
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 Hawaiian 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 gaming operations
7 shall be allowed on Hawaiian home lands pursuant to chapter ,
8 Hawaii Revised Statutes. Authority for gaming operations on
9 Hawaiian home lands shall require an affirmative resolution
10 approved by a majority vote of the commission.

11 (b) Upon authorization by the commission for gaming
12 operations pursuant to subsection (a), the commission shall:

13 (1) Consult with the beneficiaries of this Act to
14 determine the appropriateness of a prospective gaming
15 site; and

16 (2) Designate the specific parcels upon which gaming shall
17 be allowed."



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

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

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

21 (2) With the approval of the governor, undertake and carry
22 out the development of available lands for homestead,



1 commercial, and multipurpose projects as provided in
2 section 220.5 of this Act, as a developer under this
3 section or in association with a developer agreement
4 entered into pursuant to this section by providing for
5 the construction, reconstruction, improvement,
6 alteration, or repair of public facilities for
7 development, including, without limitation, streets,
8 storm drainage systems, pedestrian ways, water
9 facilities and systems, sidewalks, street lighting,
10 sanitary sewerage facilities and systems, utility and
11 service corridors, and utility lines, where
12 applicable, sufficient to adequately service
13 developable improvements therein, sites for schools,
14 parks, off-street parking facilities, and other
15 community facilities;

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

21 (4) Exercise the powers granted under section 39-53,
22 Hawaii Revised Statutes, including the power to issue



1 revenue bonds from time to time as authorized by the
2 legislature [-]; and
3 (5) Develop Hawaiian home lands, as authorized by the
4 commission pursuant to section A, for the purpose of
5 establishing gaming operations subject to chapter _____,
6 Hawaii Revised Statutes.

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

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

21 SECTION 3. Section 213.6, Hawaiian Homes Commission Act,
22 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 pursuant to section -4(b),
5 Hawaii Revised Statutes, specified to be deposited therein.
6 Moneys of the Hawaiian home lands trust fund shall be expended
7 by the department, as provided by law, upon approval by the
8 commission and shall be used for capital improvements and other
9 purposes undertaken in furtherance of the Act[-]; provided that
10 moneys deposited pursuant to section -4(b), Hawaii Revised
11 Statutes, shall only be used to develop Hawaiian home land
12 communities, including the construction, reconstruction,
13 improvement, alteration, or repair of public and community
14 facilities. The department shall have a fiduciary
15 responsibility toward the trust fund and shall provide annual
16 reports therefor to the legislature and to the beneficiaries of
17 the trust.

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



1 invested, as well as the proceeds of the investments. Moneys
2 from the trust fund that are deposited into depositories other
3 than the state treasury shall be exempt from the requirements of
4 chapters 36 and 38. Any interest or other earnings arising out
5 of investments from the trust fund shall be credited to and
6 deposited into the trust fund."

7 PART II

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

11 "CHAPTER

12 GAMING

13 § -1 Definitions. As used in this chapter:

14 "Commission" means the Hawaii gaming commission.

15 "Gaming operation" means the operation of games licensed
16 under this chapter, including bingo, lottery, baccarat, twenty-
17 one, poker, craps, slot machine, video game of chance, roulette
18 wheel, klondike table, punch board, faro layout, keno layout,
19 numbers ticket, push card, jar ticket, pull tab, or other game
20 of chance that is authorized by the commission.

21 "Gross receipts" means the total of:

22 (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 gaming operations under this
- 20 chapter; provided that an applicant shall be a
- 21 corporation properly incorporated in the State;

- 1 (2) Evaluate applicants and award gaming operation
- 2 licenses to responsive and qualified applicants who
- 3 submit a bid that is expected to best fit the needs of
- 4 the community located in an area designated by the
- 5 Hawaiian homes commission pursuant to section A(b),
- 6 Hawaiian Homes Commission Act, 1920, as amended;
- 7 (3) Collect all taxes and fees imposed; and
- 8 (4) Regulate gaming operations established under this
- 9 chapter.

10 § -3 **Gaming; where permitted.** Licenses issued by the
11 commission pursuant to section -2(b) shall authorize gaming
12 operations only on Hawaiian home lands, as designated by the
13 Hawaiian homes commission pursuant to section A, Hawaiian Homes
14 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 gaming operations authorized under this chapter at the rate of
18 per cent. The wagering tax imposed by this section shall be
19 paid to the commission in lieu of all other state taxes on gross
20 or adjusted gross receipts, except income taxes, including taxes
21 levied under chapter 237. The commission shall retain
22 per cent for the administrative costs of the commission.



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

4 (1) Twenty per cent shall be deposited into the general
5 fund; and

6 (2) Eighty per cent shall be deposited into the Hawaiian
7 home lands trust fund under section 213.6, Hawaiian
8 Homes Commission Act, 1920, as amended.

9 § -5 **Rules.** The commission shall adopt rules under
10 chapter 91 to implement this chapter."

11 PART III

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

21 SECTION 6. In codifying the new section added by section 1
22 of this Act, the revisor of statutes shall substitute an




1 appropriate section number for the letter used in designating
2 the new section in this Act.

3 SECTION 7. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: Mele Carnell
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JAN 23 2012



H.B. NO. 2379

Report Title:

Hawaiian Home Lands; Gaming

Description:

Authorizes the Hawaiian homes commission to allow gaming on Hawaiian home lands and to consult with the Hawaiian Homes Commission Act, 1920 beneficiaries and designate specific Hawaiian home lands parcels for the purposes of establishing gaming operations. Creates the Hawaii gaming commission to regulate gaming operations. Imposes a wagering tax on gross receipts of 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.

