THE SENATE THIRTIETH LEGISLATURE, 2019 STATE OF HAWAII

S.B. NO. 88

JAN 1 7 2019

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 purpose of this Act is to establish the
2	state lottery commission and allow lottery proceeds to be used
3	to fund rapid transit as well as public school and university
4	facilities, for the overall betterment of the State.
5	SECTION 2. The Hawaii Revised Statutes is amended by
6	adding a new chapter to be appropriately designated and to read
7	as follows:
8	"CHAPTER
9	STATE LOTTERY
10	§ -1 Definitions. For the purposes of this chapter,
11	unless the context clearly requires otherwise:
12	"Administrative account" means the lottery administrative
13	account established under section -26.
14	"Commission" means the state lottery commission established
15	under section -3.
16	"Director" means the director of the state lottery
17	established by this chapter.



1 "Lottery" or "state lottery" means the lottery established and operated pursuant to this chapter. 2 3 "Ticket" means a lottery ticket. 4 -2 Hawaii state lottery task force. (a) There is S established a Hawaii state lottery task force within the 5 6 department of accounting and general services for administrative 7 purposes. The purpose of the task force is to examine the 8 creation and sustainability of a state lottery, the proceeds of 9 which would be used to address funding issues for rapid transit, 10 as well as university and public education. 11 The task force shall begin no later than January 1, (b) 12 2020, and shall cease after December 31, 2024. 13 S -3 State lottery commission; establishment; 14 membership; chair; quorum. (a) There is established the state 15 lottery commission to consist of five members appointed by the 16 governor, with the advice and consent of the senate, pursuant to section 26-34. The governor shall designate one member of the 17 18 commission to serve as chairperson. A majority of the members 19 shall constitute a quorum for the transaction of business. 20 (b) Notwithstanding any other law to the contrary, members 21 shall be compensated \$2,000 per year and shall be reimbursed for



2

Page 2

Page 3

1 actual costs incurred in carrying out the duties of the 2 commission, including travel expenses. 3 (c) The lottery commission shall be attached to the 4 department of commerce and consumer affairs for administrative 5 purposes. 6 -4 Powers and duties of commission; rules. (a) S The 7 commission shall have the following powers and duties: 8 (1)Adopt, amend, or repeal rules pursuant to chapter 91 9 governing the establishment and operation of a state 10 lottery, so as to begin operation of the lottery as 11 soon as practicable and to produce the maximum amount 12 of net revenues for the State consistent with the dignity of the State, as well as any other rules the 13 14 commission deems necessary or desirable; 15 (2) Ensure that in each place authorized to sell tickets, on the back of each ticket and in any advertising or 16 17 promotion, there shall be conspicuously displayed an 18 estimate of the probability of purchasing a winning 19 ticket; and

20 (3) Advise and make recommendations to the director for
21 the operation and administration of the lottery.



S.B. NO. 88

1	(b)	Rules adopted pursuant to chapter 91 shall include:
2	(1)	The type of lottery to be conducted, which may include
3		the selling of lottery tickets; provided that the
4		tickets may not be sold over the Internet and the use
5		of electronic or mechanical devices or video terminals
6		that allow for individual play against those devices
7		or terminals shall be prohibited;
8	(2)	The price or prices of tickets in each game;
9	(3)	The numbers and sizes of the prizes on the winning
10		tickets;
11	(4)	The manner and time of payment of prizes to the holder
12		of winning tickets which, at the director's option,
13		may be paid in lump sum amounts or by installments
14		over a period of years;
15	(5)	The frequency of the lottery games;
16	(6)	Without limit as to number, the type or types of
17		locations at which tickets may be sold;
18	(7)	The method to be used in selling tickets, except as
19		limited by paragraph (1);



