

JAN 20 2012

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# A BILL FOR AN ACT

RELATING TO GAMING.

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

1           SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4                               **"CHAPTER**

5                                       **CASINO GAMING**

6           **§ -1 Limited casino gaming authorized.** Casino gaming  
7 and a system of wagering incorporated therein, as defined in  
8 this chapter, are authorized only to the extent that casino  
9 gaming and wagering is conducted in accordance with this  
10 chapter. In case of any conflict between this chapter and any  
11 other law regarding casino gambling, this chapter shall prevail.  
12 This chapter and the rules adopted by the commission shall apply  
13 to all persons who are licensed or otherwise participate in  
14 gaming as permitted under this chapter.

15           **§ -2 Definitions.** As used in this chapter, unless the  
16 context clearly requires otherwise:

17           "Affiliate" means a person who, directly or indirectly,  
18 through one or more intermediaries:



- 1 (1) Controls, is controlled by, or is under common control  
2 with;
- 3 (2) Is in a partnership or joint venture relationship  
4 with; or
- 5 (3) Is a co-shareholder of a corporation, a co-member of a  
6 limited liability company, or a co-partner in a  
7 limited liability partnership with;
- 8 a person who holds or applies for a casino license under this  
9 chapter.

10 "Agent" means any person who is employed by any agency of  
11 the State, other than the commission, who is assigned to perform  
12 full-time services on behalf of or for the benefit of the  
13 commission regardless of the title or position held by that  
14 person.

15 "Applicant" means any person who applies for a license  
16 under this chapter.

17 "Casino facility" means a freestanding, land-based  
18 structure in which casino gaming permitted under this chapter  
19 may be conducted that may include bars, restaurants, showrooms,  
20 theaters, or other facilities, but does not include any  
21 structure used for hotel or other transient accommodation  
22 lodging purposes.



1 "Casino gaming", "limited casino gaming", "game", or  
2 "gaming", as the context may require, means the operation of  
3 games conducted pursuant to this chapter in a licensed casino  
4 facility including but not limited to the games commonly known  
5 as "baccarat", "twenty-one", "poker", "craps", "slot machine",  
6 "video gaming of chance", "roulette wheel", "Klondike table",  
7 "punch-board", "faro layout", "numbers ticket", "push car", "jar  
8 ticket", "pull tab", or their common variants, or any other game  
9 of chance that is authorized by the commission as a wagering  
10 device.

11 "Casino license" means a license to operate and maintain a  
12 casino facility for casino gaming permitted under this chapter.

13 "Chairperson" means the chairperson of the Hawaii gaming  
14 control commission.

15 "Commission" means the Hawaii gaming control commission.

16 "Conflict of interest" means a situation in which the  
17 private interest of a member, employee, or agent of the  
18 commission may influence the judgment of the member, employee,  
19 or agent in the performance of the member's, employee's, or  
20 agent's public duty under this chapter. A conflict of interest  
21 includes but is not limited to the following:



- 1           (1) Any conduct that would lead a reasonable person,  
2           knowing all of the circumstances, to conclude that the  
3           member, employee, or agent of the commission is biased  
4           against or in favor of an applicant;
- 5           (2) Acceptance of any form of compensation other than from  
6           the commission for any services rendered as part of  
7           the official duties of the member, employee, or agent  
8           for the commission; or
- 9           (3) Participation in any business being transacted with or  
10          before the commission in which the member, employee,  
11          or agent of the commission or the member's,  
12          employee's, or agent's parent, spouse, or child has a  
13          financial interest.

14          "Department" means the department of business, economic  
15          development, and tourism.

16          "Ex parte communication" means any communication, direct or  
17          indirect, regarding a licensing application, disciplinary  
18          action, or a contested case under this chapter other than  
19          communication that takes place during a meeting or hearing  
20          conducted under this chapter or in a manner otherwise authorized  
21          by this chapter.



1 "Executive director" means the executive director of the  
2 commission.

3 "Financial interest" or "financially interested" means any  
4 interest in investments, awarding of contracts, grants, loans,  
5 purchases, leases, sales, or similar matters under consideration  
6 or consummated by the commission or holding a one per cent or  
7 more ownership interest in an applicant or a licensee. For  
8 purposes of this definition, a member, employee, or agent of the  
9 commission shall be considered to have a financial interest in a  
10 matter under consideration if any of the following circumstances  
11 exist:

12 (1) The individual owns one per cent or more of any class  
13 of outstanding securities that are issued by a party  
14 to the matter under consideration or consummated by  
15 the commission; or

16 (2) The individual is employed by or is an independent  
17 contractor for a party to the matter under  
18 consideration or consummated by the commission.

19 "Gross receipts":

20 (1) Means the total of:

21 (A) Cash received or retained as winnings by a  
22 licensee;



1 (B) Cash received in payment for credit extended by a  
2 licensee to a patron for purposes of gaming; and

3 (C) Compensation received for conducting any game in  
4 which a licensee is not party to a wager; and

5 (2) Does not include:

6 (A) Counterfeit money or tokens;

7 (B) Coins of other countries that are received in  
8 gaming devices;

9 (C) Cash taken in fraudulent acts perpetrated against  
10 a licensee for which the licensee is not  
11 reimbursed; and

12 (D) Cash received as entry fees for contests or  
13 tournaments in which patrons compete for prizes.

14 "Individual" means a natural person.

15 "Institutional investor" means:

16 (1) Any retirement fund administered by a public agency  
17 for the exclusive benefit of federal, state, or county  
18 public employees;

19 (2) An employee benefit plan, or pension fund that is  
20 subject to the Employee Retirement Income Security Act  
21 of 1974, as amended;



- 1 (3) An investment company registered under the Investment  
2 Company Act of 1940 (54 Stat. 789, 15 U.S.C. 80a-1 to  
3 80a-3 and 80a-4 to 80a-64);
- 4 (4) A collective investment trust organized by a bank  
5 under title 12 Code of Federal Regulations section  
6 9.18 of the rules of the United States Comptroller of  
7 the Currency;
- 8 (5) A closed end investment trust;
- 9 (6) A chartered or licensed life insurance company or  
10 property and casualty insurance company;
- 11 (7) A chartered or licensed financial institution;
- 12 (8) An investment advisor registered under the Investment  
13 Advisers Act of 1940, (54 Stat. 847, 15 U.S.C.  
14 sections 80b-1 to 80b-21 as amended); and
- 15 (9) Any other person as the commission may determine for  
16 reasons consistent with this chapter.

17 "Investigative hearing" means any hearing conducted by the  
18 commission or its authorized representative to investigate and  
19 gather information or evidence regarding pending license  
20 applicants, qualifiers, licensees, or alleged or apparent  
21 violations of this chapter or rules adopted by the commission.

22 An investigative hearing shall include any matter related to an



1 apparent deficiency, except for informal conferences requested  
2 under section -11.

3 "Junket enterprise" means any person other than a casino  
4 licensee or applicant who employs or otherwise engages in the  
5 procurement or referral of persons who may participate in a  
6 junket to a casino licensed under this chapter or casino  
7 enterprise whether or not those activities occur within the  
8 State.

9 "Managerial employee" means a person who holds a policy  
10 making position with the commission or any vendor or licensee  
11 under this chapter.

12 "Occupational license" means a license issued by the  
13 commission to a person or entity to perform an occupation  
14 relating to casino gaming in the State that the commission has  
15 identified as an occupation that requires a license.

16 "Person" means an individual, association, partnership,  
17 estate, trust, corporation, limited liability company, or other  
18 legal entity.

19 "Qualifier" means an affiliate, affiliated company,  
20 officer, director, or managerial employee of an applicant, or a  
21 person who holds greater than a five per cent direct or indirect  
22 interest in an applicant. As used in this definition,





1 "affiliate" and "affiliated company" do not include a  
2 partnership, a joint venture relationship, a co-shareholder of a  
3 corporation, a co-member of a limited liability company, or a  
4 co-partner in a limited liability partnership that has a five  
5 per cent or less direct interest in the applicant and is not  
6 involved in the casino as defined in rules adopted by the  
7 commission.

8 "Supplier" means a person that the commission has  
9 identified under rules adopted by the commission as requiring a  
10 license to provide casino licensees with goods or services  
11 regarding the realty, construction, maintenance, or business of  
12 a proposed or existing casino facility on a regular or  
13 continuing basis, including junket enterprises, security  
14 businesses, manufacturers, distributors, persons who service  
15 gaming devices or equipment, garbage haulers, maintenance  
16 companies, food purveyors, and construction companies.

17 "Supplier's license" means a license that authorizes a  
18 supplier to furnish any equipment, devices, supplies, or  
19 services to a licensed casino facility permitted under this  
20 chapter.



1 "Vendor" means a person who is not licensed under this  
2 chapter who supplies any goods or services to a casino licensee  
3 or supplier licensee.

4 "Wagerer" means a person who plays a gambling game  
5 authorized under this chapter.

6 "Waikiki" means that area of Oahu bounded by the Ala Wai  
7 Canal, the ocean, and Kapahulu Avenue.

8 **§ -3 Hawaii gaming control commission.** (a) There is  
9 established the Hawaii gaming control commission, which shall be  
10 a body corporate and a public instrumentality of the State for  
11 the purpose of implementing this chapter. The commission shall  
12 be placed within the department of business, economic  
13 development, and tourism for administrative purposes. The  
14 commission shall consist of five members to be appointed by the  
15 governor with the advice and consent of the senate under section  
16 26-34. Of the five members, one shall be appointed from a list  
17 of nominees submitted by the president of the senate and one  
18 shall be appointed from a list of nominees submitted by the  
19 speaker of the house of representatives. Appointments of  
20 initial commission members shall be made within ten days of the  
21 effective date of this Act.



