

---

---

# A BILL FOR AN ACT

RELATING TO BINGO.

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

PART I

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

"§A. Gaming; commission authority. (a) The commission shall have the authority to determine whether bingo shall be allowed on Hawaiian home lands pursuant to chapter , Hawaii Revised Statutes. Authority for bingo on Hawaiian home lands shall require an affirmative resolution approved by a majority vote of the commission.

(b) Upon authorization by the commission for bingo pursuant to subsection (a), the commission shall designate the specific parcel or parcels at one single geographic location within the State on Hawaiian home lands upon which bingo shall be allowed."

SECTION 2. Section 204.5, Hawaiian Homes Commission Act, 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 bingo at one single geographic location  
4        within the State on Hawaiian home lands subject to  
5        chapter        , Hawaii Revised Statutes.

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

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

20       SECTION 3. Section 213.6, Hawaiian Homes Commission Act,  
21       1920, as amended, is amended to read as follows:



1           "§213.6.   Hawaiian home lands trust fund.   (a)   There is  
2   established a trust fund to be known as the Hawaiian home lands  
3   trust fund, into which shall be deposited all appropriations by  
4   the state legislature and moneys received pursuant to section  
5   -20(4), Hawaii Revised Statutes, specified to be deposited  
6   therein. Moneys of the Hawaiian home lands trust fund shall be  
7   expended by the department, as provided by law, upon approval by  
8   the commission and shall be used for capital improvements and  
9   other purposes undertaken in furtherance of the Act. The  
10   department shall have a fiduciary responsibility toward the  
11   trust fund and shall provide annual reports therefor to the  
12   legislature and to the beneficiaries of the trust.

13           (b)   The commission may deposit moneys from the trust fund  
14   into depositories other than the state treasury and may manage,  
15   invest, and reinvest moneys in the trust fund. The commission  
16   may hold, purchase, sell, assign, transfer, or dispose of any  
17   securities and investments in which any of the moneys have been  
18   invested, as well as the proceeds of the investments. Moneys  
19   from the trust fund that are deposited into depositories other  
20   than the state treasury shall be exempt from the requirements of  
21   chapters 36 and 38. Any interest or other earnings arising out



1 of investments from the trust fund shall be credited to and  
2 deposited into the trust fund."

3 PART II

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

7 "CHAPTER

8 BINGO

9 § -1 **Definitions.** As used in this chapter, unless the  
10 context otherwise requires:

11 "Bingo" means a game in which players pay a consideration  
12 to participate, in which seventy-five numbered objects are  
13 available for selection, and those objects actually selected are  
14 selected on a random basis, and in which each player  
15 participates by means of cards sold, rented, or used only at the  
16 time and place of the game, each card containing five rows of  
17 five spaces each, each space printed with a number from 1 to 75,  
18 except the central space, which is marked "FREE." Winners are  
19 determined and prizes awarded on the basis of possessing a bingo  
20 card on which some combination of numbers is printed and  
21 conforms to the numbered objects selected at random based on a  
22 predetermined winning arrangement. "Bingo," as used in this



1 chapter, shall not include any game using free cards and donated  
2 prizes, if any, for which no payment of consideration is made by  
3 participants.

4 "Bingo card" means a nondisposable card issued to a person  
5 upon payment of the admission fee which affords a person the  
6 opportunity to participate in all bingo games played.

7 "Bingo game" means a bingo game in which a person, upon  
8 payment of an admission, is issued a bingo card and may purchase  
9 or rent extra bingo cards.

10 "Bingo supplies and equipment" means all cards, boards,  
11 sheets, markers, pads, or other supplies, devices, or equipment  
12 designed for use in the play of bingo.

13 "Commission" means the Hawaii bingo commission.

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

16 "Director" means the director of commerce and consumer  
17 affairs.

18 "Extra bingo card" means a nondisposable card that affords  
19 additional opportunities to play in a bingo game.