S.B. NO. **%**

1	(8)	The licensing of agents to sell or distribute tickets,
2		except that a person under the age of eighteen shall
3		not be licensed as an agent;
4	(9)	The manner and amount of compensation, if any, to be
5		paid to licensed sales agents necessary to provide for
6		the adequate availability of tickets to prospective
7		buyers and for the convenience of the public;
8	(10)	The apportionment of the total revenues accruing from
9		the sale of tickets and from all other sources among:
10		(A) The payment of prizes to the holders of winning
11	·	tickets, which shall not be less than forty-five
12		per cent of the gross annual revenue from the
13		lottery;
14		(B) Transfers to the administrative account; and
15		(C) Transfers to the school facilities and operations
16		special fund established pursuant to section
17		302A- , the university facilities and operations
18		special fund established pursuant to section
19		304- , the city and county of Honolulu rapid
20		transit special fund established pursuant to
21		section 46- , and the general fund; and



(11) Any other matters necessary or desirable for the
 efficient and economical operation and administration
 of a state lottery and for the convenience of the
 purchasers of tickets and the holders of winning
 tickets.

6 S -5 New games. (a) The lottery commission shall 7 conduct new games intended to generate additional moneys 8 sufficient to cover the distributions under section -22. No 9 game may be conducted under this section before January 1, 2020. 10 (b) For the purposes of this section, the lottery may 11 accept and market prize promotions provided in conjunction with 12 private-sector marketing efforts.

13 § -6 Director; appointment; salary; duties. (a) The 14 governor shall appoint the director with the advice and consent 15 of the senate. The director shall receive a salary to be 16 determined by the governor, which shall not be more than ninety 17 per cent of the salary of the governor.

18

(b) The director shall:

19 (1) Supervise and administer the operation of the lottery
20 in accordance with this chapter and the rules of the
21 commission;



S.B. NO. 88

1 (2) Without regard to chapters 76 and 89, appoint deputy 2 and assistant directors that may be required to carry 3 out the functions and duties of the director; 4 (3) Appoint professional, technical, and clerical 5 assistants and employees that may be necessary to 6 perform the duties imposed by this chapter; provided 7 that chapters 76 and 89 shall not apply to any 8 employees engaged in undercover audit, investigative 9 work, or security operations but shall apply to other 10 employees appointed by the director; 11 (4)In accordance with this chapter and the rules adopted 12 by the commission, license any persons as agents to 13 sell or distribute tickets who in the director's 14 opinion will best serve the public convenience and 15 promote the sale of tickets. The director may require 16 a bond from any licensed agent, in any amount provided 17 in the rules of the commission. Every licensed agent 18 shall prominently display a license, or a copy, as 19 provided in the rules of the commission. License fees 20 may be established by the commission, and, if



2 account created under section -22; 3 Confer regularly as necessary or desirable with the (5) 4 commission on the operation and administration of the 5 lottery; upon request, make available for inspection 6 by the commission all books, records, files, and other 7 information and documents of the lottery; and advise 8 the commission and make recommendations on any matters 9 that the director deems necessary and advisable to 10 improve the operation and administration of the 11 lottery; 12 (6) Enter into contracts for the operation of the lottery, 13 or any part thereof, and for the promotion of the 14 lottery. No contract awarded or entered into by the 15 . director may be assigned by the holder except by 16 specific approval of the commission; provided that 17 nothing in this chapter shall authorize the director 18 to enter into public contracts for the regular and 19 permanent administration of the lottery after the 20 initial development and implementation;

established, shall be deposited in the state lottery



Page 8

1

S.B. NO. 88

1	(7)	Certify quarterly to the director of finance and the
2		commission a full and complete statement of lottery
3		revenues, prize disbursements, and other expenses for
4		the preceding quarter;
5	(8)	Carry on a continuous evaluation of the lottery
6		throughout the State to:
7		(A) Identify any defects in this chapter or rules
8		adopted pursuant thereto that may give rise to
9		any abuse in the administration and operation of
10		the lottery or any evasion of this chapter or
11		rules adopted pursuant thereto that may lead to
12		the proliferation of illegal activity;
13		(B) Recommend any amendments to this chapter or rules
14		adopted pursuant thereto necessary to prevent
15		abuses and evasions; and
16		(C) Ensure that this chapter and rules adopted
17		pursuant thereto are administered in a manner
18		that serves the true intent of this chapter;
19	(9)	Have all enforcement powers necessary to implement
20		this chapter; and