1 (b) No person shall be appointed as a member of the  
2 commission or continue to be a member of the commission if the  
3 person:

- 4 (1) Is an elected state official;
- 5 (2) Is licensed by the commission pursuant to this  
6 chapter, or is an official of, has a financial  
7 interest in, or has a financial relationship with, any  
8 gaming operation subject to the jurisdiction of this  
9 commission pursuant to this chapter;
- 10 (3) Is related to any person within the second degree of  
11 consanguinity or affinity who is licensed by the  
12 commission pursuant to this chapter; or
- 13 (4) Has been under indictment, convicted, pled guilty or  
14 nolo contendere, or forfeited bail for a felony or a  
15 misdemeanor involving gambling or fraud under the laws  
16 of this State, any other state, or the United States  
17 within the ten years prior to appointment, or a local  
18 ordinance in a state involving gambling or fraud that  
19 substantially corresponds to a misdemeanor in that  
20 state within the ten years prior to appointment.

21 (c) The term of office of a commission member shall be  
22 five years. Vacancies in the commission shall be filled for the



1 unexpired term in like manner as the original appointments;  
2 provided that the governor shall have thirty days following the  
3 occurrence of a vacancy to appoint a successor member to the  
4 commission.

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

7 (e) Members of the commission shall:

8 (1) Be a resident of the State;

9 (2) Serve part-time;

10 (3) Be paid compensation of \$300 for each day in the  
11 performance of official duties; and

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

14 (f) Officers of the commission, including the chairperson,

15 shall be selected by the members. The commission, subject to

16 chapter 92, shall hold at least one meeting in each quarter of

17 the State's fiscal year. The commission shall hold its initial  
18 meeting within twenty days of the effective date of this Act.

19 Special meetings may be called by the chairperson or any three  
20 members upon seventy-two hours written notice to each member.

21 Three members shall constitute a quorum, and a majority vote of

22 the five members present shall be required for any final



1 determination by the commission. The commission shall keep a  
2 complete and accurate record of all its meetings.

3 (g) Before assuming the duties of office, each member of  
4 the commission shall take an oath that the member shall  
5 faithfully execute the duties of office according to the laws of  
6 the State and shall file and maintain with the director a bond  
7 in the sum of \$25,000 with good and sufficient sureties. The  
8 cost of any bond for any member of the commission under this  
9 section shall be considered a part of the necessary expenses of  
10 the commission.

11 (h) The commission shall appoint a person to serve as the  
12 executive director of the commission and who shall be subject to  
13 the commission's supervision. The commission shall appoint an  
14 interim executive director within ten days of the commission's  
15 initial meeting who shall be exempt from paragraphs (3) and (4)  
16 such that the interim executive director may be a current public  
17 employee or regulatory official from a similar body in another  
18 state who temporarily undertakes the role of interim executive  
19 director. The executive director shall:

- 20 (1) Hold office at the will of the commission;  
21 (2) Be exempt from chapters 76 and 89;  
22 (3) Devote full time to the duties of the office;



- 1           (4) Not hold any other office or employment;
- 2           (5) Perform any and all duties that the commission
- 3                 assigns; and
- 4           (6) Receive an annual salary at an amount set by the
- 5                 commission, and shall be reimbursed for expenses
- 6                 actually and necessarily incurred in the performance
- 7                 of the executive director's duties.
- 8           (i) Except as otherwise provided by law, the executive
- 9     director may:
  - 10           (1) Hire assistants, other officers, and employees, who
  - 11                 shall be exempt from chapters 76 and 89 and who shall
  - 12                 serve at the will of the executive director; and
  - 13           (2) Appoint committees and consultants necessary for the
  - 14                 efficient operation of casino gaming; provided that no
  - 15                 person shall be hired or appointed under this
  - 16                 subsection who:
    - 17                   (A) Is an elected state official;
    - 18                   (B) Is licensed by the commission pursuant to this
    - 19                         chapter or is an official of, has a financial
    - 20                         interest in, or has a financial relationship
    - 21                         with, any gaming operation subject to the



1 jurisdiction of this commission pursuant to this  
2 chapter;

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

6 (D) Has been under indictment, convicted, pled guilty  
7 or nolo contendere, or forfeited bail for a  
8 felony or misdemeanor concerning gambling or  
9 fraud under the laws of this State, any other  
10 state, or the United States within the last ten  
11 years, or a local ordinance in any state  
12 involving gambling or fraud that substantially  
13 corresponds to a misdemeanor in that state within  
14 the ten years prior to employment.

15 (j) The salaries of employees hired pursuant to subsection  
16 (i) shall be set by the executive director.

17 (k) The commission shall adopt rules in accordance with  
18 chapter 91 establishing a code of ethics for its employees that  
19 shall include restrictions on which employees are prohibited  
20 from participating in or wagering on any casino game or casino  
21 gaming operation subject to the jurisdiction of the commission.



1 The code of ethics shall be separate from and in addition to any  
2 standards of conduct set forth pursuant to chapter 84.

3 (1) No person shall be employed by the commission if:

4 (1) During the three years immediately preceding  
5 appointment or employment, the person held any direct  
6 or indirect interest in, or was employed by:

7 (A) A casino licensee under this chapter or in  
8 another jurisdiction; or

9 (B) A potential casino licensee who had an  
10 application to operate a casino pending before  
11 the commission or any other jurisdiction;

12 except that the person seeking employment may be  
13 employed by the commission if the person's interest in  
14 a casino licensee would not, in the opinion of the  
15 commission, interfere with the objective discharge of  
16 the person's employment obligations. A person shall  
17 not be employed by the commission if the person's  
18 interest in the casino licensee constitutes a  
19 controlling interest in that casino licensee; or

20 (2) The person or the person's spouse, parent, child,  
21 child's spouse, or sibling, is a member of the  
22 commission, or a director of, or a person financially





1 interested in, any person licensed as a casino  
2 licensee or casino supplier, or any person who has an  
3 application for a casino or occupational license  
4 pending before the commission.

5 (m) Each member of the commission, the executive director,  
6 and each key employee, as determined by the commission, shall  
7 file with the governor a financial disclosure statement:

8 (1) Listing all assets, liabilities, and property and  
9 business interests of the member, executive director,  
10 key employee, and any of their spouses; and

11 (2) Affirming that the member, executive director, and key  
12 employee are in compliance with this chapter.

13 The financial disclosure statement shall be made under oath and  
14 filed at the time of employment and annually thereafter.

15 (n) Each employee of the commission, except the executive  
16 director or a key employee, shall file with the commission at  
17 the time of employment a financial disclosure statement listing  
18 all assets, liabilities, property and business interests, and  
19 sources of income of the employee and the employee's spouse.

20 (o) A member of the commission, executive director, or key  
21 employee shall not hold direct or indirect interest in, be  
22 employed by, or enter into a contract for service with, any



1 applicant or person licensed by the commission for a period of  
2 five years after the date of termination of the person's  
3 membership on or employment with the commission.

4 (p) An employee of the commission shall not acquire any  
5 direct or indirect interest in, be employed by, or enter into a  
6 contract for services with any applicant or person licensed by  
7 the commission for a period of three years after the date of  
8 termination of the person's employment with the commission.

9 (q) A commission member or a person employed by the  
10 commission shall not represent a person or party other than the  
11 State before or against the commission for a period of three  
12 years after the date of termination of the member's term of  
13 office or the employee's period of employment with the  
14 commission.

15 (r) A business entity in which a former commission member  
16 or employee or agent has an interest, or any partner, officer,  
17 or employee of the business entity, shall not make any  
18 appearance or representation before the commission that is  
19 prohibited to that former member, employee, or agent. As used  
20 in this subsection, "business entity" means a corporation,  
21 limited liability company, partnership, limited liability  
22 partnership association, trust, or other form of legal entity.



1           **§ -4 Staff.** (a) The executive director shall keep  
2 records of all proceedings of the commission and shall preserve  
3 all records, books, documents, and other papers belonging to the  
4 commission or entrusted to its care relating to casino gaming.

5           (b) In addition to persons hired under section -3(i)  
6 the commission may employ any personnel that may be necessary to  
7 carry out its duties related to casino gaming.

