

SUMMARY OF PROPOSED FLOOR DRAFT

**BILL 30 (2014)
RELATING TO SIMULATED GAMBLING DEVICES**

PROPOSED FD1:

- A. Adds findings provisions to the Bill.
- B. Deletes the exemption in Section 40-____.3(b).
- C. Clarifies that violation of the article constitutes a petty misdemeanor, and that police officers and other law enforcement officers may enforce the provisions of the article.
- D. Deletes Section 40-____.6 regarding application.
- E. Makes other technical and non-substantive amendments.



A BILL FOR AN ORDINANCE

RELATING TO SIMULATED GAMBLING DEVICES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose and Findings. The purpose of this ordinance is to regulate simulated gambling devices.

The Council finds and declares that existing state law broadly prohibits gambling and gambling devices throughout the State of Hawaii. However, the City and County of Honolulu has recently experienced a proliferation of establishments offering, for commercial gain, the use of computers or video displays or other simulations of games ordinarily played in a casino or otherwise in connection with gambling that show the results of raffles, sweepstakes, contests or other promotions (referred to in this section as "simulated gambling devices").

These establishments hold themselves out as arcades or other places of entertainment and assert that the simulated gambling devices are not illegal under state law. However, simulated gambling devices may encourage behavior similar to gambling in members of the public who play these simulated gambling devices, including the elderly and the economically disadvantaged.

The Council finds that establishments offering use of simulated gambling devices are adverse to the quality of life and adverse to the health, safety and welfare of the residents of the city, including those most vulnerable within the community.

The Council believes that a local prohibition on simulated gambling devices would close any alleged loopholes that may exist under state law and would enable local law enforcement to consistently enforce state and city laws that safeguard the public's health, safety and welfare.

In order to ensure the uniform enforcement of existing laws, and to preserve the public peace and the health, safety and welfare of the residents of the city, the Council finds it necessary and advisable to prohibit the use of simulated gambling devices.



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SECTION 2. Chapter 40, Revised Ordinances of Honolulu 1990 ("PROHIBITED ACTIVITIES IN THE CITY"), is amended by adding a new article to be appropriately designated by the revisor of ordinances and to read as follows:

"Article ____ . Simulated Gambling Devices

Sec. 40-___.1 Definitions.

As used in this article:

"Person" means an individual, association, partnership, joint venture, corporation, or any other type of organization, whether conducted for profit or not for profit, or a director, executive, officer or manager of an association, partnership, joint venture, corporation or other organization.

"Simulated gambling device" means any device that, upon connection with an object, is available to play or operate a computer simulation of any game, where the play or operation of the device may deliver or entitle the person or persons playing or operating the device to a payoff directly or indirectly from the owner or operator of the device or that person's designee. The following rules of construction apply to this definition of "simulated gambling device":

- (1) The term "device" means any mechanical or electrical contrivance, computer, terminal, video or other equipment that may or may not be capable of downloading games from a central server system, machine, computer or other device or equipment. The term "device" also includes any associated equipment necessary to conduct the operation of the device.
- (2) The term "upon connection with" means insertion, swiping, passing in range, or any other technical means of physically or electromagnetically connecting an object to a device, including by the manual input by any person of characters, numbers, or any combination thereof, or other code for the purpose of accessing or activating a device, or any other mechanism or method by which the object provides access to the device.
- (3) The term "object" means a coin, bill, ticket, token, card, characters, numbers, or any combination thereof, other code, or any other tangible or intangible access mechanism or method, obtained directly or indirectly through payment of consideration, or obtained as a bonus or supplement to another transaction involving the payment of consideration.



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- (4) The terms "play or operate" or "play or operation" includes the use of skill, the application of the element of chance, or both.
- (5) The term "computer simulation" includes simulations by means of a computer, computer system, video display, video system or any other form of electronic video presentation.
- (6) The term "game" includes slot machines, poker, bingo, craps, keno, any other type of game ordinarily played in a casino, a game involving the display of results of a raffle, sweepstakes, drawing, contest or other promotion, lotto, and any other game associated with gambling or that could be associated with gambling, but the term "game" does not necessarily imply gambling as that term may be defined elsewhere.
- (7) The term "payoff" means cash, monetary or other credit, billets, tickets, tokens, or electronic credits that may be exchanged for cash or to receive merchandise or anything of value whatsoever, whether made automatically from the device or manually.
- (8) The use of the word "gambling" in the term "simulated gambling device" is for convenience of reference only. The term "simulated gambling device" as used in this article is defined exclusively by this section and does not incorporate or imply any other legal definition or requirement applicable to gambling that may be found elsewhere.

Sec. 40-__2 Simulated gambling devices prohibited.

It is unlawful for any person to manage, supervise, maintain, provide, produce, possess or use one or more simulated gambling devices. Each individual act to manage, supervise, maintain, provide, produce, possess or use a simulated gambling device constitutes a separate violation of this section.

Sec. 40-__3 Exemption.

This article does not prohibit an individual's personal, recreational, and non-commercial ownership, possession, play, operation or use of a device that could be construed to be a simulated gambling device; provided such ownership, possession, play, operation or use is not otherwise prohibited by state law; and provided further that ownership, possession, play, operation, or use does not constitute a lottery under HRS Sections 712-1220 and 712-1229.



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Sec. 40-__4 Conflict with state law.

Nothing in this article is intended to conflict with the provisions of state law concerning gambling, gambling devices or lotteries. In the event of direct and express conflict between this article and state law, the provisions of state law control.

Sec. 40-__5 Violations and enforcement.

- (a) A violation of this article is a petty misdemeanor subject to a fine of up to \$1,000, up to 30 days of imprisonment, or both.
- (b) Police officers or any other law enforcement officer may enforce the provisions of this article.
- (c) Any simulated gambling device possessed or used in violation of this article, and any money or proceeds acquired in connection with a simulated gambling device in violation of this article, may be ordered forfeited to the state, subject to the requirements of HRS Chapter 712A.
- (d) Nothing contained in this article prevents the city from taking such other legal action in law or equity as may be necessary to remedy any violation of, or refusal to comply with, any part of this article, including but not limited to pursuit of injunctive and declaratory relief in a court of competent jurisdiction.

Sec. 40-__6 Severability.

If any provision in this article is for any reason held illegal, invalid or inoperable, in whole or in part, by any court of competent jurisdiction, the remaining provisions or portions thereof remain in full force and effect."



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SECTION 3. This ordinance takes effect upon its approval.

INTRODUCED BY:

Joey Manahan

DATE OF INTRODUCTION:

April 1, 2014
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

KIRK CALDWELL, Mayor
City and County of Honolulu