S.B. NO. 88

1	(10)	Perform all other actions necessary to carry out the
2		purposes of this chapter.
3	§	-7 Licenses for lottery sales agents. (a) No license
4	as an age	ent to sell tickets shall be exclusively issued to any
5	one perso	on to act as a lottery sales agent. Before issuing a
6	license,	the director shall consider the following factors:
7	(1)	Financial responsibility and security of the person
8		and the person's business or activity;
9	(2)	Accessibility of the person's place of business or
10		activity to the public;
11	(3)	Sufficiency of existing licenses to serve the public
12		convenience; and
13	(4)	Volume of expected sales.
14	(b)	For purposes of this section, the term "person":
15	(1)	Means an individual, association, corporation, club,
16		trust, estate, society, company, joint stock company,
17		receiver, trustee, assignee, referee, or any other
18		person acting in a fiduciary or representative
19		capacity, whether appointed by a court or otherwise,
20		and any combination of individuals; and



S.B. NO. **88**

1 (2) Does not mean any department, commission, agency, or 2 instrumentality of the State, or any county or agency 3 or instrumentality thereof. 4 S -8 License as authority to act. Any person licensed pursuant to this chapter is authorized to act as a lottery sales 5 6 agent. 7 -9 Denial, suspension, and revocation of licenses. S 8 (a) The director may deny an application for or suspend or 9 revoke, after notice and hearing, any license issued pursuant to 10 this chapter. A license may be temporarily suspended by the 11 director without prior notice, pending any prosecution, 12 investigation, or hearing. A license may be suspended or 13 revoked or an application may be denied by the director for one 14 or more of the following reasons: 15 (1) Failure to: 16 Account for tickets received or the proceeds of (A) 17 the sale of tickets; 18 File a bond if required by the director; (B) 19 (C) File any return or report or to keep records or 20 to pay any tax required by this chapter; or



1		(D) Comply with the instructions of the director
2		concerning the licensed activity;
3	(2)	For a violation of this chapter or rules adopted
4		pursuant to this chapter;
5	(3)	Fraud, deceit, misrepresentation, or conduct
6		prejudicial to public confidence in the state lottery;
7	(4)	Ticket sales by the licensee that are insufficient to
8		meet administrative costs;
9	(5)	Insufficient need where public convenience is
10		adequately served by other licensees; or
11	(6)	A material change, after issuance of the license, with
12		respect to any matters required to be considered by
13		the director under section -7.
14	(b)	For the purpose of reviewing any application for a
15	license a	nd for considering the denial, suspension, or
16	revocatio	n of any license, the director may consider any prior
17	criminal	conduct of the applicant or licensee.
18	§	-10 Right to prize not assignable; exceptions. (a)
19	The right	of any person to a prize shall not be assignable;
20	provided	that:



S.B. NO. 88

1	(1)	Payment of any prize drawn or the remainder of any
2		annuity purchased may be paid to any of the following:
3		(A) The estate of a deceased prize winner;
4		(B) The beneficiary of a deceased prize winner; or
5		(C) A person pursuant to an appropriate judicial
6		order;
7	(2)	Payments to winners in an amount exceeding \$600 shall
8		be subject to setoff pursuant to section -25; and
9	(3)	If a voluntary assignment occurs, the remainder of any
10		annuity, or a portion of the remainder of the annuity,
11		may be assigned by a prize winner pursuant to an
12		appropriate judicial order if all of the following
13		conditions are met:
14		(A) The prize winner provides an affidavit to the
15		court to the effect that the affiant is of sound
16		mind, not acting under duress, and has received
17		independent financial and tax advice concerning
18		the assignment;
19		(B) The assignee pays the prize winner a lump sum
20		under the assignment agreement for all amounts