8           **§ -5 Powers of the commission.** (a) The commission  
9 shall have all powers necessary to fully and effectively  
10 supervise all casino gaming operations, including the power to:

11           (1) Administer, regulate, and enforce the system of casino  
12 gaming established by this chapter. The commission's  
13 jurisdiction shall extend to every person,  
14 association, corporation, partnership, trust, and any  
15 other entity with a financial interest in or holding a  
16 license under this chapter, or required under this  
17 chapter to hold a license in casino gaming operations  
18 in the city and county of Honolulu;

19           (2) Issue a twenty-year casino license to operate a casino  
20 facility pursuant to this chapter;



- 1           (3) Determine the types and numbers of occupational and  
2           supplier's licenses to be permitted under this  
3           chapter;
- 4           (4) Adopt standards for the licensing of all persons under  
5           this chapter subject to the qualifications and  
6           standards set forth herein, to issue licenses, and to  
7           establish and collect fees for these licenses;
- 8           (5) Provide for the collection of all taxes imposed  
9           pursuant to this chapter, and to collect, receive,  
10          expend, and account for all revenues derived from  
11          casino gaming within the city and county of Honolulu;
- 12          (6) Enter at any time without a warrant and without notice  
13          to a licensee, the premises, offices, casino facility,  
14          or other places of business of a casino licensee, or  
15          casino supplier licensee, where evidence of the  
16          compliance or noncompliance with this chapter or rules  
17          is likely to be found. Entry is authorized to:
- 18                (A) Inspect and examine all premises wherein casino  
19                gaming or the business of gaming or the business  
20                of a supplier is conducted, or where any records  
21                of the activities are prepared;



- 1 (B) Inspect, examine, audit, impound, seize, or  
2 assume physical control of, or summarily remove  
3 from the premises all books, ledgers, documents,  
4 writings, photocopies of correspondence records,  
5 videotapes, including electronically or digitally  
6 stored records, money receptacles, other  
7 containers and their contents, equipment in which  
8 the records are stored, or other gaming related  
9 equipment and supplies on or around the premises,  
10 including counting rooms;
- 11 (C) Inspect the person, and inspect, examine, and  
12 seize personal effects present in a casino  
13 facility licensed under this chapter, of any  
14 holder of a licensed casino facility; and
- 15 (D) Investigate and deter alleged violations of this  
16 chapter or rules;
- 17 (7) Investigate alleged violations of this chapter and to  
18 take appropriate disciplinary action against a casino  
19 licensee or a holder of an occupational or supplier  
20 license for a violation, or institute appropriate  
21 legal action for enforcement, or both;



- 1           (8) Be present, through its inspectors and agents, any  
2           time casino gaming operations are conducted in a  
3           casino for the purpose of certifying the casino's  
4           revenue, receiving complaints from the public, and  
5           conducting other investigations into the conduct of  
6           the casino gaming and the maintenance of the equipment  
7           as from time to time the commission may deem necessary  
8           and proper;
- 9           (9) Adopt appropriate standards for a casino facility as  
10          well as for electronic or mechanical gaming devices;
- 11          (10) Require that records including financial or other  
12          statements of a casino licensee under this chapter be  
13          kept in the manner prescribed by the commission and  
14          that a licensee involved in the ownership or  
15          management of casino gaming operations submit to the  
16          commission an annual balance sheet and profit and loss  
17          statement, a list of the stockholders or other persons  
18          having a five per cent or greater beneficial interest  
19          in the gaming activities of the licensee, and any  
20          other information the commission deems necessary to  
21          effectively administer this chapter;



1           (11) 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 or the executive  
8           director's designee is also authorized to issue  
9           subpoenas and to administer oaths and affirmations to  
10          witnesses;

11          (12) Eject or exclude, or authorize the ejection or  
12          exclusion of, any person from casino facilities where  
13          the person is in violation of this chapter or where  
14          the person's conduct or reputation is such that the  
15          person's presence within a casino facility, in the  
16          opinion of the commission, may call into question the  
17          honesty and integrity of the casino gaming operation  
18          or interfere with the orderly conduct thereof or any  
19          other action that, in the opinion of the commission,  
20          is a detriment or impediment to the casino gaming  
21          operations; provided that the propriety of that



1           ejection or exclusion shall be subject to subsequent  
2           hearing by the commission;

3           (13) Permit a casino licensee of casino gaming operations  
4           to use a wagering system whereby wagerers' money may  
5           be converted to tokens, electronic cards, or chips,  
6           which shall be used only for wagering within the  
7           casino facility;

8           (14) Suspend, revoke, or restrict licenses, to require the  
9           removal of a licensee or an employee of a licensee for  
10          a violation of this chapter or a commission rule, or  
11          for engaging in a fraudulent practice;

12          (15) Impose and collect fines of up to \$5,000 against  
13          individuals and up to \$10,000 or an amount equal to  
14          the daily gross receipts, whichever is larger, against  
15          a licensee for each violation of this chapter, any  
16          rules adopted by the commission, or for any other  
17          action which, in the commission's discretion, is a  
18          detriment or impediment to casino gaming operations;

19          (16) Establish minimum levels of insurance to be maintained  
20          by a licensee;





1           (17) Delegate the execution of any of its powers for the  
2           purpose of administering and enforcing this chapter;  
3           and  
4           (18) Adopt rules pursuant to chapter 91 to implement this  
5           chapter; provided that the regulations of the Nevada  
6           gaming commission and Nevada state gaming control  
7           board ("the Nevada regulations") that are in effect on  
8           the effective date of this Act shall be the emergency  
9           interim rules of the commission. As adopted under  
10          this chapter, all references in the Nevada regulations  
11          to "Nevada" shall mean "Hawaii" and all references to  
12          any Nevada state department, agency, commission,  
13          statute, or rule shall mean the equivalent or similar  
14          department, agency, commission, statute, or rule of  
15          the State. To the extent the Nevada regulations are  
16          inconsistent with this chapter, this chapter shall  
17          supersede the Nevada regulations. Due to the imminent  
18          peril to public health, safety, or morals absent valid  
19          rules related to gaming authorized by this chapter,  
20          the commission, under chapter 91, may amend the  
21          emergency interim rules to correct inconsistencies  
22          between the Nevada regulations and this chapter, but



1           the commission shall retain as much of the emergency  
2           interim rules as possible until at least the date on  
3           which the casino licensee authorized by this chapter  
4           begins operating the gaming facility authorized under  
5           this chapter.

6           (b) Rules adopted under this chapter shall not be  
7           arbitrary, capricious, or contradictory to the provisions of  
8           chapter 91. Rules may include but need not be limited to rules  
9           that:

- 10           (1) Govern, restrict, approve, or regulate the casino  
11           gaming authorized in this chapter;
- 12           (2) Promote the safety, security, and integrity of casino  
13           gaming authorized in this chapter;
- 14           (3) License and regulate, consistent with the  
15           qualifications and standards set forth in this  
16           chapter, persons participating in or involved with  
17           casino gaming authorized in this chapter; and
- 18           (4) Authorize any other action that may be reasonable or  
19           appropriate to enforce this chapter and rules adopted  
20           under this chapter.

21           This section is not intended to limit warrantless inspections  
22           except in accordance with constitutional requirements.



1           **§ -6 Member, employee, or agent of commission; conduct**  
2 **generally.** (a) By January 31 of each year, each member of the  
3 commission shall prepare and file with the commission a  
4 disclosure form in which the member shall:

5           (1) Affirm that the member or the member's spouse, parent,  
6 child, or child's spouse is not a member of the board  
7 of directors of, financially interested in, or  
8 employed by, a licensee or applicant;

9           (2) Affirm that the member continues to meet all other  
10 criteria for commission membership under this chapter  
11 or the rules adopted by the commission;

12           (3) Disclose any legal or beneficial interest in any real  
13 property that is or may be directly or indirectly  
14 involved with gaming operations authorized by this  
15 chapter; and

16           (4) Disclose any other information that may be required to  
17 ensure that the integrity of the commission and its  
18 work is maintained.

19           (b) By January 31 of each year, each employee of the  
20 commission shall prepare and file with the commission a  
21 disclosure form in which the employee shall:



- 1           (1) Affirm the absence of financial interests prohibited  
2                    by this chapter;
- 3           (2) Disclose any legal or beneficial interests in any real  
4                    property that is or that may be directly or indirectly  
5                    involved with gaming or gaming operations authorized  
6                    by this chapter;
- 7           (3) Disclose whether the employee or the employee's  
8                    spouse, parent, child, or child's spouse is  
9                    financially interested in or employed by a supplier  
10                   licensee, or an applicant for a supplier's license,  
11                   under this chapter; and
- 12           (4) Disclose any other information that may be required to  
13                    ensure that the integrity of the commission and its  
14                    work is maintained.
- 15           (c) A member, employee, or agent of the commission who  
16                    becomes aware that the member, employee, or agent of the  
17                    commission or their spouse, parent, or child is a member of the  
18                    board of directors of, financially interested in, or employed by  
19                    a licensee or an applicant shall immediately provide detailed  
20                    written notice to the chairperson.



1 (d) A member, employee, or agent of the commission who has  
2 been indicted, charged with, convicted of, pled guilty or nolo  
3 contendere to, or forfeited bail for:

4 (1) A misdemeanor involving gambling, dishonesty, theft,  
5 or fraud;

6 (2) A local ordinance in any state involving gambling,  
7 dishonesty, theft, or fraud that substantially  
8 corresponds to a misdemeanor in that state; or

9 (3) A felony under Hawaii law, the laws of any other  
10 state, or the laws of the United States, or any other  
11 jurisdiction;

12 shall immediately provide detailed written notice of the  
13 conviction or charge to the chairperson.

14 (e) Any member, employee, or agent of the commission who  
15 is negotiating for, or acquires by any means, any interest in  
16 any person who is a licensee or an applicant, or is affiliated  
17 with such a person, shall immediately provide written notice of  
18 the details of the interest to the chairperson. The member,  
19 employee, or agent of the commission shall not act on behalf of  
20 the commission with respect to that person.

21 (f) A member, employee, or agent of the commission shall  
22 not enter into any negotiations for employment with any person



1 or affiliate of any person who is a licensee or an affiliate and  
2 shall immediately provide written notice of the details of any  
3 such negotiations or discussions to the chairperson. The  
4 member, employee, or agent of the commission shall not take any  
5 action on behalf of the commission with respect to that person.