20 "Financial interest" or "financially interested" means any  
21 interest in investments, awarding of contracts, grants, loans,  
22 purchases, leases, sales, or similar matters under consideration



1 or consummated by the commission or holding a one per cent or  
2 more ownership interest in an applicant or a licensee. For  
3 purposes of this definition, a member, employee, or agent of the  
4 commission shall be considered to have a financial interest in a  
5 matter under consideration if any of the following circumstances  
6 exist:

7 (1) The individual owns one per cent or more of any class  
8 of outstanding securities that are issued by a party  
9 to the matter under consideration or consummated by  
10 the commission; or

11 (2) The individual is employed by or is an independent  
12 contractor for a party to the matter under  
13 consideration or consummated by the commission.

14 "Gross receipts" means total receipts received from the  
15 conduct of bingo, including but not limited to receipts from  
16 admission and the sale, rental, or use of bingo cards, extra  
17 bingo cards, and bingo supplies.

18 § -2 **Hawaii bingo commission; established.** (a) There  
19 is established a Hawaii bingo commission, which shall be a body  
20 corporate and a public instrumentality of the State for the  
21 purpose of implementing this chapter. The commission shall be





1 placed administratively within the department of commerce and  
2 consumer affairs.

3 (b) The governor shall appoint five members of the  
4 commission pursuant to section 26-34. No person shall be  
5 appointed as a member of the commission or continue to be a  
6 member of the commission if the person:

7 (1) Is an elected state official;

8 (2) Is licensed by the commission pursuant to this  
9 chapter, or is an official of, has a financial  
10 interest in, or has a financial relationship with, any  
11 bingo operation subject to the jurisdiction of this  
12 commission pursuant to this chapter;

13 (3) Is related to any person within the second degree of  
14 consanguinity or affinity who is licensed by the  
15 commission pursuant to this chapter; or

16 (4) Has been under indictment, convicted, pled guilty or  
17 nolo contendere, or forfeited bail for a felony or a  
18 misdemeanor involving gambling or fraud under the laws  
19 of this State, any other state, or the United States  
20 within the ten years prior to appointment or a local  
21 ordinance in a state involving gambling or fraud that



1 substantially corresponds to a misdemeanor in that  
2 state within the ten years prior to appointment.

3 (c) Each member shall serve five years. Vacancies shall  
4 be filled for the unexpired term in like manner as the original  
5 appointments.

6 (d) After due notice and public hearing, the governor may  
7 remove or suspend for cause any member of the commission.

8 (e) Members of the commission shall:

9 (1) Be a resident of the State;

10 (2) Serve part-time; and

11 (3) Be reimbursed for expenses, including travel expenses,  
12 incurred in the performance of official duties.

13 (f) Officers of the commission, including the chairperson,  
14 shall be selected by the members. Three members shall  
15 constitute a quorum, and a majority vote of the five members  
16 shall be required for any final determination by the commission.

17 (g) Before assuming the duties of office, each member of  
18 the commission shall take an oath that the member shall  
19 faithfully execute the duties of office according to the laws of  
20 the State and shall file and maintain with the director a bond  
21 in the sum of \$25,000 with good and sufficient sureties. The  
22 cost of any bond for any member of the commission under this



1 section shall be considered a part of the necessary expenses of  
2 the commission.

3 (h) The commission shall appoint an executive director who  
4 shall:

5 (1) Hold office at the will of the commission;

6 (2) Be exempt from chapters 76 and 89;

7 (3) Devote full time to the duties of the office;

8 (4) Not hold any other office or employment;

9 (5) Perform any and all duties that the commission  
10 assigns;

11 (6) Receive an annual salary at an amount set by the  
12 commission, and shall be reimbursed for expenses  
13 actually and necessarily incurred in the performance  
14 of the executive director's duties.

15 (i) Except as otherwise provided by law, the executive  
16 director may:

17 (1) Hire assistants, other officers, and employees, who  
18 shall be exempt from chapters 76 and 89 and who shall  
19 serve at the will of the executive director; provided  
20 that no person shall be hired under this subsection  
21 who:

22 (A) Is an elected state official;



