

1 is available to play or operate, the play or operation of which,
2 whether by reason of the skill of the operator in playing a
3 gambling game which is presented for play by the machine or
4 application of the element of chance, or both, may deliver or
5 entitle the person playing or operating the machine to receive
6 cash, premiums, merchandise, tokens, or anything of value,
7 whether the payoff is made automatically from the machine or in
8 any other manner.

9 "Video poker gambling machine" means a type of slot machine
10 where a player is typically dealt a five-card hand on the face
11 of a video screen and is allowed to ask for one or more new
12 cards, similar to draw poker. The player may be awarded various
13 winnings according to the value of the final hand.

14 § -B Slot machine gambling and video poker gambling
15 machines allowed in gambling establishment. (a) Slot machine
16 gambling and video poker gambling machines shall be allowed in
17 gambling establishments.

18 (b) The choice of slot machine shall be limited to
19 progressive slot machines or traditional (off line) slot
20 machines, or both; provided that the licensee shall indicate on
21 every slot machine whether the machine is a progressive slot



1 machine or a traditional (off line) slot machine. Part III of
2 chapter 712 shall not apply to this chapter.

3 (c) This chapter shall not be construed to legalize
4 internet gambling, electronic bingo games, or other forms of
5 gambling under part III of chapter 712 other than slot machine
6 gambling and video poker gambling machines within gambling
7 establishments.

8 **§ -C Locations; license.** (a) Gambling establishments
9 shall be limited to hotels in urban areas zoned resort and
10 security areas within international airports located in a county
11 with a resident population greater than 500,000; and

12 (b) A gambling establishment shall hold a special slot
13 machine license issued by the city and county of Honolulu as a
14 condition precedent to allowing slot machine gambling or video
15 poker gambling machines, or both, on its premises; provided that
16 no county shall refuse to issue a special slot machine license
17 on the grounds of opposition to gambling in general.

18 The State, through the department of budget and finance,
19 and a county with a resident population of 500,000 or greater,
20 through its appropriate department, may establish an
21 administrative fee for expenses to issue a license under this
22 section.



1 **§ -D Taxation.** Gambling establishments that permit
2 slot machine gambling or video poker gambling machines, or both,
3 and customers, as defined in section -A, shall be subject to
4 chapter 235 for income taxes realized from slot machine gambling
5 and video poker gambling machines.

6 **§ -E Division of proceeds.** The net amount, after
7 expenses, derived by a gambling establishment from slot machine
8 gambling and video poker gambling machines shall be divided as
9 follows:

10 (1) Not more than per cent of the net amount shall
11 be retained by the gambling establishment as taxable
12 income; and

13 (2) Not more than per cent of the net amount shall
14 be payable to the State, to be deposited into the
15 general fund of the State; provided that the State may
16 distribute a portion of the proceeds to the counties
17 as provided by law; and provided further that the
18 State shall expend a portion of the moneys derived
19 under this paragraph as follows:

20 (A) per cent to the department of education;
21 and



1 (B) per cent to the department of human
2 services.

3 § -F **Records; inspection.** A gambling establishment
4 shall hold a special slot machine license under section -C
5 and shall keep records of all slot machine gambling and video
6 poker gambling machine operations for purposes of enforcement
7 and taxation. The records shall be deemed open to inspection
8 and without notice by the state attorney general, county
9 prosecutor, department of taxation, and appropriate county
10 licensing authority."

11 SECTION 2. Section 712-1220, Hawaii Revised Statutes, is
12 amended by amending the definition of "gambling" to read:

13 "(4) "Gambling". A person engages in gambling if [~~he~~] the
14 person stakes or risks something of value upon the outcome of a
15 contest of chance or a future contingent event not under [~~his~~]
16 the person's control or influence, upon an agreement or
17 understanding that [~~he~~] the person or someone else will receive
18 something of value in the event of a certain outcome. Gambling
19 does not include bona fide business transactions valid under the
20 law of contracts, including but not limited to contracts for the
21 purchase or sale at a future date of securities or commodities,
22 and agreements to compensate for loss caused by the happening of



1 chance, including but not limited to contracts of indemnity or
2 guaranty and life, health, or accident insurance. For purposes
3 of this chapter, gambling shall not include slot machine
4 gambling or video poker gambling machines as authorized under
5 chapter _____."

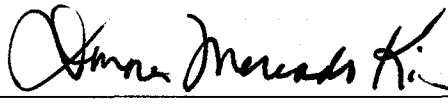
6 SECTION 3. In codifying this Act, the revisor shall
7 substitute appropriate section numbers for the letter
8 designations used in section 1 of this Act.

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 2009.

12

INTRODUCED BY:





Report Title:

Gambling; Slot Machines; Video Poker; Counties

Description:

Legalizes slot machine gambling and video poker gambling machines in designated resort areas and to security areas of international airports located in Honolulu.