Page 14

1	that are due to the prize winner on or before the
2	date that the assignment takes effect; and
3	(C) The parties to the assignment pay a fee to the
4	commission to defray the expenses incurred by the
5	commission in processing the assignment. The
6	commission shall determine the amount of the fee.
7	Moneys collected by the commission pursuant to
8	this subparagraph shall be deposited in the
9	administrative account.
10	(b) The director shall make a voluntary assignment upon
11	receipt of a court order that meets the requirements of
12	subsection (a)(3).
13	(c) The commission and director shall be discharged of all
14	further liability upon payment of a prize pursuant to this
15	section.
16	§ -11 Maximum price of ticket limited; sale by other
17	than licensed agent prohibited. A person shall not sell a
18	ticket at a price greater than that fixed by rule of the
19	commission. No person other than a licensed lottery sales agent
20	shall sell tickets, except that nothing in this section shall



Page 15

prevent any person from giving tickets to another person as a
 gift.

3 § -12 Sale to minor prohibited; exception; penalties.
4 (a) A ticket shall not be sold to any person under the age of
5 eighteen; provided that this shall not be deemed to prohibit the
6 purchase of a ticket for the purpose of making a gift by a
7 person eighteen years of age or older to a person younger than
8 the age of eighteen.

9 (b) Any licensee who knowingly sells or offers to sell a
10 ticket to any person under the age of eighteen shall be guilty
11 of a misdemeanor.

(c) A person under the age of eighteen who directly purchases a ticket in violation of this section shall be guilty of a misdemeanor. No prize shall be paid to that person and the prize money otherwise payable on the ticket shall be treated as unclaimed pursuant to section -18.

17 § -13 Prohibited acts; penalty. (a) A person shall not
18 alter or forge a ticket. A person shall not claim a lottery
19 prize or share of a lottery prize by means of fraud, deceit, or
20 misrepresentation. A person shall not conspire with, aid, abet,
21 or agree to aid another person or persons to claim a lottery



S.B. NO. **88**

prize or share of a lottery prize by means of fraud, deceit, or
 misrepresentation.

3 (b) A violation of this section shall be a class B felony.
4 § -14 Penalty for unlicensed activity. (a) A person
5 who conducts any activity for which a license is required by
6 this chapter or by rule of the commission, without the required
7 license, shall be guilty of a class B felony.

8 (b) Any corporation that conducts any activity for which a
9 license is required by this chapter or by rule of the
10 commission, without the required license, may be punished by
11 forfeiture of its corporate charter, in addition to the other
12 penalties set forth in this section.

13 S Penalty for false or misleading statement or entry -15 or failure to produce documents. Any person, in any application 14 for a license or in any book or record required to be maintained 15 16 or in any report required to be submitted, who makes any false 17 or misleading statement, or makes any false or misleading entry 18 or wilfully fails to maintain or make any entry required to be 19 maintained or made, or who wilfully refuses to produce for 20 inspection any book, record, or document required to be 21 maintained or made by federal or state law shall be guilty of a



Page 17

1

S.B. NO. 88

misdemeanor and, notwithstanding section 706-640, shall be 2 subject to a fine of not less than \$ but not more than 3 \$ -16 Penalty for violation of chapter; exceptions. 4 S (a) 5 Any person who commits a violation of this chapter, or any rule 6 adopted pursuant to this chapter, for which no penalty is 7 otherwise provided, or who knowingly causes, aids, abets, or 8 conspires with another to cause any person to violate this 9 chapter or the rules adopted pursuant thereto, shall be quilty 10 of a class C felony. 11 (b) This chapter shall be exempt from gambling offenses 12 under part III of chapter 712. 13 S -17 Persons prohibited from purchasing tickets or 14 receiving prizes; penalty. (a) A ticket shall not be purchased 15 by, and a prize shall not be paid to any member of the 16 commission, the director, or an employee of the lottery or to 17 any spouse, child, brother, sister, or parent residing as a 18 member of the same household in the principal place of abode of 19 any member of the commission, the director, or an employee of 20 the lottery.