6 (g) Any member, employee, or agent of the commission who  
7 receives an invitation, written or oral, to initiate a  
8 discussion concerning employment or the possibility of  
9 employment with a person, or affiliate of a person, who is a  
10 licensee or an applicant shall immediately report the invitation  
11 to the chairperson. The member, employee, or agent of the  
12 commission shall not take action on behalf of the commission  
13 with respect to that person.

14 (h) A licensee or applicant shall not knowingly initiate a  
15 negotiation for, or discussion of, employment with a member,  
16 employee, or agent of the commission. A licensee or applicant  
17 who initiates a negotiation or discussion about employment shall  
18 immediately provide written notice of the details of the  
19 negotiation or discussion to the chairperson as soon as that  
20 person becomes aware that the negotiation or discussion has been  
21 initiated with a member, employee, or agent of the commission.



1 (i) A member, employee, or agent of the commission, or  
2 former member, employee, or agent of the commission, shall not  
3 disseminate or otherwise disclose any material or information in  
4 the possession of the commission that the commission considers  
5 confidential, unless specifically authorized to do so by the  
6 chairperson or the commission.

7 (j) A member, employee, or agent of the commission or a  
8 parent, spouse, sibling, or child of a member, employee, or  
9 agent of the commission shall not accept any gift, gratuity,  
10 compensation, travel, lodging, or anything of value, directly or  
11 indirectly from any licensee, applicant, or any affiliate or  
12 representative of an applicant or licensee, unless the  
13 acceptance conforms to a written policy or directive issued by  
14 the chairperson or the commission. Any member, employee, or  
15 agent of the commission who is offered or receives any gift,  
16 gratuity, compensation, travel, lodging, or anything of value,  
17 directly or indirectly, from any licensee or any applicant or  
18 affiliate or representative of an applicant or licensee shall  
19 immediately provide written notification of the details to the  
20 chairperson.

21 (k) A licensee or applicant, or affiliate or  
22 representative of an applicant or licensee, shall not, directly



1 or indirectly, knowingly give or offer to give any gift,  
2 gratuity, compensation, travel, lodging, or anything of value to  
3 any member, employee, or agent of the commission that the  
4 member, employee, or agent of the commission is prohibited from  
5 accepting under subsection (j).

6 (l) A member, employee, or agent of the commission shall  
7 not engage in any conduct that constitutes a conflict of  
8 interest, and shall immediately advise the chairperson in  
9 writing of the details of any incident or circumstances that  
10 would present the existence of a conflict of interest with  
11 respect to the performance of commission-related work or duty of  
12 the member, employee, or agent of the commission.

13 (m) A member, employee, or agent of the commission who is  
14 approached and offered a bribe in violation of this chapter  
15 shall immediately provide a written account of the details of  
16 the incident to the chairperson and to a law enforcement officer  
17 of a law enforcement agency having jurisdiction.

18 (n) A member, employee, or agent of the commission shall  
19 disclose past involvement with any casino interest in the past  
20 five years and shall not engage in political activity or  
21 politically-related activity during the duration of the person's  
22 appointment or employment.





1 (o) A former member, employee, or agent of the commission  
2 may appear before the commission as a witness testifying as to  
3 factual matters or actions handled by the member, employee, or  
4 agent during the person's tenure as a member, employee, or agent  
5 of the commission. The member, employee, or agent of the  
6 commission shall not receive compensation for such an appearance  
7 other than a standard witness fee and reimbursement for travel  
8 expenses as established by statute or court rule.

9 (p) A licensee or applicant or any affiliate or  
10 representative of an applicant or licensee shall not engage in  
11 ex parte communications concerning a pending application,  
12 license, or enforcement action with members of the commission.  
13 A member of the commission shall not engage in any ex parte  
14 communications with a licensee or an applicant, or with any  
15 affiliate or representative of an applicant or licensee,  
16 concerning a pending application, license, or enforcement  
17 action.

18 (q) Any commission member, licensee, or applicant or  
19 affiliate or representative of a commission member, licensee, or  
20 applicant who receives any ex parte communication in violation  
21 of subsection (p), or who is aware of an attempted communication  
22 in violation of subsection (p), shall immediately report details



1 of the communication or attempted communication in writing to  
2 the chairperson.

3 (r) Any member of the commission who receives an ex parte  
4 communication that attempts to influence that member's official  
5 action shall disclose the source and content of the  
6 communication to the chairperson. The chairperson may  
7 investigate or initiate an investigation of the matter with the  
8 assistance of the attorney general and law enforcement to  
9 determine if the communication violates subsection (p) or (q) or  
10 other state law. The disclosure under this section and the  
11 investigation shall remain confidential. Following an  
12 investigation, the chairperson shall advise the governor or the  
13 commission, or both, of the results of the investigation and may  
14 recommend action, as the chairperson considers appropriate.

15 (s) A new or current employee or agent of the commission  
16 shall obtain written permission from the executive director  
17 before continuing outside employment held at the time the  
18 employee begins to work for the commission. Permission shall be  
19 denied, or permission previously granted shall be revoked, if  
20 the nature of the work is considered to, or does create, a  
21 possible conflict of interest or otherwise interferes with the  
22 duties of the employee or agent for the commission.



1 (t) An employee or agent of the commission granted  
2 permission for outside employment shall not conduct any business  
3 or perform any activities, including solicitation, related to  
4 outside employment on premises used by the commission or during  
5 the employee's working hours for the commission.

6 (u) Whenever the chairperson is required to file  
7 disclosure forms or report in writing the details of any  
8 incident or circumstance pursuant to this section, the  
9 chairperson shall file the forms or reports to the commission.

10 (v) The chairperson shall report any action the  
11 chairperson has taken or contemplates taking under this section,  
12 with respect to an employee or agent or former employee or  
13 former agent, to the commission at the next meeting of the  
14 commission. The commission may direct the executive director to  
15 take additional or different action.

16 (w) No member, employee, or agent of the commission may  
17 participate in or wager on any gambling game conducted by a  
18 licensee or applicant or any affiliate of an applicant or  
19 licensee in the State or in any other jurisdiction, except as  
20 follows:

21 (1) A member, employee, or agent of the commission may  
22 participate in and wager on a gambling game conducted



1 by a licensee under this chapter, to the extent  
2 authorized by the chairperson or commission as part of  
3 the person's surveillance, security; or other official  
4 duties for the commission; and

5 (2) A member, employee, or agent of the commission shall  
6 advise the chairperson at least twenty-four hours in  
7 advance if the person plans to be present in a casino  
8 in this State, or in another jurisdiction, operated by  
9 a licensee, applicant, or affiliate of a licensee or  
10 applicant, outside the scope of their official duties  
11 for the commission.

12 (x) Violation of this section by a licensee, applicant, or  
13 affiliate or representative of a licensee or applicant, may  
14 result in denial of the application of licensure or revocation  
15 or suspension of license or other disciplinary action by the  
16 commission.

17 (y) Violation of this section by a member of the  
18 commission may result in disqualification or constitute cause  
19 for removal under section -3(d) or other disciplinary action  
20 as determined by the commission.

21 (z) A violation of this section by an employee or agent of  
22 the commission shall not result in termination of employment or



1 require other disciplinary action if the commission determines  
2 that the conduct involved does not violate the purpose of this  
3 chapter. Employment shall be terminated:

4 (1) If the employee or agent is a spouse, parent, child,  
5 or spouse of a child of a commission member; or

6 (2) If, after being offered employment or having begun  
7 employment with the commission, the employee or agent  
8 intentionally acquires a financial interest in a  
9 licensee or an applicant, or affiliate or  
10 representative of a licensee or applicant.

11 (aa) If a financial interest in a licensee or an  
12 applicant, or affiliate or representative of a licensee or  
13 applicant, is acquired by:

14 (1) An employee or agent that has been offered employment  
15 with the commission;

16 (2) An employee of the commission; or

17 (3) The employee's or agent's spouse, parent, or child;

18 through no intentional action of the employee or agent, the

19 employee or agent shall have up to thirty days to divest or

20 terminate the financial interest. Employment may be terminated

21 if the interest has not been divested after thirty days.



1 (bb) Violation of this section does not create a civil  
2 cause of action.

3 (cc) As used in this section:

4 "Outside employment" includes the following:

- 5 (1) Operation of a proprietorship;
- 6 (2) Participation in a partnership or group business  
7 enterprise; or
- 8 (3) Performance as a director or corporate officer of any  
9 for-profit corporation, or banking or credit  
10 institution.

11 "Political activity" or "politically related activity"  
12 includes any of the following:

- 13 (1) Using the person's official authority or influence for  
14 the purpose of interfering with or affecting the  
15 result of an election;
- 16 (2) Knowingly soliciting, accepting, or receiving  
17 political contributions from any person;
- 18 (3) Running for nomination or as a candidate for election  
19 to a partisan political office; or
- 20 (4) Knowingly soliciting or discouraging the participation  
21 in any political activity of any person who is:



1 (A) Applying for any compensation, grant, contract,  
2 ruling, license, permit, or certificate pending  
3 before the commission; or

4 (B) The subject of or a participant in an ongoing  
5 audit, investigation, or enforcement action being  
6 carried out by the commission.

7 **§ -7 Authorization of limited gaming.** (a) Casino  
8 gaming shall only be permitted in one casino facility in the  
9 Waikiki. The casino facility shall only be mauka of Kalakaua  
10 Avenue. Any application for a casino license to operate the  
11 casino facility shall include a casino facility development plan  
12 for the casino facility.

