
HOUSE RESOLUTION

CONVENING A DIGITAL GAMING ADVISORY GROUP TO MONITOR PREDATORY
PRACTICES IN THE DIGITAL GAMING INDUSTRY.

1 WHEREAS, digital and physical variable reward mechanisms
2 such as casino slot machines and digital loot boxes are designed
3 to exploit human psychology to cause repetitive consumption
4 which maximizes player spending; and
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6 WHEREAS, on numerous occasions studies have found negative
7 psychological impact from extended exposure to exploitive
8 variable reward mechanisms which can lead to addiction, as well
9 as cognitive developmental problems in particularly vulnerable
10 youth; and
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12 WHEREAS, departments and agencies heavily regulate variable
13 reward mechanisms in casino games to minimize negative impacts
14 to mental health and particularly developing youth, as well as
15 ensure transparency by requiring strict disclosure to consumers
16 of the odds of winning possible rewards contained within; and
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18 WHEREAS, gaming industry developers have begun to employ
19 variable reward mechanisms such as loot boxes which operate
20 similarly to slot machines in digital games often marketed to
21 adults and children of all ages in recent years, through which
22 players can pay real money for a chance to win randomized
23 virtual items; and
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25 WHEREAS, especially concerning, there is no requirement for
26 digital game developers and publishers to disclose to consumers
27 the specific inclusion of variable reward gambling-like
28 mechanisms in games being sold to the public, including children
29 of all ages, making it impossible for parents to know which
30 games contain these mechanisms and which games do not; and
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32 WHEREAS, through regular online updates, game developers
33 and publishers can insert variable reward loot boxes or



1 gambling-like mechanisms into games at any time often without
2 meaningful player or parental knowledge; and

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4 WHEREAS, hiding the odds of winning is not permitted at any
5 casino, yet there is currently no requirement for digital game
6 developers and publishers to disclose to consumers the odds of
7 winning any rewards within variable reward loot boxes and
8 gambling-like mechanisms, and it has already been discovered
9 that in some games the odds of winning particular items
10 frequently advertised to consumers was deceptively just
11 fractions of a single percent; and

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13 WHEREAS, in 2017 game developers filed patents to further
14 expand predatory game design by raising or lowering the odds of
15 winning items within variable reward loot boxes and gambling
16 mechanisms to match the likelihood that specific players
17 continue to spend money, potentially lowering the odds of
18 winning valuable items to players identified as likely to
19 continue purchasing chances to win; and

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21 WHEREAS, seeing opportunity to further compel in game
22 purchases, game developers have begun designing games to
23 increase difficulty, increase time required to achieve in game
24 objectives, and increasingly stack players of mismatched
25 strength against one another in multiplayer games to encourage
26 greater numbers of consumers to purchase variable reward loot
27 boxes and gambling-like mechanisms to win items that would more
28 easily enable successful play; and

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30 WHEREAS, the American Psychological Association has
31 identified "internet gaming disorder" in the Diagnostic and
32 Statistical Manual of Mental Disorders as an emerging diagnosis
33 that warrants further study; and

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35 WHEREAS, the World Health Organization has identified
36 "gaming disorder" alongside gambling as a pattern of gaming
37 behavior that appreciably increases the risk of harmful physical
38 or mental health, and included "hazardous gaming" as a threat to
39 public health in the latest draft of its International
40 Compendium of Diseases; and

41 WHEREAS, unlike traditional games of chance, baseball
42 cards, and other randomized novelties, video games require



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1 active, lengthy participation during which consumers are exposed
2 to the psychological manipulation techniques employed by
3 exploitive variable-reward loot boxes and gambling-like
4 mechanisms that aggressively compel spending and can lead to
5 harm; and

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7 WHEREAS, with no requirements for disclosure, transparency,
8 or basic protection against predatory and exploitive practices,
9 countless families, individuals, and particularly vulnerable
10 youth have been harmed by exposure to predatory variable reward
11 loot boxes and gambling-like mechanisms now aggressively
12 marketed to all ages on personal computers, gaming consoles, and
13 the mobile phones in people's pockets; now, therefore,

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15 BE IT RESOLVED by the House of Representatives of the
16 Twenty-ninth Legislature of the State of Hawaii, Regular Session
17 of 2018, that a Digital Gaming Advisory Group is convened to
18 examine and assess legislation relating to predatory or
19 exploitive practices in digital games; and

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21 BE IT FURTHER RESOLVED that the working group is requested
22 to monitor:

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24 (1) The effects of inclusion in digital games of variable
25 reward loot boxes and gambling-like mechanisms that
26 offer randomized virtual items for purchase using real
27 currency;
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29 (2) Digital games that have been designed to be impossible
30 or unreasonably difficult for a user to complete to
31 compel the spending of real currency to purchase
32 additional content;
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34 (3) Digital games that have been designed to encourage a
35 user to make purchases using real currency to remain
36 competitive with other users of the digital game; or
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38 (4) Other practices deemed by the working group to be
39 predatory or exploitive, as appropriate; and

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41 BE IT FURTHER RESOLVED that the working group shall consist
42 of a Chair and Vice-Chair appointed by the Speaker of the House



1 of Representatives, which may include the Chair of the House
 2 Committee on Consumer Protection and Commerce, and shall include
 3 the Director of the Department of Health or designee, the
 4 Director of the Office of Consumer Protection in the Department
 5 of Commerce and Consumer Affairs or designee, a member with
 6 experience and background in public education, and at least six
 7 members selected by the Speaker of the House or Chair of the
 8 working group who shall have significant experience in digital
 9 gaming, and who serve without compensation; and

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 11 BE IT FURTHER RESOLVED that the Legislative Reference
 12 Bureau is requested to provide staff support and administrative
 13 support to the working group, including clerical and research
 14 services, as needed; and

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 16 BE IT FURTHER RESOLVED that any action taken by the working
 17 group shall be approved by a simple majority, with three members
 18 of the working group constituting a quorum to do business; and

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 20 BE IT FURTHER RESOLVED that the working group is requested
 21 to submit a report of its findings and recommendations not later
 22 than twenty days prior to the convening of the Regular Session
 23 of 2019; and

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 25 BE IT FURTHER RESOLVED that the working group cease to
 26 exist on January 1, 2021; and

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 28 BE IT FURTHER RESOLVED that certified copies of this
 29 Resolution be transmitted to the Governor, Director of Commerce
 30 and Consumer Affairs, the Director of the Office of Consumer
 31 Protection, and the Director of the Legislative Reference
 32 Bureau.

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OFFERED BY:



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