
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 houses. In the past year, the council on
8 revenues has consistently reduced its forecasts of Hawaii's tax
9 revenues. Across-the-board spending restrictions have already
10 been put in place in state government and a general hiring
11 freeze has already been implemented except in areas that impact
12 public health and 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 educational needs. Accordingly, the purpose of this Act is to
17 generate additional general funds to ensure the delivery of
18 critical services statewide by permitting gaming but restricted



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

6 SECTION 2. **Casino gaming; definitions; commission;**
7 **conditions; license; taxes and fees; rules.** (a) As used in
8 this section:

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

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

18 "Gross receipts" means the total of:

- 19 (1) Cash received as winnings;
20 (2) Cash received in payment for credit extended by a
21 licensee to a patron for purposes of gaming; and



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

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

9 "Individual" means a natural person.

10 (b) There is created a gaming commission within the
11 department of commerce and consumer affairs. The governor shall
12 appoint five members of the gaming commission pursuant to
13 section 26-34, Hawaii Revised Statutes. The commission shall:

14 (1) Establish the qualifications of any applicants to
15 conduct casino gaming under this section; provided
16 that an applicant shall be a corporation properly
17 incorporated in the State;

18 (2) Evaluate applicants and award, every five years, one
19 five-year casino gaming license to a responsive and
20 responsible applicant submitting the highest bid;

21 (3) Collect all taxes and fees imposed;

22 (4) Administer a problem gamblers program; and



1 (5) Regulate casino gaming established under this section.

2 (c) No individual may engage in wagering within the casino
3 under this section unless the individual shows evidence to prove
4 the individual:

5 (1) Is at least twenty-one years of age; and

6 (2) Is:

7 (A) A nonresident of the State; or

8 (B) Possesses a valid and fully-paid round-trip
9 ticket or other voucher for travel on either an
10 aircraft or ship for travel to a final
11 destination that is outside the State.

12 (d) A tax shall be imposed on the monthly gross receipts
13 received from casino gaming authorized under this section at the
14 rate of seven per cent. The wagering tax imposed by this
15 section shall be in lieu of all other state taxes on gross or
16 adjusted gross receipts, except income taxes, including taxes
17 levied under chapters 237 and 239. There shall also be imposed
18 an annual fee of \$250 on each casino gaming device as described
19 in the definition of casino gaming, including but not limited to
20 video or slot machines. All taxes and fees collected shall be
21 deposited by the commission into the state general fund;



1 provided that the following percentages of the wagering tax
2 shall be retained by the commission to cover:

3 (1) Administrative costs: per cent; and

4 (2) Problem gamblers program: per cent.

5 (e) The commission shall all adopt necessary rules under
6 chapter 91, Hawaii Revised Statutes, to implement this section.

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

10 "§712- Casino gaming; exempted. This part shall not
11 apply to casino gaming as authorized by Act , Session Laws
12 of Hawaii 2009."

13 SECTION 4. New statutory material is underscored.

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

15

INTRODUCED BY:

J. H. ...
J. ...
J. ...
JAN 28 2009



Report Title:

Gaming; One County; One Casino; Nonresident Adults; Deposit Taxes & Fees into General Fund

Description:

Allows casino gaming at 1 location on a 5-year license in a county having a population of more than 500,000 admitting only persons over 21, nonresidents, or who have round-trip tickets for travel to a final destination outside Hawaii. Creates a gaming commission and imposes a 7% tax on the casino's monthly gross receipts and an annual \$250 fee on each gaming device for deposit into the general fund except % and % for administrative costs and administering a problem gamblers program.