- 1 (B) Is licensed by the commission pursuant to this
- 2 chapter or is an official of, has a financial
- 3 interest in, or has a financial relationship
- 4 with, any bingo operation subject to the
- 5 jurisdiction of the commission pursuant to this
- 6 chapter;
- 7 (C) Is related to any person within the second degree
- 8 of consanguinity or affinity who is licensed by
- 9 the commission pursuant to this chapter; or
- 10 (D) Has been under indictment, convicted, pled guilty
- 11 or nolo contendere, or forfeited bail for a
- 12 felony or misdemeanor concerning gambling or
- 13 fraud under the laws of this State, any other
- 14 state, or the United States within the last ten
- 15 years, or a local ordinance in any state
- 16 involving gambling or fraud that substantially
- 17 corresponds to a misdemeanor in that state within
- 18 the ten years prior to employment.
- 19 (j) The salaries of employees hired pursuant to subsection
- 20 (i) shall be set by the executive director.
- 21 (k) The commission shall adopt rules in accordance with
- 22 chapter 91 establishing a code of ethics for its employees that



1 shall include a prohibition against participating in bingo games  
2 as players. The code of ethics shall be separate from and in  
3 addition to any standards of conduct set forth pursuant to  
4 chapter 84.

5 § -3 **Duties of commission.** (a) The commission shall:

6 (1) Regulate bingo established under this chapter;

7 (2) Establish the qualifications of any applicant for  
8 licensure to conduct bingo under this chapter;

9 provided that an applicant shall be a corporation  
10 properly incorporated in the State;

11 (3) Evaluate responsive and qualified applicants and award  
12 one bingo operation license to the highest bid for a  
13 single specific geographic location designated by the  
14 Hawaiian homes commission pursuant to section A(b),  
15 Hawaii Homes Commission Act, 1920, as amended;

16 (4) Provide for the collection and distribution of all  
17 taxes imposed pursuant to this chapter, and to  
18 collect, receive, expend, and account for all revenues  
19 derived from bingo;

20 (5) Enter at any time without a warrant and without notice  
21 to the licensee, the premises, offices, bingo  
22 facility, or other places of business of the licensee,



1 where evidence of the compliance or noncompliance with  
2 this chapter or rules is likely to be found. Entry is  
3 authorized to:

4 (A) Inspect and examine all premises wherein bingo is  
5 conducted, or where any records of the activities  
6 are prepared;

7 (B) Inspect, examine, audit, impound, seize, or  
8 assume physical control of, or summarily remove  
9 from the premises all books, ledgers, documents,  
10 writings, photocopies of correspondence records,  
11 videotapes, including electronically stored  
12 records, money receptacles, other containers and  
13 their contents, equipment in which the records  
14 are stored, or other bingo related equipment and  
15 supplies on or around the premises, including  
16 counting rooms;

17 (C) Inspect the person, and inspect, examine, and  
18 seize personal effects present in the bingo  
19 facility; and

20 (D) Investigate and deter alleged violations of this  
21 chapter or rules;



- 1           (6) Investigate alleged violations of this chapter and to  
2           take appropriate disciplinary action against a  
3           licensee for a violation or institute appropriate  
4           legal action for enforcement, or both;
- 5           (7) Be present, through its inspectors and agents, any  
6           time bingo is conducted for the purpose of certifying  
7           the bingo facility's revenue, receiving complaints  
8           from the public, and conducting other investigations  
9           into the conduct of the bingo and the maintenance of  
10          the equipment as from time to time the commission may  
11          deem necessary and proper;
- 12          (8) Require that records including financial or other  
13          statements of the licensee be kept in the manner  
14          prescribed by the commission and that the licensee  
15          submit to the commission an annual balance sheet and  
16          profit and loss statement, a list of the stockholders  
17          or other persons having a five per cent or greater  
18          beneficial interest in the bingo activities of the  
19          licensee, and any other information the commission  
20          deems necessary to effectively administer this  
21          chapter;



