



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 § -2 Slot machine gambling and video poker gambling  
15 machines allowed in gambling establishments; license. (a) Slot  
16 machine gambling and video poker gambling machines shall be  
17 allowed in gambling establishments, subject to subsection (b).  
18 Part III of chapter 712 shall not apply to this chapter.

19 (b) No gambling establishment shall allow slot machine  
20 gambling, video poker gambling machines, or both, unless the  
21 gambling establishment holds a special slot machine license  
22 issued by the county in which the gambling establishment is



1 located. No county shall refuse to issue a special slot machine  
2 license on the grounds of opposition to gambling in general.

3 (c) The State, through the department of budget and  
4 finance, and a county issuing special slot machine licenses  
5 pursuant to this section, through its appropriate department,  
6 may establish an administrative fee for expenses to issue a  
7 license under this section.

8 (d) This chapter shall not be construed to legalize  
9 internet gambling, electronic bingo games, or other forms of  
10 gambling under part III of chapter 712 other than slot machine  
11 gambling and video poker gambling machines within gambling  
12 establishments.

13 § -3 **Locations; machine types.** (a) Gambling  
14 establishments shall be limited to:

15 (1) Hotels in urban areas zoned resort; and

16 (2) Security areas within international airports,  
17 located in the county that issued the special slot machine  
18 license. Any gambling that occurs in a gambling establishment  
19 shall not be visible from the street.

20 (b) Only progressive slot machines, traditional (off line)  
21 slot machines, or both, may be used in a gaming establishment;  
22 provided that the licensee shall indicate on every slot machine



1 whether the machine is a progressive slot machine or a  
2 traditional (off line) slot machine.

3 § -4 **Advertising prohibited.** It shall be unlawful to  
4 publish, broadcast, or otherwise disseminate within this State,  
5 advertising for or on behalf of any gambling establishment.

6 § -5 **Taxation.** Gambling establishments that permit slot  
7 machine gambling or video poker gambling machines, or both, and  
8 customers, as defined in section -1, shall be subject to  
9 chapter 235 for income taxes realized from slot machine gambling  
10 and video poker gambling machines.

11 § -6 **Division of proceeds.** The net amount, after  
12 expenses, derived by a gambling establishment from slot machine  
13 gambling and video poker gambling machines shall be divided as  
14 follows:

15 (1) Not more than per cent of the net amount shall  
16 be retained by the gambling establishment as taxable  
17 income; and

18 (2) Not more than per cent of the net amount shall  
19 be payable to the State, to be deposited into the  
20 general fund of the State; provided that the State may  
21 distribute a portion of the proceeds to the counties  
22 as provided by law; provided further that the State



1 shall expend a portion of the moneys derived under  
2 this paragraph as follows:

3 (A) per cent to the department of education;

4 and

5 (B) per cent to the department of human  
6 services.

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

15 SECTION 2. Section 712-1220, Hawaii Revised Statutes, is  
16 amended by amending the definition of "gambling" to read as  
17 follows:

18 "(4) "Gambling". A person engages in gambling if [~~he~~] the  
19 person stakes or risks something of value upon the outcome of a  
20 contest of chance or a future contingent event not under [~~his~~]  
21 the person's control or influence, upon an agreement or  
22 understanding that [~~he~~] the person or someone else will receive



1 something of value in the event of a certain outcome. Gambling  
2 does not include bona fide business transactions valid under the  
3 law of contracts, including but not limited to contracts for the  
4 purchase or sale at a future date of securities or commodities,  
5 and agreements to compensate for loss caused by the happening of  
6 chance, including but not limited to contracts of indemnity or  
7 guaranty and life, health, or accident insurance. For purposes  
8 of this chapter, gambling shall not include slot machine  
9 gambling or video poker gambling machines as authorized under  
10 chapter \_\_\_\_\_."

11 SECTION 3. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect on July 1, 2012.

14

INTRODUCED BY:

*Amne Inezado K.*



# S.B. NO. 2032

**Report Title:**

Gambling; Slot Machines; Video Poker; Counties

**Description:**

Legalizes slot machine gambling and video poker gambling machines in gambling establishments located in hotels in urban areas zoned resort and security areas within international airports located in a county with a resident population greater than 500,000; restricts gambling in a hotel to registered guests of the hotel; requires gambling establishments to hold a special slot machine license issued by the county in which they are located as a condition precedent to allowing slot machines or video poker gambling machines on its premises; prohibits advertising the gambling establishment; requires an unspecified portion of the revenues payable to the State to be expended for the department of education and the department of human services.

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