STAND. COM. REP. NO.

Honolulu, Hawaii MAR 28 , 2024

RE: H.C.R. No. 113 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.C.R. No. 113 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO CONVENE A WORKING GROUP TO EXAMINE THE FEASIBILITY OF A STATE LOTTERY,"

begs leave to report as follows:

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to convene a working group to examine the feasibility of a state lottery.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that according to the North American Association of State and Provincial Lotteries, forty-four states and the District of Columbia offer lotteries in the United States. Gallup polls have found that state lotteries are the most popular form of gambling in the United States, with roughly half of respondents saying they purchased a lottery ticket in the past twelve months. In 2021, Americans spent \$105.26 billion on lottery tickets, and state governments on average take in about a third of each lottery jackpot in taxes and revenue.

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Your Committee recognizes that Hawaii is one of the few remaining jurisdictions without a state lottery. Your Committee believes that a working group should be convened to study whether a state lottery would be feasible.

The Department of Business, Economic Development, and Tourism states in its testimony that for the project to be completed at the scope and timeline as requested in this measure, the Department would need \$200,000 in state funds to hire a research company to prepare the feasibility study.

Your Committee further notes that the Department currently has vacancies for economist positions and recommends extending the deadline to submit the report to the Legislature to twenty days prior to the Regular Session of 2026 to give the Department time to fill the economist positions and conduct the study in house.

Accordingly, your Committee has amended this measure by:

- Clarifying that the Department of Business, Economic Development, and Tourism is requested to submit its report examining the feasibility of a state lottery to the Legislature no later than twenty days prior to the convening of the Regular Session of 2026; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.C.R. No. 113, H.D. 1.

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Respectfully submitted on behalf of the members of the Committee on Economic Development,

DANIEL HOLT, Chair

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State of Hawaii

House of Representatives The Thirty-second Legislature HSCR 1524 - 24

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HCR 113	Committe ECD ₁	ee Referral: FIN	Date: 3122/2024			
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: D Pass, unamended (as is) D Pass, with amendments (HD) D Hold Pass short form bill with HD to recommit for future public hearing (recommit) Pass Pas Pas						
ECD Members		Ayes	Ayes (WR)	Nays	Excused	
1. HOLT, Daniel (C)						
					18 Section	
2. LAMOSAO, Rachele F.	(VC)					
3. HUSSEY-BURDICK, Na	talia					
4. KONG, Sam Satoru						
5. LA CHICA, Trish						
6. NAKAMURA, Nadine K						
o. NARAWICKA, Naume K	Ar <u>i ofal</u> i diatan					
7. QUINLAN, Sean		10 IV		and the second se		
8. PIERICK, Elijah	*** **					
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TOTAL (8)	/	5	0	١	2	
The recommendation is: Adopted Not Adopted						
If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) –	Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					