13 (b) The commission's application for a casino license to  
14 operate a casino facility shall be the applications and forms  
15 required for an applicant for a non-restricted Nevada gaming  
16 license that have been adopted by the Nevada gaming commission  
17 and Nevada state gaming control board ("Nevada application") and  
18 are in effect on the effective date of this Act. In addition to  
19 the Nevada application, as part of an applicant's application  
20 for a casino license to operate a casino facility, an applicant  
21 shall submit all additional information required by section

22 -8. Applications for a casino license shall be submitted to



1 the commission no later than thirty days after the date of the  
2 commission's initial meeting. The commission shall select one  
3 applicant who in the commission's judgment best meets all of the  
4 criteria pursuant to section -9 no later than ninety days  
5 after the final date applications must be submitted to the  
6 commission. If the applicant selected by the commission meets  
7 all the requirements of this chapter, the commission shall issue  
8 a casino license to that applicant within thirty days after the  
9 date the applicant is selected.

10       **§ -8 Application for casino license.** (a) A person may  
11 apply to the commission for a casino license to conduct a casino  
12 gaming operation in Waikiki. The casino facility shall only be  
13 mauka of Kalakaua Avenue. The application shall be made under  
14 oath on forms required by this chapter and shall include all of  
15 the following:

16       (1) The name, business address, telephone number, social  
17 security number and, where applicable, the federal tax  
18 identification number of the applicant and every  
19 qualifier;

20       (2) The identity of any business, including, if  
21 applicable, the state of incorporation or  
22 registration, in which the applicant or qualifier has





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

9 (3) An explanation whether the applicant or qualifier has  
10 developed and opened a new land-based casino in an  
11 urban area within a jurisdiction in the United States  
12 that previously did not allow gaming, including a  
13 description of the casino, the casino's gross revenue,  
14 and the amount of revenue the casino has generated for  
15 state and local governments within that jurisdiction;

16 (4) A statement whether the applicant or a qualifier has  
17 been indicted, convicted, pled guilty or nolo  
18 contendere, or forfeited bail for any felony or for a  
19 misdemeanor involving gambling, theft, or fraud. The  
20 statement shall include the date, the name and  
21 location of the court, arresting agency, prosecuting  
22 agency, the case caption, the docket number, the



- 1 offense, the disposition, and the location and length  
2 of incarceration;
- 3 (5) A statement whether the applicant or a qualifier has  
4 ever been granted any license or certificate issued by  
5 a licensing authority in the State, or any other  
6 jurisdiction that has been restricted, revoked, or not  
7 renewed. The statement shall describe the facts and  
8 circumstances concerning that restriction, revocation,  
9 or nonrenewal, including the licensing authority, the  
10 date each action was taken, and the reason for each  
11 action;
- 12 (6) A statement whether the applicant or a qualifier,  
13 within the last ten years, has filed or had filed  
14 against it a civil or administrative action or  
15 proceeding in bankruptcy;
- 16 (7) A statement whether the applicant or a qualifier,  
17 within the last five tax years, has been adjudicated  
18 by a court or tribunal to have failed to pay any final  
19 amount of any income, sales, or gross receipts tax due  
20 and payable under federal, state, or local law, after  
21 exhaustion of all inter-agency appeals processes.



- 1 This statement shall identify the amount of the tax,  
2 type of tax, time periods involved, and resolution;
- 3 (8) A statement listing the names and titles of all public  
4 officials or officers of any unit of state government  
5 or county government in the jurisdiction in which the  
6 casino facility is to be located, and the spouses,  
7 parents, and children of those public officials or  
8 officers who, directly or indirectly, own any  
9 financial interest in, have any beneficial interest  
10 in, are the creditors of or hold any debt instrument  
11 issued by, or hold or have an interest in any  
12 contractual or service relationship with, the  
13 applicant or a qualifier. As used in this paragraph,  
14 "public official" or "officer" does not include a  
15 person who would be listed solely because of the  
16 person's state or federal military service;
- 17 (9) The name and business telephone number of any  
18 attorney, counsel, or any other person representing an  
19 applicant or a qualifier in matters before the  
20 commission;
- 21 (10) A description of the applicant or its qualifiers'  
22 history of, or plan for, community involvement or



1 investment in the area where the casino facility will  
2 be located; and

3 (11) For the applicant only, a description of any proposed  
4 or approved casino gaming facility, including the  
5 economic benefit to the community, anticipated or  
6 actual number of employees, any statement from an  
7 applicant regarding compliance with federal and state  
8 affirmative action guidelines, projected or actual  
9 admissions, projected or actual gross receipts, and  
10 scientific market research, if any.

11 (b) Information provided on the application shall be used  
12 as the basis for a thorough background investigation that the  
13 commission shall conduct with respect to each applicant and  
14 qualifier, but any financial information submitted by each  
15 applicant and qualifier shall be kept confidential by the  
16 commission. An incomplete application shall be cause for denial  
17 of a license by the commission.

18 (c) Applicants shall submit with their application a plan  
19 for training residents of the State for jobs that are available  
20 at the casino facility. The plan shall take into consideration  
21 the need to provide training to low-income persons to enable



1 such persons to qualify for jobs that will be created in the  
2 casino facility.

3 (d) Each applicant and qualifier shall disclose the  
4 identity of every person, association, trust, or corporation  
5 having a greater than five per cent direct or indirect financial  
6 interest in the casino gaming operation for which the license is  
7 sought. If the disclosed entity is a trust, the application  
8 shall disclose the names and addresses of the beneficiaries; if  
9 a corporation, the names and addresses of all stockholders and  
10 directors; if a partnership, the names and addresses of all  
11 partners, both general and limited.

12 (e) A nonrefundable application fee of \$1,000,000 shall be  
13 paid to the commission by an applicant at the time of filing to  
14 defray the costs associated with an applicant and qualifier's  
15 background investigation conducted by the commission. If the  
16 costs of the investigation exceed \$1,000,000, the applicant  
17 shall pay the additional amount to the commission.

18 **§ -9 Criteria for award of a casino license.** (a) The  
19 commission shall issue one casino license to operate a casino  
20 facility to the applicant that has paid the application fee  
21 required under section -8, is eligible and suitable to  
22 receive a casino license under this chapter and the rules



1 adopted by the commission, and best satisfies all of the  
2 following criteria:

3 (1) The applicant has submitted a casino facility  
4 development plan for the casino facility that provides  
5 the greatest likelihood that the applicant's casino  
6 facility will increase tourism, generate jobs, provide  
7 revenue to the local economy, and provide revenue to  
8 the general fund;

9 (2) The applicant or its qualifiers have a history of, or  
10 a bona fide plan for, community involvement or  
11 investment in the area where the casino facility will  
12 be located;

13 (3) The applicant has the financial ability to purchase  
14 and maintain adequate liability and casualty insurance  
15 and to provide an adequate surety bond;

16 (4) The applicant has provided data identifying the  
17 applicant's sources of capital and demonstrating that  
18 the applicant has adequate capital to develop,  
19 construct, maintain, and operate the proposed casino  
20 facility;

21 (5) The applicant has adequate capitalization to develop,  
22 construct, maintain, and operate, for the duration of



1 the license, the proposed casino facility in  
2 accordance with the requirements of this chapter and  
3 rules adopted by the commission and to responsibly pay  
4 off its secured and unsecured debts in accordance with  
5 its financing agreement and other contractual  
6 obligations;

7 (6) The extent to which the applicant or any of its  
8 qualifiers demonstrate that they have at least ten  
9 years of experience within the past twenty years in  
10 helping to revitalize an urban area by successfully  
11 planning, developing, and opening and currently owning  
12 and operating a non-governmentally owned, commercial  
13 land-based casino in an urban area in any jurisdiction  
14 in the United States that previously did not permit  
15 casino gaming. For purposes of this paragraph:

16 "Casino means a lawfully operating gaming facility  
17 with at least 50,000 contiguous square feet of gaming  
18 space that includes at least 1,500 slot machines that  
19 are controlled by random number generators; and

20 "Urban area" means a county with a population of  
21 at least seven hundred fifty thousand residents;



- 1           (7) Neither the applicant nor any of its qualifiers have  
2           been indicted, convicted, pled guilty or nolo  
3           contendere, or forfeited bail for any felony or for a  
4           misdemeanor involving gambling, theft, or fraud;
- 5           (8) Neither the applicant nor any of its qualifiers,  
6           within the last ten years, have filed, or had filed  
7           against them a proceeding for bankruptcy;
- 8           (9) The extent to which an applicant or any of its  
9           qualifiers have, within the last five tax years, been  
10          adjudicated by a court or tribunal to have failed to  
11          pay any final amount of income, sales, or gross  
12          receipts tax due and payable under federal, state, or  
13          local law, after exhaustion of all inter-agency  
14          appeals processes;
- 15          (10) The extent to which the applicant meets other  
16          standards for the issuance of a casino license that  
17          the commission may have adopted by rule;
- 18          (11) To insure the continued integrity of Hawaii collegiate  
19          athletics, neither the applicant, nor any parent or  
20          subsidiary of the applicant, are licensed in a  
21          jurisdiction that permits wagering on Hawaii  
22          collegiate athletics;





1           (12) The adequacy of the applicant's plan for training  
2                    residents of the State for jobs that are available at  
3                    the casino facility and the extent to which the plan  
4                    considers the need to provide training to low-income  
5                    persons to enable those persons to qualify for jobs  
6                    that will be created in the casino facility; and

7           (13) The caliber of the proposed casino gaming facility,  
8                    including the proposed casino facility's aesthetic  
9                    appearance, amount of economic benefit to the  
10                   community, anticipated or actual number of employees,  
11                   compliance with federal and state affirmative action  
12                   guidelines, and projected or actual gross receipts.

