

JAN 19 2011

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 legislature finds that Powerball is an
2 American lottery game sold in lotteries in member states across
3 the country as a shared jackpot pool game. Powerball's
4 predecessor began in 1988 when it was known as Lotto America.
5 The game and name were officially changed to Powerball on April
6 19, 1992. Its first drawing was held three days later on April
7 22, 1992.

8 Powerball is now coordinated by the Multi-State Lottery
9 Association, a non-profit organization entirely owned and
10 operated by member lotteries and based in Des Moines, Iowa. The
11 association operates at the direction of its board of directors,
12 which is composed of the executive directors of each member
13 lottery. Powerball currently is available in the District of
14 Columbia, the United States Virgin Islands, and forty-two
15 states: Arizona, Arkansas, Colorado, Connecticut, Delaware,
16 Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas,
17 Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan,
18 Minnesota, Missouri, Montana, Nebraska, New Hampshire, New



1 Jersey, New Mexico, New York, North Carolina, North Dakota,
2 Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South
3 Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia,
4 Washington, West Virginia, and Wisconsin.

5 Powerball costs \$1 for a single play for one drawing. For
6 each ticket, a player selects five numbers from a set of fifty-
7 nine white balls and one number from a set of thirty-nine red
8 balls (the Powerball). Tickets that match at least three white
9 balls and/or the red Powerball are winners. A player may pay an
10 additional \$1 to play Power Play, which adds a random multiplier
11 to all prizes except the jackpot.

12 The minimum Powerball jackpot is \$20,000,000. The
13 estimated jackpot is usually 32.5 per cent of the non-Power Play
14 revenue of every ticket sold by Multi-State Lottery Association
15 members to accumulate into a prize pool to fund the jackpot
16 prize for each drawing. If no ticket wins the jackpot in a
17 particular drawing, the prize pool carries over to the next
18 drawing and continues to accumulate until someone wins.

19 Powerball tickets can legally be purchased only at a state
20 lottery sales terminal in the lottery member states that sell
21 the Powerball game. Powerball lottery tickets cannot be sold by
22 mail, over the Internet, or across state lines or the United



1 States border. Federal and state laws prohibit out-of-state
2 lottery plays across state lines.

3 Powerball drawings are held every Wednesday and Saturday at
4 10:59 p.m. eastern time in Orlando, Florida. The numbers are
5 drawn in the presence of Multi-State Lottery Association draw
6 officials, an independent auditor, and a security official. The
7 draw equipment is kept in a double-locked alarmed vault and the
8 balls sets are sealed by the auditor. All events are audio- and
9 video-recorded when the vault is opened. The equipment is
10 tested regularly using x-ray and statistical tests for non-
11 random behavior.

12 The legislature further finds that Mega Millions is also a
13 multistate \$1 lottery game played in the District of Columbia
14 and forty-one participating states: Arkansas, Arizona,
15 California, Colorado, Connecticut, Delaware, Georgia, Iowa,
16 Idaho, Illinois, Indiana, Kansas, Kentucky, Maryland,
17 Massachusetts, Maine, Michigan, Minnesota, Missouri, Montana,
18 North Carolina, Nebraska, North Dakota, New Hampshire, New
19 Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon,
20 Pennsylvania, Rhode Island, South Carolina, South Dakota,
21 Tennessee, Texas, Vermont, Virginia, Washington, Wisconsin, and
22 West Virginia.



1 Mega Millions began on August 31, 1996, as The Big Game.
2 In May 2002, the multistate game was given the new name of Mega
3 Millions. A player picks, or allows the Mega Millions computer
4 to pick, five different numbers from one to fifty-six using
5 white balls and one number from one to forty-six using gold
6 balls (the Mega Ball). Mega Millions also offers a two-,
7 three-, or four-times multiplier play for \$2 for a chance to win
8 a prize of up to \$1,000,000. Jackpots start at \$12,000,000.

9 Drawings are usually held at the WSB-TV station in Atlanta,
10 Georgia at 11:00 p.m. eastern time on Tuesdays and Fridays.

11 Unlike other multistate or multi-country lotteries that
12 have central offices, all Mega Millions duties are shared by
13 member states as part of their membership in the game. While
14 most accounting is handled by each member state individually,
15 key duties such as projecting jackpots, budgeting and
16 expenditures, settlements of draw and wagering data, financial
17 settlements (prize expense shares and banking/cash settlements),
18 monitoring of draw data and statistics, public relations, draw
19 show production and broadcasting, technical duties such as
20 software development, and legal work are all shared.



1 In October 2009, an agreement was reached between the
2 Multi-State Lottery Association and Mega Millions to allow all
3 state lotteries in the United States to offer both games.

4 The purpose of this Act is to require the department of
5 business, economic development, and tourism to investigate the
6 possibility for Hawaii to participate in the multi-state
7 Powerball lottery operated by the Multi-State Lottery
8 Association or the Mega Millions lottery operated by the Mega
9 Millions consortium, or both.

10 SECTION 2. The department of business, economic
11 development, and tourism shall investigate the possibility for
12 Hawaii to participate in the multi-state Powerball lottery
13 operated by the Multi-State Lottery Association or the Mega
14 Millions lottery operated by the Mega Millions consortium, or
15 both.

16 The department of business, economic development, and
17 tourism shall report findings and recommendations to the
18 legislature, including any necessary proposed legislation, no
19 later than twenty days prior to the convening of the regular
20 session of 2012.

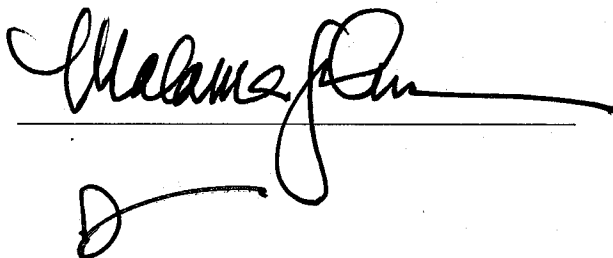


S.B. NO. 3

1 SECTION 3. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Malcolm" followed by a flourish, is written over a horizontal line.



S.B. NO. 3

Report Title:

Multi-State Lotteries; DBEDT Investigate and Report

Description:

Requires DBEDT to investigate the possibility for Hawaii to participate in the multi-state Powerball lottery operated by the Multi-State Lottery Association or the Mega Millions lottery operated by the Mega Millions consortium, or both. Report to legislature.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