21

(b) A violation of this section shall be a misdemeanor.



S.B. NO. 88

1 S -18 Unclaimed prizes. Unclaimed prizes shall be 2 retained in the state lottery account established by section 3 -22 for the person entitled thereto for one hundred eighty 4 days after the official end of the game. If no claim is made 5 for the prize within this time, all rights to the prize shall be 6 extinguished, and the prize shall be retained in the state 7 lottery account established by section -22 for further use 8 as prizes, except that fifty per cent of all unclaimed prize 9 money shall be deposited in equal shares into the school 10 facilities and operations special fund established under section 11 and the city and county of Honolulu rapid transit special 36-12 fund established under section 46-

13 S -19 Deposit of moneys received by agents from sales; 14 power of director; reports. The director, in the director's 15 discretion, may require any or all lottery sales agents to 16 deposit to the credit of the state lottery account in banks 17 designated by the director of finance, all moneys received by those agents from the sale of tickets, less the amount, if any, 18 19 retained as compensation for the sale of the tickets, and to 20 file with the director reports of their receipts and 21 transactions in the sale of tickets in a form and containing the



S.B. NO. **88**

1 information as the director may require. The director may make 2 any arrangements for any person, including a bank, to perform 3 any functions, activities, or services in connection with the 4 operation of the lottery as the director may deem advisable 5 pursuant to this chapter and the rules of the commission, and 6 the functions, activities, or services shall constitute lawful 7 functions, activities, and services of that person.

8 § -20 Other law inapplicable to sale of tickets. No
9 other law providing any penalty for the sale of tickets or any
10 acts done in connection with a lottery shall apply to the sale
11 of tickets performed pursuant to this chapter.

12 S -21 Payment of prizes to minor. If the person 13 entitled to a prize is a minor under the age of eighteen and the 14 prize is less than \$5,000, the director may pay the prize to an 15 adult member of the minor's family or a guardian of the minor by 16 a check or draft payable to the order of the minor; provided 17 that, if the prize is \$5,000 or more, the director shall pay the 18 minor by depositing the amount of the prize in any bank to the 19 credit of an adult member of the minor's family or a quardian of 20 the minor as custodian for the minor. The commission and the



S.B. NO. **88**

director shall be discharged of all further liability upon
 payment of a prize to a minor pursuant to this section.

3 -22 State lottery account; established. There is S 4 established a separate account outside the state treasury, to be 5 known as the state lottery account. The account shall be 6 managed, maintained, and controlled by the commission and shall 7 consist of all revenues received from the sale of tickets, and all other moneys credited or transferred to the account from any 8 9 other fund or source. No appropriation shall be required to 10 expend moneys from the account, if the moneys are being expended 11 or transferred in accordance with section -23.

12 § -23 Use of moneys in state lottery account limited.
13 The state lottery account shall be used only for the following
14 purposes:

15 (1) The payment of prizes to the holders of winning16 tickets;

17 (2) Depositing ten per cent of all revenues received from
18 the sale of tickets, and all other moneys credited or
19 transferred thereto from any other fund or source
20 pursuant to law into the administrative account;



S.B. NO. 88

1	(3)	Depositing forty per cent of all revenues received
2		from the sale of tickets and all other moneys credited
3		or transferred thereto from any other fund or source
4		pursuant to law into each of the following funds
5		equally:
6		(A) The Honolulu area rapid transit special fund
7		established pursuant to section 46- ;
8		(B) The school facilities and operations special fund
9		established pursuant to section 302A- ;
10		(C) The university facilities and operations special
11		fund established pursuant to section 304A- ; and
12		(D) The general fund;
13	(4)	The purchase and promotion of tickets and game-related
14		services; and
15	(5)	The payment of agent compensation.
16	S	-24 Methods for payment of prizes by installments. If
17	the direc	tor decides to pay any prize by installments over a
18	period of	years, the director shall select, for any specific
19	lottery,	only one of the following methods:



S.B. NO. 88

1 (1)The director may enter into a contract with any 2 financially responsible person or firm providing for 3 the payment of the installments; or 4 (2) The director may establish and maintain a reserve 5 account into which shall be placed sufficient moneys 6 for the director to pay installments as they become 7 due. The reserve account shall be maintained as a 8 separate and independent account outside the state 9 treasury.