- 1           (9)    Conduct hearings, issue subpoenas for the attendance  
2                   of witnesses and subpoenas duces tecum for the  
3                   production of books, records, and other pertinent  
4                   documents, and to administer oaths and affirmations to  
5                   the witnesses, when, in the judgment of the  
6                   commission, it is necessary to administer or enforce  
7                   this chapter. The executive director is also  
8                   authorized to issue subpoenas and to administer oaths  
9                   and affirmations to witnesses;
- 10          (10)   Eject or exclude, or authorize the ejection or  
11                   exclusion of, any person from the bingo facility where  
12                   the person is in violation of this chapter or where  
13                   the person's conduct or reputation is such that the  
14                   person's presence within the bingo facility, in the  
15                   opinion of the commission, may call into question the  
16                   honesty and integrity of the bingo operation,  
17                   interfere with the orderly conduct thereof, or any  
18                   other action that, in the opinion of the commission,  
19                   is a detriment or impediment to the bingo operation;  
20                   provided that the propriety of that ejection or  
21                   exclusion shall be subject to subsequent hearing by  
22                   the commission;





1           (13) Suspend, revoke, or restrict a license, to require the  
2           removal of the licensee or an employee of the licensee  
3           for a violation of this chapter or a commission rule,  
4           or for engaging in a fraudulent practice; and

5           (14) Adopt rules in accordance with chapter 91 to implement  
6           this chapter.

7           §    -4 **Bingo; where permitted.** The license issued by the  
8           commission shall authorize bingo only at one single geographic  
9           location within the State on Hawaiian home lands, as designated  
10          by the Hawaiian homes commission pursuant to section A(b),  
11          Hawaii Homes Commission Act, 1920, as amended.

12          §    -5 **Bingo license application; nonrefundable fee.** (a)  
13          Each applicant for a license to conduct bingo shall file with  
14          the Hawaii bingo commission an application on a form prescribed  
15          by the commission. The term of the license shall be ten years  
16          and shall be renewable for additional ten-year terms. The  
17          application shall include:

18               (1) The name, address, telephone number, social security  
19               number and, where applicable, the federal tax  
20               identification number of the applicant;

21               (2) The identity of any business, including, if  
22               applicable, the state of incorporation or



1 registration, in which the applicant has an equity  
2 interest of more than five per cent. If the applicant  
3 is a corporation, partnership, or other business  
4 entity, the applicant shall identify any other  
5 corporation, partnership, or other business entity in  
6 which it has an equity interest of more than five per  
7 cent, including, if applicable, the state of  
8 incorporation or registration;

9 (3) A statement whether the applicant has been indicted,  
10 convicted, pled guilty or nolo contendere, or  
11 forfeited bail for any felony or for a misdemeanor  
12 involving gambling, theft, or fraud. The statement  
13 shall include the date, the name and location of the  
14 court, arresting agency, prosecuting agency, the case  
15 caption, the docket number, the offense, the  
16 disposition, and the location and length of  
17 incarceration;

18 (4) A statement whether the applicant has ever been  
19 granted any gaming license or certificate issued by  
20 any other jurisdiction that has been restricted,  
21 revoked, or not renewed. The statement shall describe  
22 the facts and circumstances concerning that



1 restriction, revocation, or nonrenewal, including the  
2 licensing authority, the date each action was taken,  
3 and the reason for each action;

4 (5) A statement whether the applicant, within the last ten  
5 years, has filed or had filed against it a civil or  
6 administrative action or proceeding in bankruptcy;

7 (6) A statement whether the applicant, within the last  
8 five tax years, has been adjudicated by a court or  
9 tribunal to have failed to pay any final amount of any  
10 income, sales, or gross receipts tax due and payable  
11 under federal, state, or local law, after exhaustion  
12 of all inter-agency appeals processes. This statement  
13 shall identify the amount of the tax, type of tax,  
14 time periods involved, and resolution;

15 (7) The approximate capacity of the premises in which  
16 bingo will be conducted; and

17 (8) Any other information the commission deems necessary  
18 to administer this chapter.

19 (b) A nonrefundable application fee of \$                    shall be  
20 paid to the commission by an applicant at the time of filing to  
21 defray the costs associated with an applicant's background  
22 investigation conducted by the commission. If the costs of the



1 investigation exceed \$ , the applicant shall pay the  
2 additional amount to the commission.

3 § -6 Denial of application; hearing. If the commission  
4 denies a license to conduct bingo, within ten days after  
5 receiving written notification of the denial, an applicant may  
6 demand in writing a hearing before the commission. At the  
7 hearing, the burden of proof shall be on the applicant to  
8 establish the applicant's eligibility. If, after the hearing,  
9 the commission enters an order denying the application, the  
10 order shall set forth in detail the reasons for the denial. If  
11 the board approves the application, the commission shall issue  
12 the license within fourteen days after approval.

