (1) The manner and timeliness of prize payments are
- 9 consistent with this chapter;
- 10 (2) The apportionment of total revenues from the sale of
- 11 tickets and from all other sources is consistent with
- 12 this chapter;
- 13 (3) The manner and type of lottery being conducted and
- incidental expenses are the most efficient and cost-
- effective; and
- 16 (4) The commission is not incurring unnecessary operating
- and administrative costs.
- 18 (b) In conducting a review under this section, the
- 19 director of finance may inspect the books, documents, and
- 20 records of the commission. Upon completion of the review, the
- 21 director of finance shall report all irregularities discovered

- 1 to the attorney general, the legislature, and the state auditor.
- 2 In the report, the director of finance shall recommend any
- 3 corrective actions that may be necessary to ensure the most
- 4 efficient and cost-effective operation of the lottery.
- 5 § -30 Verification by certified public accountant. The
- 6 director of finance shall contract with a certified public
- 7 accountant, in accordance with chapter 103D, to verify that:
- 8 (1) The manner of selecting the tickets complies with this
- 9 chapter; and
- 10 (2) The manner and timeliness of prize payments comply
- 11 with this chapter.
- 12 The cost of procuring these services shall be paid from the
- 13 administrative account.
- 14 § -31 Enforcement powers of director. The director
- 15 shall have the power to enforce this chapter and other state
- 16 laws relating to the conduct of or participation in lottery
- 17 activities and the manufacturing, importation, transportation,
- 18 distribution, possession, and sale of equipment or paraphernalia
- 19 used or for use in connection with the lottery. In carrying out
- 20 the director's enforcement authority, the director or
- 21 enforcement officers appointed by the director may investigate



- 1 violations of and apply for and execute all warrants and service
- 2 of process issued by the courts, and arrest, without a warrant,
- 3 any person or persons suspected or found to be in violation of
- 4 any of the criminal provisions of this chapter; provided that
- 5 probable cause exists prior to an arrest. To the extent set
- 6 forth in this section, the director may obtain information from
- 7 and provide information to other law enforcement agencies.
- 8 -32 Construction. This chapter shall be liberally
- 9 construed to carry out the purposes and policies of this
- 10 chapter."
- 11 SECTION 3. Chapter 302A, Hawaii Revised Statutes, is
- 12 amended by adding a new section to be appropriately designated
- 13 and to read as follows:
- 14 "§302A- School operations special fund. There is
- 15 created in the state treasury the school operations special
- 16 fund. The special fund may receive deposits from the state
- 17 lottery account established pursuant to section -22. Moneys
- 18 shall be used solely for the purpose of school operations.
- 19 Appropriations or authorizations by the legislature from the
- 20 special fund shall be expended by the superintendent."

1 SECTION 4. Chapter 304A, Hawaii Revised Statutes, is 2 amended by adding a new section to be appropriately designated 3 and to read as follows: "§304A- University facilities and operations special 4 fund. There is created in the state treasury the university 5 6 facilities and operations special fund. The special fund may 7 receive deposits from the state lottery account established 8 pursuant to section -22. Moneys shall be used solely for the 9 design, construction, maintenance, or repair of university 10 facilities and for university operations. Appropriations or 11 authorizations by the legislature from the special fund shall be 12 expended by the university." 13 SECTION 5. Section 712-1220, Hawaii Revised Statutes, is 14 amended by amending the definition of "gambling" to read as 15 follows: 16 ""Gambling". A person engages in qambling if [he] the 17 person stakes or risks something of value upon the outcome of a 18 contest of chance or a future contingent event not under [his] 19 the person's control or influence, upon an agreement or 20 understanding that [he] the person or someone else will receive

something of value in the event of a certain outcome. Gambling 1 2 does not include [bona]: 3 (a) Bona fide business transactions valid under the law of 4 contracts, including but not limited to contracts for 5 the purchase or sale at a future date of securities or 6 commodities[, and agreements]; 7 (b) Agreements to compensate for loss caused by the 8 happening of chance, including but not limited to 9 contracts of indemnity or guaranty and life, health, 10 or accident insurance[-] or 11 (c) The state lottery established under chapter ." 12 SECTION 6. If any provision of this Act, or the 13 application thereof to any person or circumstance, is held 14 invalid, the invalidity does not affect other provisions or 15 applications of the Act that can be given effect without the 16 invalid provision or application, and to this end the provisions of this Act are severable. 17 SECTION 7. Statutory material to be repealed is bracketed 18 19 and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect upon its approval.

Report Title:

State Lottery; Public Education; Special Fund

Description:

Creates a state lottery to begin by 1/1/2023. Creates the state lottery commission, state lottery account, and lottery administration account. Requires certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for university facilities and operations and public school operations. (SD1)

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