10 S -25 Debts owed to state agency or counties; debt 11 information to lottery commission; prize setoff against debts. 12 Any state agency or county that maintains records of debts (a) 13 owed to the State or a county, or that the State is authorized 14 to enforce or collect, may submit debt information to the 15 director in a format specified by the director. State agencies 16 or counties submitting debt information shall provide updates to 17 the director no less than monthly and shall be solely 18 responsible for the accuracy of the information.

19 (b) The director shall include the debt information
20 submitted by state agencies or counties in its validation and
21 prize payment process. The director shall delay payment of a



1 prize exceeding \$600 for a period not to exceed two working 2 days, to any person owing a debt to a state agency or county 3 pursuant to the information submitted in subsection (a). The 4 lottery shall contact the state agency or county providing the debt information to verify the debt. The prize shall be paid to 5 6 the claimant if the debt is not verified by the submitting state 7 agency or county within two working days. If the debt is 8 verified, the prize shall be disbursed pursuant to subsection 9 (c).

10 (c) Prior to disbursement, any lottery prize exceeding
11 \$600 shall be set off against any debts owed by the prize winner
12 to the State or a county, or that the State is authorized to
13 enforce or collect.

14 § -26 Lottery administrative account; establishment.
15 There is established the lottery administrative account in the
16 state treasury. The account shall be managed, controlled, and
17 maintained by the director. Moneys in the account shall be used
18 to cover administrative expenses incurred in the operation and
19 administration of the lottery.

20 § -27 Annual audit. The auditor shall conduct an annual
21 audit of all accounts and transactions of the lottery and any



other special audits that the auditor may be directed to
 conduct.

3 § -28 Investigations authorized. The attorney general
4 may investigate violations by the commission, the director, or
5 the director's employees, licensees, or agents of this chapter
6 and other state laws.

7 § -29 Review by director of finance. (a) The director
8 of finance may conduct periodic reviews of the state lottery and
9 the commission as are necessary to ensure that:

- 10 (1) The manner and timeliness of prize payments are
 11 consistent with this chapter;
- 12 (2) The apportionment of total revenues from the sale of
 13 tickets and from all other sources is consistent with
 14 this chapter;
- 15 (3) The manner and type of lottery being conducted and
 16 incidental expenses are the most efficient and cost17 effective; and
- 18 (4) The commission is not incurring unnecessary operating19 and administrative costs.

20 (b) In conducting a review under this section, the21 director of finance may inspect the books, documents, and



S.B. NO. 88

1 records of the commission. Upon completion of the review, the 2 director of finance shall report all irregularities discovered 3 to the attorney general, the legislature, and the state auditor. 4 In its report, the director of finance shall recommend any 5 corrective actions that may be necessary to ensure the most 6 efficient and cost-effective operation of the lottery. 7 -30 Verification by certified public accountant. S The 8 director of finance shall contract with a certified public 9 accountant, in accordance with chapter 103D, to verify that: 10 (1) The manner of selecting the tickets complies with this 11 chapter; and 12 (2) The manner and timeliness of prize payments comply 13 with this chapter. 14 The cost of procuring these services shall be paid from the 15 lottery administrative account. 16 S -31 Enforcement powers of director. The director 17 shall have the power to enforce this chapter and other state 18 laws relating to the conduct of or participation in lottery 19 activities and the manufacturing, importation, transportation, 20 distribution, possession, and sale of equipment or paraphernalia 21 used or for use in connection with the lottery. In carrying out



S.B. NO. 88

the director's enforcement authority, the director or 1 2 enforcement officers appointed by the director may investigate 3 violations of and apply for and execute all warrants and service 4 of process issued by the courts, and arrest, without a warrant, 5 any person or persons found in violation of any of the criminal 6 provisions of this chapter. To the extent set forth in this 7 section, the director may obtain information from and provide 8 information to other law enforcement agencies.