13 § -7 Suspension or revocation. (a) Proceedings to  
14 suspend or revoke a license to conduct bingo shall be initiated  
15 by the commission pursuant to chapter 91. The notice shall  
16 state the alleged violations that constitute the grounds for the  
17 proceedings. The commission may temporarily suspend the license  
18 for a period of thirty days while any proceedings are pending  
19 and shall notify the licensee of the dates of the temporary  
20 suspension.

21 (b) The commission shall notify an officer or agent of the  
22 licensee of the time and place of the hearing by registered



1 mail, return receipt requested, at least fifteen days before the  
2 hearing.

3 (c) The commission shall hold a hearing on a suspension or  
4 proposed revocation as soon as practicable. The commission  
5 shall issue in writing its findings and decision on suspension  
6 or revocation within thirty days after the hearing. A copy of  
7 the findings and decision shall be sent immediately to the  
8 licensee. If the commission suspends or revokes the license,  
9 the licensee shall be informed of the effective date of the  
10 suspension or revocation. The commission's decision under this  
11 section shall be subject to judicial review pursuant to section  
12 91-14.

13 (d) When a license is suspended or revoked, the licensee  
14 shall immediately surrender the license. A licensee whose  
15 license has been revoked may reapply for a license one year  
16 after the effective date of the revocation. If a license has  
17 been suspended under subsection (c), the commission shall  
18 reinstate the license at the end of the period of suspension.

19 (e) A violation of any applicable law of this State or  
20 rule adopted thereunder shall constitute grounds for suspension  
21 or revocation.

22 § -8 Conduct of bingo. For all bingo games:



- 1           (1) Purchase of a bingo card shall entitle each player to  
2           a place with sufficient room in which to play;
- 3           (2) Cash payment only shall be accepted for any bingo  
4           card;
- 5           (3) No person under age eighteen shall:
  - 6           (A) Play any bingo game conducted by the licensee  
7           unless accompanied by that person's parent, legal  
8           guardian, or spouse; or
  - 9           (B) Conduct or assist in the conduct of bingo;
- 10          (4) No person who is conducting or assisting in the  
11          conduct of bingo shall participate as a bingo player;
- 12          (5) Each bingo winner shall be determined and every prize  
13          shall be awarded and delivered on the same day on  
14          which the bingo game is conducted;
- 15          (6) Bingo cards and extra bingo cards shall be printed  
16          only on one side;
- 17          (7) The licensee shall keep an accurate, separate count of  
18          the number of bingo cards and extra bingo cards that  
19          are sold, rented, or used;
- 20          (8) Bingo cards and extra bingo cards shall each be  
21          assigned a specific price, and the price shall remain



1 the same during a bingo game; provided that a card may  
2 be changed at no additional cost; and

3 (9) Bingo cards and extra bingo cards shall be sold or  
4 rented only on the premises at which bingo is being  
5 conducted. A price list shall be posted where the  
6 extra bingo cards are distributed, setting forth the  
7 price of each type of card. Only the posted price may  
8 be charged. The bingo cards and the extra bingo cards  
9 shall be readily distinguishable from each other;

10 § -9 **Method of play.** (a) The method of play in any  
11 bingo game and the use of bingo supplies and equipment shall  
12 afford each player an equal opportunity to win.

13 (b) The objects to be drawn shall be essentially the same  
14 in size, color, shape, weight, balance, and all other  
15 characteristics, so that at all times during the conduct of  
16 bingo, each object possesses the capacity for equal agitation  
17 with any other object within the receptacle.

18 (c) All seventy-five objects shall be present in the  
19 receptacle at the beginning of each bingo game.

20 (d) The announcement of all numbers drawn shall be clearly  
21 audible to the players present.



1 (e) When more than one room is used for any one bingo  
2 game, the receptacle and caller and any assistant shall be in  
3 the room where the greatest number of players are present, and  
4 all numbers shall be announced in a manner clearly audible to  
5 the players in each room.

