
HOUSE RESOLUTION

CALLING UPON DIGITAL GAME DEVELOPERS AND PUBLISHERS TO CEASE
PREDATORY PRACTICES WHICH EXPLOIT CONSUMERS THROUGH LOOT
BOXES AND GAMBLING-LIKE MECHANISMS IN DIGITAL GAMES AND
GAME CONTENT.

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 impacts 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, governmental departments and agencies heavily
13 regulate variable reward mechanisms in casino games to minimize
14 negative impacts to mental health and particularly developing
15 youth, as well as ensure transparency by requiring strict
16 disclosure to consumers of the odds of winning possible rewards
17 contained within those games; and

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19 WHEREAS, gaming industry developers have begun to employ
20 variable reward mechanisms such as loot boxes which operate
21 similarly to slot machines in digital games often marketed to
22 adults and children of all ages in recent years, through which
23 players can pay real money for a chance to win randomized
24 virtual items; and

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26 WHEREAS, especially concerning, there is no requirement for
27 digital game developers and publishers to disclose to consumers
28 the specific inclusion of variable reward gambling-like
29 mechanisms in games being sold to the public, including children
30 of all ages, making it impossible for parents to know which
31 games contain these mechanisms and which games do not; and



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2 WHEREAS, through regular online updates, game developers
3 and publishers can insert variable reward loot boxes or
4 gambling-like mechanisms into games at any time often without
5 meaningful player or parental knowledge; and
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7 WHEREAS, hiding the odds of winning is not permitted at any
8 casino, yet there is currently no legal requirement for digital
9 game developers and publishers to disclose to consumers the odds
10 of winning any rewards within variable reward loot boxes and
11 gambling-like mechanisms, and it has already been discovered
12 that in some games the odds of winning particular items
13 frequently advertised to consumers were deceptively just
14 fractions of a single percent; and
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16 WHEREAS, in 2017 game developers filed patents to further
17 expand predatory game designs by raising or lowering the odds of
18 winning items within variable reward loot boxes and gambling
19 mechanisms to match the likelihood that specific players
20 continue to spend money, potentially lowering the odds of
21 winning valuable items to players identified as likely to
22 continue purchasing chances to win; and
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24 WHEREAS, seeing opportunity to further compel in-game
25 purchases, game developers have begun designing games to
26 increase difficulty, increase the time required to achieve in-
27 game objectives, and increasingly stack players of mismatched
28 strength against one another in multiplayer games to encourage
29 greater numbers of consumers to purchase variable reward loot
30 boxes and gambling-like mechanisms to win items that would more
31 easily enable successful play; and
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33 WHEREAS, the American Psychological Association has
34 identified "internet gaming disorder" in the Diagnostic and
35 Statistical Manual of Mental Disorders as an emerging diagnosis
36 that warrants further study; and
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38 WHEREAS, the World Health Organization has identified
39 "gaming disorder" alongside gambling as a pattern of gaming
40 behavior that appreciably increases the risk of harmful physical
41 or mental health, and included "hazardous gaming" as a threat to



1 public health in the latest draft of its International
2 Compendium of Diseases; and

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4 WHEREAS, with no legal requirements for disclosure,
5 transparency, or basic protection against predatory and
6 exploitive practices, countless families, individuals, and
7 particularly vulnerable youth have been harmed by exposure to
8 predatory variable reward loot boxes and gambling-like
9 mechanisms now included in many digital games; and

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11 WHEREAS, the gaming industry has refused to acknowledge or
12 meaningfully address the negative impacts that variable reward
13 loot boxes and gambling-like mechanisms are now having on
14 countless American families; and

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16 WHEREAS, the Entertainment Software Association is a
17 private organization whose mission is to serve the business
18 interests and public relations of companies that publish digital
19 games; and

20
21 WHEREAS, the Entertainment Software Association established
22 the Entertainment Software Rating Board in 1994 to serve as a
23 self-regulatory body that assigns age and content ratings and
24 adds labels to video games and applications so that parents can
25 make informed choices about their purchases; and

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27 WHEREAS, neither the ratings nor age restrictions on
28 purchase employed by the Entertainment Software Association
29 meaningfully address predatory variable reward loot boxes and
30 gambling-like mechanisms that in recent years have begun to be
31 used in video games and applications; and

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33 WHEREAS, the lack of a meaningful response by the
34 Entertainment Software Ratings Board to the countless American
35 families and children being harmed by exposure to variable
36 reward loot boxes and gambling-like mechanisms invalidates the
37 credibility of ratings issued by this board and any trust
38 families may place in it; and

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40 WHEREAS, without significant changes to the current rating
41 and labeling system administered by the Entertainment Software
42 Rating Board, no meaningful protections currently exist to



1 shield the general public, and in particular, vulnerable youth,
2 from exploitation by predatory variable reward loot boxes and
3 gambling-like mechanisms in digital games that are now
4 aggressively marketed to consumers of all ages on personal
5 computers, gaming consoles, and mobile phones; now, therefore,
6

7 BE IT RESOLVED by the House of Representatives of the
8 Twenty-ninth Legislature of the State of Hawaii, Regular Session
9 of 2018, that game developers and publishers are respectfully
10 called upon to cease predatory practices which exploit consumers
11 through loot boxes and gambling-like mechanisms in digital games
12 and game content; and
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14 BE IT FURTHER RESOLVED that the Entertainment Software
15 Ratings Board should, at a minimum, rate all games which contain
16 in-game purchases of content through variable reward loot boxes
17 or gambling-like mechanisms as adult only; and
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19 BE IT FURTHER RESOLVED that the Entertainment Software
20 Ratings Board should require a disclosure label, separate and
21 distinct from any other label for in-game purchases so as not to
22 hide the inclusion of variable reward loot boxes and gambling-
23 like mechanisms, on all games which contain in game purchases of
24 content through variable reward loot boxes and gambling like
25 mechanics, to inform consumers and parents specifically
26 concerned about the psychological, addictive, and financial
27 risks of those mechanisms; and
28

29 BE IT FURTHER RESOLVED that the Entertainment Software
30 Ratings Board should require the disclosure of the odds of
31 winning any and all items contained within variable reward loot
32 boxes and gambling like mechanisms to consumers at the time of
33 purchase and activation of those variable reward mechanisms so
34 as to meaningfully inform consumers prior to purchase; and
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36 BE IT FURTHER RESOLVED that certified copies of this
37 Resolution be transmitted to the Governor, the Director of
38 Commerce and Consumer Affairs, the Director of Health, the
39 members of the Hawaii congressional delegation, the



1 President of the Entertainment Software Rating Board, and the
2 President of the Entertainment Software Association.
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OFFERED BY:

A handwritten signature in black ink, appearing to be "C. L.", written over a horizontal line.

MAR 09 2018