9 § -32 Construction. This chapter shall be liberally
10 construed to carry out the purposes and policies of this
11 chapter."

12 SECTION 3. Chapter 46, Hawaii Revised Statutes, is amended 13 by adding a new section to be appropriately designated and to 14 read as follows:

15 "<u>\$46-</u> <u>Rapid transit special fund.</u> <u>There is established</u>
16 <u>the rapid transit special fund to be administered by the</u>
17 <u>director of finance.</u> <u>The special fund may receive funds from</u>
18 <u>the state lottery account established pursuant to section</u>
19 <u>-22.</u> <u>Upon appropriation by the legislature, the director of</u>
20 <u>finance shall allocate and disburse moneys in the rapid transit</u>
21 <u>special fund to the director of finance of a county with a</u>



1	population greater than five hundred thousand for the design,
2	construction, maintenance, repair, and operation of a rapid
3	transit system."
4	SECTION 4. Chapter 302A, Hawaii Revised Statutes, is
5	amended by adding a new section to be appropriately designated
6	and to read as follows:
7	"§302A- School facilities and operations special fund.
8	There is created in the state treasury the school facilities and
9	operations special fund. The special fund may receive deposits
10	from the state lottery account established pursuant to section
11	-22. Moneys shall be used solely for the design,
12	construction, maintenance, or repair of school facilities and
13	for school operations. Appropriations or authorizations from
14	the special fund shall be expended by the superintendent, upon
15	approval by the legislature."
16	SECTION 5. Chapter 304A, Hawaii Revised Statutes, is
17	amended by adding a new section to be appropriately designated
18	and to read as follows:
19	"§304A- University facilities and operations special
20	fund. There is created in the state treasury the university
21	facilities and operations special fund. The special fund may



1 receive deposits from the state lottery account established 2 pursuant to section -22. Moneys shall be used solely for the 3 design, construction, maintenance, or repair of university 4 facilities and for university operations. Appropriations or 5 authorizations from the special fund shall be expended by the 6 university, upon approval by the legislature." 7 SECTION 6. Section 712-1220, Hawaii Revised Statutes, is 8 amended by amending the definition of "gambling" to read as follows: 9 10 ""Gambling". A person engages in gambling if [he] the 11 person stakes or risks something of value upon the outcome of a 12 contest of chance or a future contingent event not under [his] 13 the person's control or influence, upon an agreement or 14 understanding that [he] the person or someone else will receive 15 something of value in the event of a certain outcome. Gambling 16 does not include [bona]: 17 (a) Bona fide business transactions valid under the law of 18 contracts, including but not limited to contracts for 19 the purchase or sale at a future date of securities or 20 commodities [, and agreements];



S.B. NO. 88

1	(b) Agreements to compensate for loss caused by the
2	happening of chance, including but not limited to
3	contracts of indemnity or guaranty and life, health,
4	or accident insurance[+]; or
5	(c) The state lottery established under chapter ."
6	SECTION 7. If any provision of this Act, or the
7	application thereof to any person or circumstance, is held
8	invalid, the invalidity does not affect other provisions or
9	applications of the Act that can be given effect without the
10	invalid provision or application, and to this end the provisions
11	of this Act are severable.
12	SECTION 8. Statutory material to be repealed is bracketed
13	and stricken. New statutory material is underscored.
14	SECTION 9. This Act shall take effect upon its approval.
15	David and King (14)





Report Title:

State Lottery; Public Education; Public Transit; Special Funds

Description:

Creates a state lottery to begin by 1/1/2020. Creates the state lottery commission, state lottery account, and lottery administration account. Requires certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for public school facilities and operations, university facilities and operations, and the city and county of Honolulu area rapid transit.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

