STAND. COM. REP. NO. 🕻

Honolulu, Hawaii

MAR 0 6 2009

RE: S.B. No. 260 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred S.B. No. 260 entitled:

"A BILL FOR AN ACT RELATING TO GAMBLING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the definition of "gambling" to clarify that the purchase of a sweepstakes entry that also provides nominal non-gambling value constitutes gambling even if the sweepstakes entry can be obtained without payment of consideration; and
- (2) Eliminate free play as a defense under certain circumstances.

Your Committee received testimony in support of this measure from the Honolulu Police Department; Honolulu Liquor Commission; The League of Women Voters of Hawaii; Hawaii Coalition Against Legalized Gambling; Maryknoll Sisters; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there is a proliferation of vending machines that dispense "sweepstakes" game cards that can also be used to make brief, long distance telephone calls. These cards typically cost \$1 each and, while vendors make it possible to obtain a card by mail at no cost, these cards are from a separate



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pool of possible winners, rather than the pool of cards placed in a vending machine. Your Committee believes that the chance element of this scheme should constitute gambling.

Your Committee notes that the Honolulu Liquor Commission does not issue licenses, permits, or approvals for those machines. Your Committee further notes that the liquor commissions are lacking in current resources to enforce this measure.

Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Making the criminal provision effective January 1, 2011; and
- (3) Changing the effective date of the entire measure to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 260, S.D. 1, and be placed on the calendar for Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Judiciary and Government Operations,

BRIAN T. TANIGUCHI,



The Senate Twenty-Fifth Legislature State of Hawaii

Record of Votes Committee on Judiciary and Government Operations JGO

Bill / Resolution No.:*	Committee	Referral:		Date:	
SB260	JG0			2/10/09	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members	· · · · ·	Aye	Aye (WR) Nay	Excused
TANIGUCHI, Brian T. (C)		\checkmark			
TAKAMINE, Dwight Y. (VC)					
BUNDA, Robert	and a second				
GABBARD, Mike					
NISHIHARA, Clarence K.			Research the little contract of the		
SLOM, Sam		V			
	and Created				
TOTAL		5	0	0	1
Recommendation:	/				· · · · · · · · · · · · · · · · · · ·
Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					
*Only one measure per Record of Votes					