6 (f) Once removed, no object shall be returned to the  
7 receptacle until after the conclusion of the game.

8 (g) Immediately following the calling of each number in a  
9 bingo game, the caller shall turn that portion of the object  
10 that shows the number and letter to the players.

11 § -10 **Number arrangement announced; prizes announced**  
12 **and posted.** The particular arrangement of numbers required to  
13 be covered to win and the amount of the prize for each game  
14 shall be clearly described and audibly announced to the players  
15 immediately before each game. The amount of the prize for each  
16 bingo game shall also be posted where the bingo cards and extra  
17 bingo cards are distributed.

18 § -11 **Verification of winner.** (a) The numbers  
19 appearing on the winning card at the time a winner is determined  
20 shall be verified in the immediate presence of at least one  
21 disinterested player.





1           (b) At the time a winner is determined, any player may  
2 call for verification of all numbers and of the objects  
3 remaining in the receptacle and not yet drawn. This  
4 verification shall be made in the immediate presence of an  
5 employee of the licensee and at least one disinterested player.

6           §    **-12 More than one winner.** When more than one player  
7 is found to be the winner on the call of the same number in the  
8 same bingo game, a cash prize shall be divided equally among the  
9 winners. The licensee may elect to round off the prize to any  
10 amount between the next lower dollar and the next higher dollar.

11          §    **-13 Bingo caller.** No person may act as a caller in  
12 the conduct of any game of bingo unless the person:

- 13           (1) Is a bona fide employee of the licensee; and  
14           (2) Has never been convicted of a felony or, if convicted,  
15                has been pardoned or released from probation or parole  
16                for at least five years.

17          §    **-14 Report; payment of tax.** (a) At the end of each  
18 month, the licensee shall submit to the commission a report on a  
19 form prescribed by the commission. The report shall be  
20 accompanied by the payment of the gross receipts tax due. The  
21 report shall include:



1           (1) An itemized statement of the gross receipts from bingo  
2                   for the prior month, including gross receipts from  
3                   sales of bingo cards, extra bingo cards, and sale of  
4                   supplies; and

5           (2) An itemized statement of expenditures, including  
6                   amounts paid for prizes, bingo supplies and equipment,  
7                   license fees, and other expenses.

8           (b) The commission may suspend the licensee's license if  
9 the licensee:

10           (1) Fails to file a statement under subsection (a)(1) or  
11                   (2) within five days after notification of  
12                   delinquency; or

13           (2) Submits incomplete statements under subsection (a)(1)  
14                   and (2).

15           (c) If the statements submitted under subsection (a)(1)  
16 and (2) are not full, accurate, and truthful, the commission may  
17 refuse to renew a license or may suspend a license until a  
18 statement in proper form has been filed.

19           §    -15 **Duties of the attorney general.** Whenever the  
20 attorney general files with a circuit court a statement that the  
21 attorney general believes that a violation of this chapter has



1 occurred, the court shall issue a subpoena for any person  
2 requested or named by the attorney general.

3 § -16 **Violations a public nuisance.** A violation of  
4 this chapter constitutes a public nuisance and may be enjoined  
5 or abated in like manner as other public nuisances, irrespective  
6 of any criminal prosecution that may be or is commenced based on  
7 the same acts.

8 § -17 **Inspection for enforcement.** (a) A police  
9 officer or prosecuting attorney, within their respective  
10 jurisdictions, or an authorized employee of the commission, at  
11 all reasonable hours, may enter the premises of the licensee and  
12 examine the books, papers, and records of the licensee to  
13 determine if all proper taxes or fees imposed have been paid.

14 (b) Any refusal to permit an examination of the premises  
15 by the licensee, its agent or an employee, or the person in  
16 charge of the premises to which the bingo license relates,  
17 constitutes sufficient grounds for the suspension or revocation  
18 of a license.

19 (c) A refusal constitutes sufficient grounds for any  
20 police officer or other persons authorized under this section  
21 within their respective jurisdictions or authority to employ



1 whatever reasonable action is necessary to conduct inspections  
2 permitted by this section.

3 § -18 Penalties. (a) Any person convicted of  
4 violating this chapter shall be guilty of a misdemeanor but  
5 shall be subject to a maximum term of imprisonment of nine  
6 months, or a maximum fine of \$10,000, or both.

