
A BILL FOR AN ACT

RELATING TO GAMING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that with a projected
2 slowing of the economy, new streams of revenue need to be
3 developed and economic diversification needs to take place. One
4 method of achieving this goal is through the establishment of
5 limited gaming operations in Hawaii.

6 Hawaii, unlike nearly every other state jurisdiction, has
7 not opened itself to the positive economic and social benefits
8 of gaming in general. One result of this inaction is that large
9 amounts of potential tax revenues that could have been used for
10 financing important public services have also been lost due to
11 this inaction and both government services and economic growth
12 have suffered.

13 To maintain much-needed social programs, guarantee quality
14 education, expand economic growth, and compete in the
15 increasingly competitive global tourism market, the State should
16 pursue various economic opportunities, such as some form of
17 limited gaming.



1 Limited gaming, such as a limited lottery, appears to offer
2 a solution that balances the benefits of gaming that would be
3 enjoyed by state and county governments with the concerns raised
4 by opponents of gaming in Hawaii. In a limited lottery system,
5 a lottery would be held a specific number of times annually with
6 a maximum limit set on the number of tickets any one individual
7 may purchase for that particular lottery. This novel approach
8 deserves consideration.

9 The purpose of this Act is to establish a temporary
10 commission to study the feasibility of instituting a limited
11 lottery in Hawaii.

12 SECTION 2. (a) There is established a temporary
13 commission to be known as the Hawaii gambling commission, which
14 shall be placed within the department of business, economic
15 development, and tourism for administrative purposes, and shall
16 cease to operate after July 1, 2010. The department of business,
17 economic development, and tourism shall also provide staff
18 support to the commission as deemed necessary by the director.
19 The commission shall consist of nine members to be appointed by
20 the governor with the advice and consent of the senate under
21 section 26-34. Of the nine members, three shall be appointed
22 from a list of nominees submitted by the president of the senate



1 and three shall be appointed from a list of nominees submitted
2 by the speaker of the house of representatives. All
3 appointments to the commission shall be made within sixty days
4 of the effective date of this Act.

5 (b) The commission shall study the feasibility of
6 establishing a form of gaming in Hawaii known as "limited
7 lottery" or "lottermit."

8 For the purposes of this subsection:

9 "Limited lottery" or "lottermit" means a game of chance
10 occurring every three months which offers persons who have paid
11 for lottery tickets the opportunity to win a monetary prize, and
12 which places a limit on the maximum number of tickets that may
13 be purchased by a single individual.

14 (c) The terms of all appointments shall be two years.
15 Vacancies in the commission shall be filled for the unexpired
16 term in like manner as the original appointments.

17 (d) The members of the commission shall elect one member
18 from among themselves to serve as chairperson of the commission.

19 (e) The members of the commission shall serve without
20 compensation, but shall be entitled to reimbursement for travel
21 and necessary expenses while attending meetings and while in the
22 discharge of their duties. The director of the department of



1 business, economic development, and tourism shall reimburse the
2 members of the commission for all necessary expenses incurred
3 during the discharge of their duties.

4 (f) No person shall be appointed as a member of the
5 commission or continue to be a member of the commission if the
6 person:

- 7 (1) Is an elected state official;
- 8 (2) Is an official of, has a financial interest in, or has
9 a financial relationship with, any gaming operation
10 subject to the jurisdiction of the commission;
- 11 (3) Is related to any person within the second degree of
12 consanguinity or affinity who is an official of, has a
13 financial interest in, or has a financial relationship
14 with, any gaming operation subject to the jurisdiction
15 of the commission; or
- 16 (4) Has been under indictment, convicted, has pled guilty
17 or nolo contendere, or has forfeited bail for a felony
18 or a misdemeanor involving gambling or fraud under the
19 laws of the state of local governments of this State,
20 any other state, or the United States within the ten
21 years prior to appointment.



1 (g) The governor may remove or suspend for cause any
2 member of the commission after due notice and public hearing.
3 The president of the senate or the speaker of the house of
4 representatives may request that the governor remove or suspend
5 a member of the commission that is nominated by either the
6 president of the senate or the speaker of the house of
7 representatives. Upon receipt of a request from either the
8 president of the senate or the speaker of the house of
9 representatives, the governor shall remove or suspend the member
10 or members of the commission in question.

11 (h) No member of the commission shall hold direct or
12 indirect interest in, be employed by, or enter into a contract
13 for service with, any gaming operation subject to the
14 jurisdiction of the commission for a period of four years after
15 the date the person's membership on the commission terminates.

16 (i) No member of the commission shall represent a person
17 or party other than the State before or against the commission
18 for a period of two years after the termination of the member's
19 term of office.

20 (j) A business entity in which a former commission member
21 has an interest, or any partner, officer, or employee of the
22 business entity, shall not make any appearance or representation



1 before the commission that is prohibited to that former member.

2 As used in this subsection:

3 "Business entity" means a corporation, limited liability
4 company, partnership, limited liability partnership association,
5 trust, or other form of legal entity.

6 (k) Meetings of the commission shall be held in accordance
7 with chapter 92. Five members shall constitute a quorum, and a
8 majority vote of the members present shall be required for any
9 final determination by the commission. The commission shall
10 keep a complete and accurate record of all its meetings.

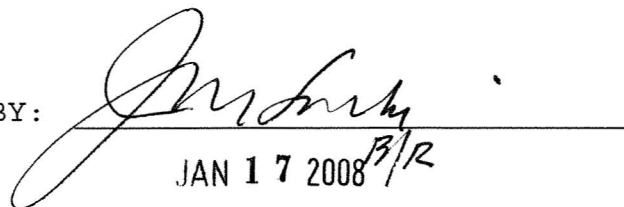
11 (l) The commission shall submit a preliminary report of
12 its findings to the legislature no later than twenty days prior
13 to the convening of the regular session of 2009 and a final
14 report, including its findings and any recommended legislation,
15 no later than twenty days prior to the convening of the regular
16 session of 2010.

17 (m) The commission shall adopt rules pursuant to chapter
18 91 for the purposes of this Act.

19 SECTION 3. This Act shall take effect on July 1, 2008.

20

INTRODUCED BY:


JAN 17 2008 ^{B/R}



Report Title:

Gambling Commission; Lottery; Gambling

Description:

Establishes the Hawaii Gambling Commission to study the feasibility of instituting a limited lottery in Hawaii.

