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# 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.

3 SECTION 2. The Hawaii Revised Statutes is amended by  
4 adding a new chapter to be appropriately designated and to read  
5 as follows:

6 "CHAPTER

7 GAMING

8 § -1 Definitions. As used in this chapter:

9 "Casino gaming" means the operation of games licensed under  
10 this chapter, including baccarat, twenty-one, poker, craps, slot  
11 machine, video game of chance, roulette wheel, klondike table,  
12 punch-board, faro layout, keno layout, numbers ticket, push  
13 card, jar ticket, pull tab, or other game of chance that is  
14 authorized by the gaming commission as a wagering device.

15 "Department" means the department of commerce and consumer  
16 affairs.

17 "Gaming" means the act of an individual to stake or risk  
18 something of value upon the outcome of a contest of chance or a  
19 future contingent event not under the individual's control or  
20 influence, upon an agreement or understanding that the  
21 individual or someone else will receive something of value in  
22 the event of a certain outcome.



1 "Gross receipts" means the total of:

2 (1) Cash received as winnings;

3 (2) Cash received in payment for credit extended by a  
4 licensee to an individual for purposes of gaming; and

5 (3) Compensation received for conducting any game in which  
6 the licensee is not party to a wager.

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

13 "Individual" means a natural person.

14 § -2 Gaming commission established. There is  
15 established a gaming commission within the department. The  
16 governor shall appoint five members of the gaming commission  
17 pursuant to section 26-34. The commission shall:

18 (1) Establish the qualifications of any applicant to  
19 conduct casino gaming under this chapter; provided  
20 that an applicant shall be a corporation properly  
21 incorporated in the state;



- 1           (2) Evaluate applicants and every five years, award one  
2           five-year casino gaming license to a responsive and  
3           qualified applicant who submits the highest bid;
- 4           (3) Collect all taxes and fees imposed;
- 5           (4) Administer a problem gamblers program; and
- 6           (5) Regulate casino gaming established under this chapter.

7           §    -3 Gaming; where permitted. The license issued by  
8 the gaming commission pursuant to section    -2 shall only apply  
9 to a casino gaming operation located within a county that has a  
10 population of more than five hundred thousand.

11          §    -4 Gaming restrictions. No individual shall engage  
12 in an act of gaming within a licensed casino gaming operation  
13 under this chapter unless the individual shows evidence that the  
14 individual is at least twenty-one years of age.

15          §    -5 Wagering tax; distribution. (a) A wagering tax  
16 shall be imposed on the monthly gross receipts received from  
17 casino gaming authorized under this chapter at the rate of seven  
18 per cent. The wagering tax imposed by this section shall be in  
19 lieu of all other state taxes on gross or adjusted gross  
20 receipts, except income taxes, including taxes levied under  
21 chapter 237. There shall also be imposed an annual fee of \$250  
22 on each casino gaming device enumerated in the definition of



1 casino gaming in section -1, including video or slot  
2 machines.

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

6 (1) per cent for the administrative costs of the  
7 commission; and

8 (2) per cent to implement and administer the problem  
9 gamblers program.

10 § -6 Rules. The commission shall adopt rules under  
11 chapter 91 to implement this chapter."

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

15 "§712- Casino gaming; exempted. This part shall not  
16 apply to casino gaming as authorized in chapter ."

17 SECTION 4. New statutory material is underscored.

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



**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. Creates a wagering tax on casino gaming. (HB2251 HD1)

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