13           (b) Any rules adopted pursuant to chapter 91 shall not be  
14           arbitrary, capricious, or contradictory to the expressed  
15           provisions of this chapter and shall further define and clarify  
16           the criteria listed in subsection (a) rather than create new  
17           conditions for licensure.

18           (c) An applicant shall be ineligible to receive a casino  
19           license if the applicant or any employee or qualifier of the  
20           applicant:

21           (1) Has been convicted of a felony under the laws of this  
22                    State, any other state, or the United States;



1           (2) Has been convicted of any violation under part III of  
2           chapter 712, or substantially similar laws of another  
3           jurisdiction;

4           (3) Knowingly submitted an application for a license under  
5           this chapter that contains false information;

6           (4) Is a member or employee of the commission; or

7           (5) Has had revoked a license to own or operate gaming  
8           facilities in this State or any other jurisdiction.

9           (d) To demonstrate financial ability, the applicant may  
10          include the economic resources available directly or indirectly  
11          to the casino license applicant and its qualifiers.

12          (e) Simultaneous with an applicant's submission of an  
13          application, each applicant and qualifier that is a natural  
14          person shall submit to the commission on fingerprint cards  
15          issued by the Federal Bureau of Investigation or in digital  
16          format two sets of fingerprints for each applicant and  
17          qualifier.

18          (f) The commission may revoke the casino license if the  
19          licensee fails to begin regular casino gaming operations within  
20          twelve months of receipt of the commission's approval of the  
21          application or twelve months after a certificate of occupancy  
22          for the casino facility is first issued, whichever is later,



1 upon a finding by the commission that the casino license  
2 revocation is in the best interest of the State.

3 (g) The commission shall establish a process to facilitate  
4 and expedite the approval of the necessary licenses and permits.  
5 The commission may establish its own procedures for the issuance  
6 of liquor licenses for any holder of a casino license under this  
7 chapter and the holder of a casino license shall not be subject  
8 to any requirement of the Honolulu liquor commission as to the  
9 approval of forms of live/professional music, dancing, and  
10 entertainment; provided that all other state laws and county  
11 ordinances relating to liquor are met. The commission shall be  
12 the receiving agency for any environmental assessment required  
13 under chapter 343.

14 (h) Nothing in this chapter shall be interpreted to  
15 prohibit a casino licensee from operating a school to train  
16 occupational licensees.

17 **§ -10 Bond of licensee.** Before a casino license is  
18 issued, the licensee shall file a bond in the sum of \$200,000  
19 with the department. The bond shall be used to guarantee that  
20 the licensee faithfully makes the payments, keeps books and  
21 records, makes reports, and conducts games of chance in  
22 conformity with this chapter and rules adopted by the



1 commission. The bond shall not be canceled by a surety on less  
2 than thirty days' notice in writing to the commission. If a  
3 bond is canceled and the licensee fails to file a new bond with  
4 the commission in the required amount on or before the effective  
5 date of cancellation, the licensee's license shall be revoked.  
6 The total and aggregate liability of the surety on the bond  
7 shall be limited to the amount specified in the bond.

8       **§ -11 Application deficiency.** (a) If, in the review of  
9 an application submitted under this chapter, the executive  
10 director identifies an apparent deficiency that, if true, would  
11 require denial of the license or the disqualification of a  
12 qualifier, the executive director shall immediately notify the  
13 affected applicant or qualifier in writing of the apparent  
14 deficiency. The applicant or qualifier may then request a  
15 confidential informal conference with the executive director to  
16 discuss the factual basis of the apparent deficiency.

17       (b) The executive director shall provide the applicant or  
18 qualifier a reasonable period of time to correct the apparent  
19 deficiency and, if the apparent deficiency is not corrected  
20 within the reasonable time period, the executive director shall  
21 find that the apparent deficiency has not been corrected.

22 Following this finding, the affected applicant or qualifier



1 shall have an opportunity to appeal the executive director's  
2 finding to the commission. The commission shall conduct an  
3 investigative hearing, pursuant to section -17 and in  
4 accordance with rules adopted under this chapter, to determine  
5 whether there is sufficient evidence to support an apparent  
6 deficiency finding. At the hearing, the burden of proof shall  
7 be on the executive director to demonstrate that the finding of  
8 an apparent deficiency is supported by law and facts. Any  
9 finding by the commission regarding an applicant or a  
10 qualifier's apparent deficiency shall not constitute a final  
11 determination by the commission as to the suitability of the  
12 applicant to hold a license, or the suitability of a qualifier  
13 to hold an ownership interest in a casino applicant.

14 (c) At any time prior to a finding by the commission that  
15 a qualifier is unsuitable to hold an ownership interest in a  
16 casino applicant, a qualifier shall have the ability to sell its  
17 ownership interest in the casino applicant to the casino  
18 applicant, another qualifier, or a third party.

19 (d) A qualifier who has been issued a finding of an  
20 apparent deficiency shall have the right to request that the  
21 commission expand the apparent deficiency hearing under this  
22 section to include a determination of the qualifier's



1 suitability to hold an ownership interest in the casino license  
2 applicant. If such a request is made, the commission shall  
3 determine the suitability of the affected qualifier separate  
4 from the suitability of the casino applicant and any of its  
5 other qualifiers. A request by a qualifier for an extended  
6 hearing pursuant to this section shall not prevent the  
7 commission from issuing a license to the applicant. Until the  
8 commission determines that a qualifier under this section is  
9 suitable to hold an ownership interest in the casino applicant,  
10 the casino applicant or licensee shall not do any of the  
11 following:

12 (1) Make any direct or indirect payments or distributions  
13 of revenue or other benefits to the qualifier that are  
14 related in any way to the qualifier's interest in the  
15 applicant; and

16 (2) Pay any direct or indirect compensation to the  
17 qualifier for services rendered to the applicant,  
18 unless specifically approved and authorized by the  
19 commission.

20 **§ -12 Institutional investor.** (a) Unless the  
21 commission determines that an institutional investor is  
22 unqualified, an institutional investor holding less than ten per



1 cent of the equity securities or ten per cent of the debt  
2 securities of a casino licensee's affiliate or affiliated  
3 company that is related in any way to the financing of the  
4 casino licensee, shall be granted a waiver of the eligibility  
5 and suitability requirements if:

6 (1) The securities represent a percentage of the  
7 outstanding debt of the affiliate or affiliated  
8 company not exceeding twenty per cent, or a percentage  
9 of any issue of the outstanding debt of the affiliate  
10 or affiliated company not exceeding fifty per cent;

11 (2) The securities are those of a publicly traded  
12 corporation and its holdings of those securities were  
13 purchased for investment purposes only; and

14 (3) Upon request by the commission, the institutional  
15 investor files with the commission a certified  
16 statement that it has no intention of influencing or  
17 affecting the affairs of the issuer, the casino  
18 licensee, or its affiliate or affiliated company.

19 (b) The commission may grant a waiver under this section  
20 to an institutional investor holding a higher percentage of  
21 securities than allowed in subsection (a) upon a showing of good  
22 cause and if the conditions specified in subsection (a) are met.



1 (c) An institutional investor granted a waiver under this  
2 section that subsequently intends to influence or affect the  
3 affairs of the issuer shall provide notice to the commission and  
4 file an application for a determination of eligibility and  
5 suitability before taking any action that may influence or  
6 affect the affairs of the issuer.

7 (d) Notwithstanding any provisions of this chapter, an  
8 institutional investor may vote on all matters that are put to  
9 the vote of the outstanding security holders of the issuer.

10 (e) If an institutional investor changes its investment  
11 intent or if the commission finds that the institutional  
12 investor is unqualified, no action other than divestiture of the  
13 security holdings shall be taken until there has been compliance  
14 with this chapter.

15 (f) The casino licensee or an affiliate or affiliated  
16 company of the casino licensee shall immediately notify the  
17 commission of any information concerning an institutional  
18 investor holding its equity or debt securities that may affect  
19 the eligibility and suitability of the institutional investor  
20 for a waiver under this section.

21 (g) If the commission finds that an institutional  
22 investor, holding any security of an affiliate or affiliated





1 company of a casino licensee that is related in any way to the  
2 financing of the casino licensee, fails to comply with the  
3 requirements of this section, or if at any time the commission  
4 finds that, by reason of the extent or nature of its holdings,  
5 an institutional investor is in a position to exercise a  
6 substantial impact upon the controlling interests of a casino  
7 licensee, the commission may take any necessary action to  
8 protect the public interest, including requiring the  
9 institutional investor to satisfy the eligibility and  
10 suitability requirements under sections -8, -9, and  
11 -10.

12       **§ -13 Supplier's licenses.** (a) No person shall furnish  
13 in excess of \$500,000 worth of equipment, devices, or supplies  
14 to a licensed casino gaming operation under this chapter unless  
15 the person has first obtained a supplier's license pursuant to  
16 this section. The commission may issue a supplier's license to  
17 any person, firm, or corporation who pays a nonrefundable  
18 application fee as set by the commission upon a determination by  
19 the commission that the applicant is eligible for a supplier's  
20 license and upon payment by the applicant of a \$5,000 license  
21 fee. Supplier's licenses shall be renewable annually upon  
22 payment of the \$5,000 annual license fee and a determination by



1 the commission that the licensee continues to meet all of the  
2 requirements of this chapter.

