
A BILL FOR AN ACT

RELATING TO GAMBLING OFFENSES.

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

1 SECTION 1. The legislature finds that Hawaii's gambling
2 laws are being circumvented by a recent trend in which
3 participants make purchases of goods or services that entitle
4 the purchaser to participate in gaming activities on machines
5 that offer payouts and otherwise constitute gambling. The
6 participant earns more credits or plays each time money is spent
7 or deposited into the machine. Establishments that promote
8 these activities claim that the activities do not constitute
9 gambling. The legislature disagrees. However, law enforcement
10 has found that participants, and even employees of the
11 establishments that provide the machines and activities, are
12 unaware of, or completely disregard, the purchased goods or
13 services and proceed directly to the gaming activity. Hence, it
14 is clear that the intent of these establishments and machines is
15 to promote gambling.

16 The purpose of this Act is to amend chapter 712, Hawaii
17 Revised Statutes, to clarify the gambling laws to provide that



1 gambling activities offered incident to the purchase of goods or
2 services constitute gambling.

3 SECTION 2. Section 712-1220, Hawaii Revised Statutes, is
4 amended by amending the definitions of "gambling", "gambling
5 device", and "something of value" to read:

6 "(4) "Gambling". A person engages in gambling if he
7 stakes or risks something of value upon the outcome of a contest
8 of chance or a future contingent event not under his control or
9 influence, upon an agreement or understanding that he or someone
10 else will receive something of value in the event of a certain
11 outcome. Gambling:

12 (a) Includes the use of any gambling device that is
13 offered incident to the purchase of other goods or
14 services, at no additional charge;

15 (b) But does not include bona fide business transactions
16 valid under the law of contracts, including but not
17 limited to contracts for the purchase or sale at a
18 future date of securities or commodities, and
19 agreements to compensate for loss caused by the
20 happening of chance, including but not limited to
21 contracts of indemnity or guaranty and life, health,
22 or accident insurance.



1 (5) "Gambling device" means any device, machine,
2 paraphernalia, or equipment that is [used]:

3 (a) Used or usable in the playing phases of any gambling
4 activity, whether that activity consists of gambling
5 between persons or gambling by a person involving the
6 playing of a machine[~~—However,~~]; or

7 (b) Available to play or operate a contest of chance upon
8 payment of something of value, including the purchase
9 of goods or services incidental to play or operation
10 of the machine, and which may deliver or entitle the
11 person playing or operating the machine to a payout of
12 anything of value, whether the payout is made
13 automatically by the machine or in any other manner;

14 provided that lottery tickets and other items used in the
15 playing phases of lottery schemes are not gambling devices
16 within this definition.

17 (11) "Something of value" means any money or property, any
18 token, object, or article exchangeable for money or property, or
19 any purchase of goods or services that entitles a person to
20 participate in a gambling scheme or to use a gambling device, or
21 any form of credit or promise directly or indirectly

1 contemplating transfer of money or property or of any interest
2 therein, or involving extension of a service or entertainment."

3 SECTION 3. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect upon its approval.
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INTRODUCED BY:

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JAN 18 2013



H.B. NO. 343

Report Title:

Gambling Machines and Devices; Gambling Activities Offered
Incident to Purchase of Goods or Services

Description:

Amends definitions in the gambling laws to address gambling activities offered incident to the purchase of goods or services.

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