
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 homelessness
2 continues to be one of the State's most significant and
3 challenging social problems. The State has made some progress
4 in addressing this growing challenge by allocating millions of
5 dollars in public funding for services and related efforts, but
6 more funding is needed to continue to support these initiatives.
7 The legislature further finds that other states have
8 implemented lottery systems and are participating in multistate
9 lottery games, including Powerball and Mega Millions. States
10 participating in these lottery games receive a certain
11 percentage of the lottery revenue and dedicate these funds for
12 various state programs and services, such as education and
13 social welfare. The State should give due consideration to the
14 potential use of lotteries as a source of revenue generation to
15 help maintain important social programs, including services that
16 address homelessness in the State.



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1 The purpose of this Act is to establish a three-year Hawaii
2 state lottery pilot project and Hawaii state lottery task force
3 to examine the feasibility of establishing a state lottery, the
4 proceeds of which would be used to address homeless issues.

5 SECTION 2. As used in this Act, unless the context
6 otherwise requires:

7 "Pilot project" means the Hawaii state lottery pilot
8 project.

9 "Task force" means the Hawaii state lottery task force.

10 SECTION 3. (a) There is established the Hawaii state
11 lottery pilot project within the department of accounting and
12 general services for administrative purposes. The purpose of
13 the pilot project is to examine the feasibility of establishing
14 a state lottery, the proceeds of which would be used to address
15 homeless issues.

16 (b) There is established the Hawaii state lottery task
17 force to support the comptroller in effectuating the purposes of
18 the pilot project. The comptroller shall appoint five members
19 to the task force, all of whom shall be residents of this State.
20 No more than three members may be from the same political party.

21 (c) The task force members shall be as follows:



- 1 (1) At least one member shall have a minimum of five
2 years' experience in law enforcement;
- 3 (2) At least one member shall have a minimum of five
4 years' experience as a certified public accountant;
- 5 (3) At least one member shall have a minimum of five
6 years' experience in marketing or advertising, or
7 both; and
- 8 (4) At least one member shall have a minimum of five
9 years' experience in convenience store, minimart, or
10 grocery retailing.

11 (d) The task force shall select its own chairperson from
12 its membership.

13 (e) The members of the task force shall serve without
14 compensation but shall be reimbursed for expenses, including
15 travel expenses, necessary for the performance of their duties.

16 (f) The task force and pilot project shall cease to exist
17 on January 1, 2021.

18 SECTION 4. (a) The task force shall submit a report of
19 its findings and recommendations regarding the pilot project,
20 including any proposed legislation, to the legislature on the
21 feasibility of establishing a state lottery, the proceeds of



1 which would be used to address homeless issues, no later than
2 twenty days before the convening of the regular session of 2020.

3 (b) In examining the feasibility of establishing a state
4 lottery as required by this Act, the task force shall consider:

5 (1) The requirements for establishing a state lottery
6 commission to oversee a state lottery to produce the
7 maximum amount of net revenue consistent with the
8 dignity of the State. The state lottery commission
9 would supervise, administer, and enforce lottery
10 operations;

11 (2) Details affecting the implementation of the state
12 lottery, including:

13 (A) The types of lottery games and the types of game
14 play-styles to be conducted;

15 (B) The method of selecting the winning tickets or
16 shares for noncomputerized online games;

17 (C) The manner of payment of prizes to the holders of
18 winning tickets or shares;

19 (D) The method to be used in selling tickets or
20 shares;



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- 1 (E) The licensing of agents to sell tickets or
- 2 shares;
- 3 (F) The manner and amount of compensation to be paid
- 4 licensed sales agents necessary to provide for
- 5 the adequate availability of tickets or shares to
- 6 prospective buyers and for the convenience of the
- 7 public, including provision for variable
- 8 compensation based on sales volume;
- 9 (G) The hiring of redemption agents to perform
- 10 functions, activities, or services in connection
- 11 with the operation of the lottery;
- 12 (H) Matters necessary or desirable for the efficient
- 13 and economical operation and administration of
- 14 the lottery and for the convenience of the
- 15 purchasers of tickets or shares and the holders
- 16 of winning tickets or shares; and
- 17 (I) Any restrictions regarding the sale and purchase
- 18 of a lottery ticket or share and the violations
- 19 concerning each restriction;



- 1 (3) The appropriate disposition of revenue accruing from
- 2 the sale of lottery tickets or shares and from all
- 3 other sources;
- 4 (4) The establishment of a state lottery revolving fund
- 5 consisting of all revenues received from the sale of
- 6 lottery tickets or shares, fees, and all other moneys
- 7 credited or transferred from any other fund or source.
- 8 State lottery revolving fund moneys would be expended
- 9 for the following purposes:
- 10 (A) The payment of costs incurred in the operation
- 11 and administration of the lottery, including the
- 12 expenses of the commission and the costs
- 13 resulting from any contract or contracts entered
- 14 into for consulting or operational services;
- 15 (B) Independent audits;
- 16 (C) Incentive programs for lottery sales agents and
- 17 lottery employees;
- 18 (D) Payment of compensation to licensed sales agents
- 19 necessary to provide for the adequate
- 20 availability of lottery tickets or services to



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- 1 prospective buyers and for the convenience of the
- 2 public;
- 3 (E) The purchase or lease of lottery equipment,
- 4 lottery tickets, and materials; and
- 5 (F) Compensation of a licensed sales agent who is
- 6 designated as a charitable organization;
- 7 (5) Audits of accounts, including hiring a certified
- 8 public accountant to perform an annual audit and
- 9 postaudits of all accounts and transactions of the
- 10 commission for each lottery game;
- 11 (6) The disposition of unclaimed prize money;
- 12 (7) The disposition of state lottery revolving fund moneys
- 13 to address homeless issues;
- 14 (8) The establishment of any other funds to effectuate the
- 15 purposes of this Act;
- 16 (9) Monthly and annual reports to the governor and
- 17 legislature;
- 18 (10) Ongoing study and investigation of the operation and
- 19 the administration of lottery laws in effect in other
- 20 states or countries, any literature on the subject
- 21 that may be published or available, any federal laws



1 that may affect the operation of the lottery, and the
 2 reaction of residents to existing and potential
 3 features of the lottery to recommend or effect changes
 4 that will tend to serve the purposes of this Act;

5 (11) The eligibility of a lottery prize winner to receive
 6 assistance; and

7 (12) Any other factors deemed appropriate by the task
 8 force.

9 SECTION 5. There is appropriated out of the general
 10 revenues of the State of Hawaii the sum of \$ or so much
 11 thereof as may be necessary for fiscal year 2018-2019 to
 12 effectuate the purposes of the Hawaii state lottery pilot
 13 project established by this Act.

14 The sum appropriated shall be expended by the department of
 15 accounting and general services for the purposes of this Act.

16 SECTION 6. This Act shall take effect on July 1, 2018, and
 17 shall be repealed on January 1, 2021.

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INTRODUCED BY:

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Report Title:

State Lottery; Homelessness; Pilot Project

Description:

Establishes a three-year Hawaii state lottery pilot project and Hawaii state lottery task force to examine the feasibility of establishing a state lottery, the proceeds of which would be used to address homeless issues. Appropriates funds.

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