7 (b) The attorney general or the prosecuting attorney of  
8 the county in which the violation occurs may commence an action  
9 in the name of the State to recover a civil forfeiture to the  
10 State of not more than \$10,000 for the violation of any  
11 provision of this chapter.

12 (c) The attorney general, the commission, or the  
13 prosecuting attorney of a county in which an actual or potential  
14 violation occurs, after informing the attorney general, may  
15 commence an action in the circuit court in the name of the State  
16 to restrain any violation of any provision of this chapter. The  
17 court, prior to entry of final judgment, may make such an order  
18 or judgment as necessary to restore to any person any pecuniary  
19 loss suffered because of the acts or practices involved in the  
20 violation; provided proof thereof is submitted to the court.

21 The attorney general may subpoena persons, require the  
22 production of books and other documents, and request the board



1 to exercise its authority to aid in the investigation of alleged  
2 violations of this section.

3 § -19 Tax on gross receipts. All gross receipts of the  
4 licensee that are derived from the conduct of bingo shall be  
5 subject to chapter 237 and taxed as provided in section 237-  
6 13(9).

7 § -20 Disposition of tax on gross receipts. Of the tax  
8 revenues collected under section -19:

9 (1) One per cent shall be retained by the commission to  
10 fund a compulsive gamblers program and for public  
11 security at the bingo facility;

12 (2) Not more than four per cent shall be retained by the  
13 commission to fund the commission's administrative  
14 expenses;

15 (3) Twenty per cent shall be deposited into the state  
16 general fund; and

17 (4) The balance shall be deposited into the Hawaiian home  
18 lands trust fund.

19 § -21 Compulsive gambler program. The commission shall  
20 create and implement a program to assist individuals who are  
21 identified as compulsive gamblers."



1 SECTION 5. Section 712, Hawaii Revised Statutes, is  
2 amended by amending the definition of "gambling" to read as  
3 follows:

4 (4) "Gambling". A person engages in gambling if [~~he~~] the  
5 person stakes or risks something of value upon the outcome of a  
6 contest of chance or a future contingent event not under [~~his~~]  
7 the person's control or influence, upon an agreement or  
8 understanding that [~~he~~] the person or someone else will receive  
9 something of value in the event of a certain outcome. Gambling  
10 does not include bona fide business transactions valid under the  
11 law of contracts, including but not limited to contracts for the  
12 purchase or sale at a future date of securities or commodities,  
13 and agreements to compensate for loss caused by the happening of  
14 chance, including but not limited to contracts of indemnity or  
15 guaranty and life, health, or accident insurance. Gambling does  
16 not include the conduct of bingo pursuant to chapter ."

17 PART III

18 SECTION 6. The provisions of the amendments made by this  
19 Act to the Hawaiian Homes Commission Act, 1920, as amended, are  
20 declared to be severable, and if any section, sentence, clause,  
21 or phrase, or the application thereof to any person or  
22 circumstances is held ineffective because there is a requirement



1 of having the consent of the United States to take effect, then  
2 that portion only shall take effect upon the granting of consent  
3 by the United States and effectiveness of the remainder of these  
4 amendments or the application thereof shall not be affected.

5 SECTION 7. In codifying the new section added by section 1  
6 of this Act, the revisor of statutes shall substitute  
7 appropriate section number for the letter used in designating  
8 the new section in this Act.

9 SECTION 8. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

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

12

INTRODUCED BY: Melo Carroll  
~~\_\_\_\_\_~~  
\_\_\_\_\_  
\_\_\_\_\_  
Cindy Evans  
\_\_\_\_\_

JAN 25 2011



**Report Title:**

Bingo; One Location; Department of Hawaiian Home Lands

**Description:**

Allows bingo to be conducted by 1 licensee at 1 location on lands designated by the Hawaiian homes commission. Creates Hawaii bingo commission within department of commerce and consumer affairs to regulate bingo. Allocates 20% of general excise tax on gross receipts to the state general fund; 1% for a compulsive gambler program; up to 4% for administrative expenses; and the balance for deposit into the 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.*