3 (b) The holder of a supplier's license may sell or lease,  
4 or contract to sell or lease, gaming equipment and supplies to  
5 any licensee involved in the ownership or management of casino  
6 gaming operations.

7 (c) Casino gaming supplies and equipment shall not be  
8 distributed unless supplies and equipment conform to standards  
9 adopted by rules of the commission.

10 (d) A person, firm, or corporation shall be ineligible to  
11 receive a supplier's license if:

12 (1) The person has been convicted of a felony under the  
13 laws of this State, any other state, or the United  
14 States;

15 (2) The person has been convicted of any violation under  
16 part III, chapter 712, or substantially similar laws  
17 of another jurisdiction;

18 (3) The person has knowingly submitted an application for  
19 a license under this chapter that contains false  
20 information;

21 (4) The person is a member of the commission;



- 1           (5) The firm or corporation is one in which a person
- 2           defined in paragraph (1), (2), (3), or (4) is an
- 3           officer, director, or managerial employee;
- 4           (6) The firm or corporation employs a person, defined in
- 5           paragraph (1), (2), (3), or (4), that participates in
- 6           the management or operation of casino gaming
- 7           authorized under this chapter; or
- 8           (7) The license of the person, firm, or corporation issued
- 9           under this chapter, or a license to own or operate
- 10          casino gaming facilities in any other jurisdiction,
- 11          has been revoked.
- 12          (e) A supplier shall:
- 13          (1) Furnish to the commission a list of all equipment,
- 14          devices, and supplies offered for sale or lease in
- 15          connection with casino games authorized under this
- 16          chapter;
- 17          (2) Keep books and records for the furnishing of
- 18          equipment, devices, and supplies to casino gaming
- 19          operations separate and distinct from any other
- 20          business that the supplier might operate;
- 21          (3) File quarterly returns with the commission listing all
- 22          sales and leases;



1 (4) Permanently affix its name to all its equipment,  
2 devices, and supplies, used for casino gaming  
3 operations; and

4 (5) File an annual report listing its inventories of  
5 casino gaming equipment, devices, and supplies.

6 (f) Any person who knowingly makes a false statement on an  
7 application is guilty of a petty misdemeanor.

8 (g) Any casino gaming equipment, devices, or supplies  
9 provided by any licensed supplier may either be repaired in the  
10 casino facility or be removed from the casino facility to a  
11 facility owned by the holder of a casino license for repair.  
12 Any supplier's equipment, devices, and supplies that are used by  
13 any person in an unauthorized gaming operation shall be  
14 forfeited to the county.

15 **§ -14 Occupational licenses.** (a) The commission may  
16 issue an occupational license to an applicant upon:

17 (1) The payment of a nonrefundable application fee set by  
18 the commission;

19 (2) A determination by the commission that the applicant  
20 is eligible for an occupational license; and

21 (3) Payment of an annual license fee in an amount set by  
22 the commission.



1 (b) To be eligible for an occupational license, an  
2 applicant shall:

3 (1) Be at least twenty-one years of age if the applicant  
4 performs any function involved in casino gaming by  
5 patrons. Any applicant seeking an occupational  
6 license for a non-gaming function shall be at least  
7 eighteen years of age;

8 (2) Not have been convicted of a felony offense in any  
9 jurisdiction or a crime involving dishonesty or moral  
10 turpitude; and

11 (3) Have met standards for the holding of an occupational  
12 license as provided in rules adopted by the  
13 commission, including background inquiries and other  
14 requirements.

15 (c) Each application for an occupational license shall be  
16 on forms prescribed by the commission and shall contain all  
17 information required by the commission. The applicant shall set  
18 forth in the application whether the applicant:

19 (1) Has been issued prior gaming-related licenses in any  
20 jurisdiction;



1           (2) Has been licensed in any other jurisdiction under any  
2           other name, and if so, the name and the applicant's  
3           age at the time; and

4           (3) Has had a permit or license issued from any other  
5           jurisdiction suspended, restricted, or revoked, and if  
6           so, for what period of time.

7           (d) Each applicant shall submit with the application two  
8           sets of the applicant's fingerprints. The commission shall  
9           charge each applicant a fee to defray the costs associated with  
10          the search and classification of fingerprints obtained by the  
11          commission with respect to the application.

12          (e) The commission may refuse to grant an occupational  
13          license to any person:

14           (1) Who is unqualified to perform the duties required of  
15           the applicant;

16           (2) Who fails to disclose or states falsely any  
17           information called for in the application;

18           (3) Who has been found guilty of a violation of this  
19           chapter or whose prior casino gaming related license  
20           or application has been suspended, restricted,  
21           revoked, or denied for just cause in any other  
22           jurisdiction; or



1 (4) For any other just cause.

2 (f) The commission may suspend, revoke, or restrict any  
3 occupational licensee:

4 (1) For any violation of this chapter;

5 (2) For any violation of the rules of the commission;

6 (3) For any cause which, if known to the commission, would  
7 have disqualified the applicant from receiving a  
8 license;

9 (4) For default in the payment of any obligation or debt  
10 due to the State or the county; or

11 (5) For any other just cause.

12 (g) A person who knowingly makes a false statement on an  
13 application is guilty of a petty misdemeanor.

14 (h) Any license issued pursuant to this section shall be  
15 valid for a period of one year from the date of issuance and  
16 shall be renewable annually upon payment of the annual license  
17 fee and a determination by the commission that the licensee  
18 continues to meet all of the requirements of this chapter.

19 (i) Any training provided for an occupational licensee may  
20 be conducted either in a licensed casino facility or at a school  
21 with which a casino licensee has entered into an agreement.



1           **§ -15 Temporary supplier and occupational licenses.** (a)

2 Upon written request of a person applying for a supplier or  
3 occupational license under this chapter, the executive director  
4 shall issue a temporary license to the applicant and permit the  
5 applicant to undertake employment with, conduct business  
6 transactions with, and provide goods and services to, casino  
7 licensees, casino license applicants, and holders of  
8 certificates of suitability; provided that all of the following  
9 provisions are met:

- 10           (1) The applicant has submitted to the commission a  
11           completed application, an application fee, and all  
12           required disclosure forms and other required written  
13           documentation and materials;
- 14           (2) Preliminary review of the application and a criminal  
15           history check by the executive director and the  
16           commission staff does not reveal that the applicant or  
17           the applicant's affiliates, key persons, local and  
18           regional managerial employees or sales and service  
19           representatives, or substantial owners have been  
20           convicted of a felony or misdemeanor that would  
21           require denial of the application or may otherwise be





1           ineligible, unqualified, or unsuitable to permit  
2           licensure under this chapter;

3           (3) There is no other apparent deficiency in the  
4           application that may require denial of the  
5           application; and

6           (4) The applicant has an offer of employment from, or  
7           agreement to begin providing goods and services to, a  
8           casino licensee, casino license applicant, or holder  
9           of a certificate of suitability upon receipt of the  
10          temporary license or the applicant shows good cause  
11          for being granted a temporary license.

12          (b) A temporary license issued under this section shall be  
13          valid for not more than one hundred and eighty days, but may be  
14          renewed upon expiration by the executive director.

15          (c) An applicant who receives a temporary license under  
16          this section may undertake employment with or supply a casino  
17          licensee, casino license applicants, and holders of certificates  
18          of suitability with goods and services subject to this chapter  
19          until a license is issued by the commission pursuant to the  
20          applicant's application or until the temporary license expires  
21          or is suspended or revoked. During the period of the temporary



1 license, the applicant shall comply with this chapter and rules  
2 adopted by the commission.

3 (d) If the temporary license expires, is not renewed, or  
4 is suspended or revoked, the executive director shall  
5 immediately forward the applicant's application to the  
6 commission for action after first providing a reasonable time  
7 for the applicant to correct any apparent deficiency in its  
8 application.

9 **§ -16 Annual report.** The commission shall file a  
10 written annual report with the governor and the legislature at  
11 least sixty days prior to the close of each fiscal year and  
12 shall file any additional reports that the governor or the  
13 legislature requests. The annual report shall include:

- 14 (1) A statement of receipts and disbursements related to  
15 casino gaming pursuant to this chapter;
- 16 (2) Actions taken by the commission; and
- 17 (3) Any additional information and recommendations that  
18 the commission may deem valuable or which the governor  
19 or the legislature may request.

20 **§ -17 Hearings by the commission.** (a) Upon order of  
21 the commission, one of the commission members or a hearings  
22 officer designated by the commission may conduct any hearing



1 provided for under this chapter related to casino gaming or by  
2 commission rule, and may recommend findings and decisions to the  
3 commission. The record made at the time of the hearing shall be  
4 reviewed by the commission, or a majority thereof, and the  
5 findings and decisions of the majority of the commission shall  
6 constitute the order of the commission in that case.

7 (b) Any party aggrieved by an action of the commission  
8 denying, suspending, revoking, restricting, or refusing to renew  
9 a license under this chapter may request in writing a hearing  
10 before the commission within five days after service of notice  
11 of the action of the commission. Notice of the actions of the  
12 commission shall be served either by personal delivery or by  
13 certified mail, postage prepaid, to the aggrieved party. Notice  
14 served by certified mail shall be deemed complete on the  
15 business day following the date of the mailing. The commission  
16 shall conduct all requested hearings promptly and in reasonable  
17 order.

