

---

---

# A BILL FOR AN ACT

RELATING TO GAMING.

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

1 PART I

2 SECTION 1. The Hawaii Homes Commission Act, 1920, as  
3 amended, is amended by adding a new section to be appropriately  
4 designated and to read as follows:

5 "§A. Gaming; commission authority. (a) The commission  
6 shall have the authority to determine whether casino gaming  
7 operations shall be allowed on Hawaiian homelands pursuant to  
8 chapter , Hawaii Revised Statutes. Authority for casino  
9 gaming operations on Hawaiian home lands shall require an  
10 affirmative resolution approved by a majority vote of the  
11 commission.

12 (b) Upon authorization by the commission for casino gaming  
13 operations pursuant to subsection (a), the commission shall  
14 designate the specific parcels upon which gaming shall be  
15 allowed."

16 SECTION 2. Section 204.5, Hawaiian Homes Commission Act,  
17 1920, as amended, is amended to read as follows:



1           "§204.5. Additional powers. In addition and supplemental  
2 to the powers granted to the department by law, and  
3 notwithstanding any law to the contrary, the department may:

4           (1) With the approval of the governor, undertake and carry  
5 out the development of any Hawaiian home lands  
6 available for lease under and pursuant to section 207  
7 of this Act by assembling these lands in residential  
8 developments and providing for the construction,  
9 reconstruction, improvement, alteration, or repair of  
10 public facilities therein, including, without  
11 limitation, streets, storm drainage systems,  
12 pedestrian ways, water facilities and systems,  
13 sidewalks, street lighting, sanitary sewerage  
14 facilities and systems, utility and service corridors,  
15 and utility lines, where applicable, sufficient to  
16 adequately service developable improvements therein,  
17 sites for schools, parks, off-street parking  
18 facilities, and other community facilities;

19           (2) With the approval of the governor, undertake and carry  
20 out the development of available lands for homestead,  
21 commercial, and multipurpose projects as provided in  
22 section 220.5 of this Act, as a developer under this



1 section or in association with a developer agreement  
2 entered into pursuant to this section by providing for  
3 the construction, reconstruction, improvement,  
4 alteration, or repair of public facilities for  
5 development, including, without limitation, streets,  
6 storm drainage systems, pedestrian ways, water  
7 facilities and systems, sidewalks, street lighting,  
8 sanitary sewerage facilities and systems, utility and  
9 service corridors, and utility lines, where  
10 applicable, sufficient to adequately service  
11 developable improvements therein, sites for schools,  
12 parks, off-street parking facilities, and other  
13 community facilities;

14 (3) With the approval of the governor, designate by  
15 resolution of the commission all or any portion of a  
16 development or multiple developments undertaken  
17 pursuant to this section an "undertaking" under part  
18 III of chapter 39, Hawaii Revised Statutes; ~~and~~

19 (4) Exercise the powers granted under section 39-53,  
20 Hawaii Revised Statutes, including the power to issue  
21 revenue bonds from time to time as authorized by the  
22 legislature [-]; and



1        (5) Develop Hawaiian home lands, as authorized by the  
2        commission pursuant to section A, for the purpose of  
3        establishing casino gaming operations subject to  
4        chapter        , Hawaii Revised Statutes.

5        All provisions of part III of chapter 39, Hawaii Revised  
6        Statutes, shall apply to the department and all revenue bonds  
7        issued by the department shall be issued pursuant to the  
8        provisions of that part, except these revenue bonds shall be  
9        issued in the name of the department, and not in the name of the  
10       State.

11       As applied to the department, the term "undertaking" as  
12       used in part III of chapter 39 shall include a residential  
13       development or a development of homestead, commercial, or  
14       multipurpose projects under this Act. The term "revenue" as  
15       used in part III of chapter 39, shall include all or any portion  
16       of the rentals derived from the leasing of Hawaiian home lands  
17       or available lands, whether or not the property is a part of the  
18       development being financed."

19       SECTION 3. Section 213.6, Hawaiian Homes Commission Act,  
20       1920, as amended, is amended to read as follows:

21       "§213.6. Hawaiian home lands trust fund. (a) There is  
22       established a trust fund to be known as the Hawaiian home lands



1 trust fund, into which shall be deposited all appropriations by  
2 the state legislature and moneys pursuant to section -4(c),  
3 Hawaii Revised Statutes, specified to be deposited therein.  
4 Moneys of the Hawaiian home lands trust fund shall be expended  
5 by the department, as provided by law, upon approval by the  
6 commission and shall be used for capital improvements and other  
7 purposes undertaken in furtherance of the Act [-]; provided that  
8 moneys deposited pursuant to section -4(c), Hawaii Revised  
9 Statutes, shall only be used to develop Hawaiian home land  
10 communities, including the construction, reconstruction,  
11 improvement, alteration, or repair of public and community  
12 facilities. The department shall have a fiduciary  
13 responsibility toward the trust fund and shall provide annual  
14 reports therefor to the legislature and to the beneficiaries of  
15 the trust.

