
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 the State is
2 undergoing a significant and possibly protracted economic
3 downturn in tandem with the national and global economic and
4 financial crises. Numerous jobs have been lost, a number of
5 large and small companies have declared bankruptcy or left the
6 State, and many families have suffered foreclosure on their
7 over-mortgaged homes. In the past year, the council on revenues
8 has consistently reduced its forecasts of Hawaii's tax revenues.
9 Across-the-board spending restrictions have already been put in
10 place in state government, and a general hiring freeze has been
11 implemented except in areas that impact public health and
12 safety.

13 In the face of these extraordinary conditions, the State
14 cannot proceed with business as usual. All resources must be
15 examined to address critical statewide health, safety, and
16 education needs. Accordingly, the purpose of this Act is to
17 generate additional general fund revenue to ensure the delivery
18 of critical services statewide by permitting gaming, restricted



1 to only one location, for individuals who are over the age of
 2 twenty-one and who are either nonresidents of the State or who
 3 possess evidence of a paid round-trip ticket in the individual's
 4 name for travel to a final destination that is located outside
 5 of the State.

6 SECTION 2. The Hawaii Revised Statutes is amended by
 7 adding a new chapter to be appropriately designated and to read
 8 as follows:

9 **"CHAPTER**

10 **GAMING**

11 § -1 **Definitions.** As used in this chapter:

12 "Casino gaming" means the operation of games licensed under
 13 this chapter, including but not limited to baccarat, twenty-one,
 14 poker, craps, slot machine, video game of chance, roulette
 15 wheel, klondike table, punch-board, faro layout, keno layout,
 16 numbers ticket, push card, jar ticket, pull tab, or other game
 17 of chance that is authorized by the gaming commission as a
 18 wagering device.

19 "Department" means the department of commerce and consumer
 20 affairs.

21 "Gaming" means the act of an individual to stake or risk
 22 something of value upon the outcome of a contest of chance or a



1 future contingent event not under the individual's control or
2 influence, upon an agreement or understanding that the
3 individual or someone else will receive something of value in
4 the event of a certain outcome.

5 "Gross receipts" means the total of:

- 6 (1) Cash received as winnings;
- 7 (2) Cash received in payment for credit extended by a
8 licensee to an individual for purposes of gaming; and
- 9 (3) Compensation received for conducting any game in which
10 the licensee is not party to a wager.

11 Gross receipts do not include counterfeit money or tokens, coins
12 of other countries that are received in gaming devices, cash
13 taken in fraudulent acts perpetrated against a licensee for
14 which the licensee is not reimbursed, and cash received as entry
15 fees for contests or tournaments in which individuals compete
16 for prizes.

17 "Individual" means a natural person.

18 § -2 **Gaming commission established.** There is
19 established a gaming commission within the department of
20 commerce and consumer affairs. The governor shall appoint five
21 members of the gaming commission pursuant to section 26-34. The
22 commission shall:



- 1 (1) Establish the qualifications of any applicant to
2 conduct casino gaming under this chapter; provided
3 that an applicant shall be a corporation properly
4 incorporated in the State;
- 5 (2) Evaluate applicants and every five years, award one
6 five-year casino gaming license to a responsive and
7 qualified applicant who submits the highest bid;
- 8 (3) Collect all taxes and fees imposed;
- 9 (4) Administer a problem gamblers program; and
- 10 (5) Regulate casino gaming established under this chapter.

11 § -3 **Gaming; where permitted.** The license issued by
12 the gaming commission pursuant to section -2 shall only apply
13 to a casino gaming operation located within a county that has a
14 population of more than five hundred thousand.

15 § -4 **Gaming restrictions.** No individual shall engage
16 in an act of gaming within a licensed casino gaming operation
17 under this chapter unless the individual shows evidence that the
18 individual:

- 19 (1) Is at least twenty-one years of age; and
- 20 (2) Meets one of the following:
 - 21 (A) Is a nonresident of the State; or



1 (B) Possesses a valid and fully-paid round-trip
2 ticket or other voucher in the individual's name
3 for travel on either an aircraft or ship to a
4 final destination that is outside of the State.

5 § -5 **Wagering tax; distribution.** (a) A wagering tax
6 shall be imposed on the monthly gross receipts received from
7 casino gaming authorized under this chapter at the rate of seven
8 per cent. The wagering tax imposed by this section shall be in
9 lieu of all other state taxes on gross or adjusted gross
10 receipts, except income taxes, including taxes levied under
11 chapter 237. There shall also be imposed an annual fee of \$250
12 on each casino gaming device enumerated in the definition of
13 casino gaming in section -1, including but not limited to
14 video or slot machines.

15 (b) All taxes and fees collected under this section shall
16 be deposited into the general fund; provided that the commission
17 shall retain a portion of the wagering tax as follows:

18 (1) per cent for the administrative costs of the
19 commission; and

20 (2) per cent to implement and administer the problem
21 gamblers program.



H.B. NO. 2251

1 § -6 Rules. The commission shall adopt rules under
2 chapter 91 to implement this chapter."

3 SECTION 3. Chapter 712, Hawaii Revised Statutes, is
4 amended by adding a new section to part III to be appropriately
5 designated and to read as follows:

6 "§712- Casino gaming; exempted. This part shall not
7 apply to casino gaming as authorized in chapter ."

8 SECTION 4. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval.

10

INTRODUCED BY:



JAN 20 2010



Report Title:

Casino Gaming

Description:

Establishes a gaming commission to oversee casino gaming. Allows the gaming commission to issue one 5-year license to a casino gaming operation in a county with a population of more than 500,000. Limits casino gaming to persons over 21 who are either nonresidents or have round-trip tickets with a final destination outside of Hawaii. Creates a wagering tax on casino gaming.

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