16 (b) The commission may deposit moneys from the trust fund  
17 into depositories other than the state treasury and may manage,  
18 invest, and reinvest moneys in the trust fund. The commission  
19 may hold, purchase, sell, assign, transfer, or dispose of any  
20 securities and investments in which any of the moneys have been  
21 invested, as well as the proceeds of the investments. Moneys  
22 from the trust fund that are deposited into depositories other



1 than the state treasury shall be exempt from the requirements of  
2 chapters 36 and 38. Any interest or other earnings arising out  
3 of investments from the trust fund shall be credited to and  
4 deposited into the trust fund."

5 PART II

6 SECTION 4. 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 operation" means the operation of games  
13 licensed under this chapter, including but not limited to  
14 baccarat, twenty-one, poker, craps, slot machine, video game of  
15 chance, roulette wheel, klondike table, punch-board, faro  
16 layout, keno layout, numbers ticket, push card, jar ticket, pull  
17 tab, or other game of chance that is authorized by the gaming  
18 commission as a wagering device.

19 "Commission" means the Hawaii gaming commission.

20 "Gross receipts" means the total of:

21 (1) Cash received as revenue from gaming operations;



- 1           (2) Cash received in payment for credit extended by a
- 2                   licensee to a patron for purposes of gaming; and
- 3           (3) Compensation received for conducting any game in which
- 4                   the licensee is not party to a wager.

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

11           "Individual" means a natural person.

12           §    -2 Gaming commission; established; duties. (a)

13 There is established a Hawaii gaming commission within the  
14 department of commerce and consumer affairs. The governor shall  
15 appoint five members of the commission pursuant to section 26-  
16 34.

17           (b) The commission shall:

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



- 1           (2) Evaluate applicants and award casino gaming operation  
2           licenses to responsive and qualified applicants who  
3           submit the highest bid for a specific geographic  
4           location designated by the Hawaiian homes commission  
5           pursuant to section       (b), Hawaii Homes Commission  
6           Act, 1920, as amended;
- 7           (3) Collect all taxes and fees imposed; and
- 8           (4) Regulate casino gaming operations established under  
9           this chapter.

10          §     -3 Gaming; where permitted. Licenses issued by the  
11 gaming commission pursuant to section     -2(b) shall authorize  
12 casino gaming operations only on Hawaiian home lands, as  
13 designated by the Hawaiian homes commission pursuant to  
14 section     , Hawaii Homes Commission Act, 1920, as amended.

15          §     -4 Wagering tax; distribution. (a) A wagering tax  
16 shall be imposed on the monthly gross receipts received from  
17 casino gaming operations authorized under this chapter at the  
18 rate of           per cent. The wagering tax imposed by this  
19 section shall be paid to the commission in lieu of all other  
20 state taxes on gross or adjusted gross receipts, except income  
21 taxes, including taxes levied under chapter 237. The commission





1 shall retain per cent for the administrative costs of the  
2 commission

3 (b) After deduction of the commission's administrative  
4 costs, the tax collected under subsection (a) shall be allocated  
5 as follows:

6 (1) Twenty per cent shall be deposited into the general  
7 fund; and

8 (2) Eighty per cent shall be deposited into the Hawaiian  
9 home lands trust fund under section 231.6, Hawaiian  
10 Homes Commission Act, 1920, as amended.

11 § -5 Rules. The commission shall adopt rules under  
12 chapter 91 to implement this chapter."

13 PART III

14 SECTION 5. The provisions of the amendments made by this  
15 Act to the Hawaiian Homes Commission Act, 1920, as amended, are  
16 declared to be severable, and if any section, sentence, clause,  
17 or phrase, or the application thereof to any person or  
18 circumstances is held ineffective because there is a requirement  
19 of having the consent of the United States to take effect, then  
20 that portion only shall take effect upon the granting of consent  
21 by the United States and effectiveness of the remainder of these  
22 amendments or the application thereof shall not be affected.



# H.B. NO. 2759

1           SECTION 6. In codifying the new sections added by section  
 2 1 of this Act, the revisor of statutes shall substitute  
 3 appropriate section numbers for the letters used in designating  
 4 the new sections in this Act.

5           SECTION 7. Statutory material to be repealed is bracketed  
 6 and stricken. New statutory material is underscored.

7           SECTION 8. This Act shall take effect upon its approval.  
 8

INTRODUCED BY:

Mele Carroll

Michelle

Ryda Cubanilla

Jay Whang

Ray Mansano

JAN 26 2010



**Report Title:**

Hawaii Home Lands; Gaming

**Description:**

Authorize the Hawaiian homes commission to allow gaming on Hawaiian home lands and to designate specific Hawaiian home lands for the purposes of establishing gaming operations. Creates a gaming commission to regulate all gaming on Hawaiian home lands. Imposes a wagering tax on gross receipts of casino gaming operations and provides for distribution to the general fund and Hawaiian home lands trust fund.

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