18 **§ -18 Conduct of casino gaming.** Casino gaming may be  
19 conducted by the holder of a casino license, subject to the  
20 following:

21 (1) The site of the casino facility shall be restricted to  
22 Waikiki, mauka of Kalakaua Avenue;



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- 1           (2) The casino facility shall be a stand-alone facility  
2                   and shall not be located within a hotel;
- 3           (3) The term of the casino license shall be twenty years  
4                   and shall be renewable for additional twenty-year  
5                   terms; provided that:
- 6                   (A) The casino facility has demonstrated an effort to  
7                           increase tourism, generate jobs, provide revenue  
8                           to the local economy, and provide revenue to the  
9                           general fund;
- 10           (B) The casino licensee's actions have not caused the  
11                   casino license under this chapter to be suspended  
12                   or revoked; and
- 13           (C) The applicant and its qualifiers remain eligible  
14                   and suitable for a casino license;
- 15           (4) The casino facility may operate twenty-four hours per  
16                   day, each and every day of the year;
- 17           (5) Minimum and maximum wagers on games shall be set by  
18                   the casino licensee;
- 19           (6) The commission's agents may enter and inspect the  
20                   casino facility at any time for the purpose of  
21                   determining whether the casino licensee is in  
22                   compliance with this chapter;



- 1           (7) Commission employees shall have the right to be  
2           present in a casino facility or on adjacent facilities  
3           under the control of the casino licensee;
- 4           (8) Gaming equipment and supplies customarily used in  
5           conducting casino gaming shall be purchased or leased  
6           only from suppliers licensed under this chapter;
- 7           (9) Persons licensed under this chapter shall permit no  
8           form of wagering on games except as permitted by this  
9           chapter;
- 10          (10) Wagers may be received only from a person present in a  
11          licensed casino facility. No person present in a  
12          licensed casino facility shall place or attempt to  
13          place a wager on behalf of another person who is not  
14          present in the casino facility;
- 15          (11) Wagering shall not be conducted with money or other  
16          negotiable currency, except for wagering on slot  
17          machines;
- 18          (12) No person under age twenty-one shall be permitted in  
19          an area of a casino facility where casino gaming is  
20          being conducted, except for a person at least eighteen  
21          years of age who is an employee of the casino  
22          facility. No employee under age twenty-one shall



1 perform any function involved in casino gaming by  
2 patrons. No person under age twenty-one shall be  
3 permitted to make a wager under this chapter;

4 (13) All tokens, chips, or electronic cards used to make  
5 wagers shall only be purchased from the casino  
6 licensee within the casino facility. The tokens,  
7 chips, or electronic cards may be purchased by means  
8 of an agreement under which the casino licensee  
9 extends credit to the wagerer. The tokens, chips, or  
10 electronic cards shall be used while within a casino  
11 facility only for the purpose of making wagers on  
12 authorized games;

13 (14) Prior to commencing gaming operations at the casino  
14 facility, the casino licensee shall enter into a  
15 development agreement with the State that includes at  
16 least the following terms:

17 (A) The casino licensee agrees to invest at least  
18 \$50,000,000 to develop and construct a casino  
19 facility;

20 (B) The casino licensee agrees to use best efforts to  
21 train residents of the State for jobs that are  
22 available at the casino facility;



1 (C) The casino licensee agrees that neither the  
2 casino licensee, nor any parent or subsidiary of  
3 the casino licensee, will operate in a  
4 jurisdiction that permits wagering on Hawaii  
5 collegiate athletics;

6 (D) The casino licensee shall use best efforts to  
7 increase tourism, generate jobs, provide revenue  
8 to the local economy, and provide revenue to the  
9 State; and

10 (E) The casino licensee and the State agree that,  
11 other than the one casino facility licensed under  
12 this chapter, the State shall not authorize any  
13 additional gaming in the State without the prior  
14 written consent of the casino licensee and the  
15 State; and

16 (15) In addition to the above, casino gaming shall be  
17 conducted in accordance with all rules adopted by the  
18 commission.

19 **§ -19 Collection of amounts owing under credit**  
20 **agreements.** Notwithstanding any other law to the contrary, a  
21 casino licensee who extends credit to a wagerer shall be  
22 expressly authorized to institute a cause of action to collect



1 any amounts due and owing under the extension of credit, as well  
2 as the licensee's costs, expenses, and reasonable attorney's  
3 fees incurred in collection.

4       **§ -20 Wagering tax; rate; disposition.** A wagering tax  
5 shall be imposed on the monthly gross receipts received from  
6 casino gaming authorized under this chapter at the rate of  
7 fifteen per cent. The wagering tax imposed by this section  
8 shall be in lieu of all other state taxes on gross or adjusted  
9 gross receipts, including taxes levied under chapters 237 and  
10 239, except income taxes. All other income received by the  
11 casino licensee that are not from casino gaming are not subject  
12 to the wagering tax, but are subject to any other state taxes on  
13 gross or adjusted gross receipts levied under chapters 237 and  
14 239. Tax revenues collected under this section shall be  
15 deposited into the state general fund; provided that the  
16 following amounts shall be retained by the commission and  
17 deposited into the state gaming fund for use by the commission  
18 as follows:

19       (1) One per cent of the tax revenues to fund a compulsive  
20               gamblers program and for public security at the casino  
21               facility; and





1           (2) Not more than one per cent of the tax revenues to fund  
2           administrative expenses of the commission.

3           **§ -21 State gaming fund; disposition of taxes collected.**

4 There is established within the state treasury the state gaming  
5 fund to be administered by the Hawaii gaming control commission  
6 into which shall be deposited all fees, taxes, and fines  
7 collected under this chapter other than the wagering tax  
8 collected pursuant to section -20. Moneys from the state  
9 gaming fund shall be used to fund:

10           (1) A compulsive gamblers program and for public security  
11           at the casino facility; and

12           (2) Administrative expenses of the commission.

13           **§ -22 Legislative oversight.** After the first full  
14 fiscal year of operation, the auditor shall conduct a program  
15 and financial audit of the Hawaii gaming commission.

16 Thereafter, the auditor shall conduct a program and financial  
17 audit every four years after the initial audit is completed.

18           **§ -23 Compulsive gamblers program.** The commission shall  
19 create and implement a program to assist individuals who are  
20 identified as compulsive gamblers.

21           **§ -24 Disclosure of information.** (a) The commission,  
22 upon written request from any person, shall provide the



1 following information concerning the applicant or licensee, the  
2 applicant's or licensee's products, services or gambling  
3 enterprises, and the applicant's or licensee's business holdings  
4 if the commission has the information in its possession:

5 (1) The name, business address, and business telephone  
6 number;

7 (2) An identification of any applicant or licensee  
8 including, if an applicant or licensee is not an  
9 individual, its state of incorporation or  
10 registration, its corporate officers, and the identity  
11 of its qualifiers;

12 (3) The name and business telephone number of any  
13 attorney, counsel, lobbyist, or any other person  
14 representing an applicant or licensee in matters  
15 before the commission; and

16 (4) A description of the product or service to be supplied  
17 by, or occupation to be engaged in by, a licensee."

18 **§ -25 License issuance fee.** In addition to any other  
19 fee or payment required under this chapter, there shall be a  
20 one-time fee of \$150,000,000, in cash or cash equivalent, to be  
21 paid as follows:



- 1 (1) \$75,000,000 as a condition precedent to the issuance  
2 of the casino license; and  
3 (2) \$75,000,000 one year after the casino license is  
4 issued.

5 Upon payment of the \$75,000,000 payment due one year after the  
6 casino license is issued, the casino licensee shall be credited  
7 with this payment against the wagering tax imposed upon the  
8 casino licensee under section -20, to be amortized over a  
9 period of ten years after that payment is made. The fee shall  
10 be deposited into the general fund. Once issued, the license  
11 shall be non-transferable and shall be valid only for the person  
12 or entity in whose name it was issued and for the operation of  
13 the casino facility at the designated place."

14 SECTION 2. Chapter 712, Hawaii Revised Statutes, is  
15 amended by adding a new section to part III to be appropriately  
16 designated and to read as follows:

17 "§712- Casino gaming; exempted. This part shall not  
18 apply to casino gaming as authorized by chapter ."

19 SECTION 3. Section 46-80.5, Hawaii Revised Statutes, is  
20 amended by amending subsection (e) to read as follows:

21 "(e) Exemptions.



- 1 (1) Property owned by the state or county governments or  
2 entities, may be exempt from the assessment except as  
3 provided in paragraph (3);
- 4 (2) Property owned by the federal government or entities,  
5 shall be exempt from the assessment except as provided  
6 in paragraph (3);
- 7 (3) If a public body owning property, including property  
8 held in trust for any beneficiary, which is exempt  
9 from an assessment pursuant to paragraphs (1) and (2),  
10 grants a leasehold or other possessory interest in the  
11 property to a nonexempt person or entity, the  
12 assessment, notwithstanding paragraphs (1) and (2),  
13 shall be levied on the leasehold or possessory  
14 interest and shall be payable by the lessee;
- 15 (4) The construction of any casino facility in Waikiki  
16 authorized under chapter shall be exempt from the  
17 assessment and any special improvement district  
18 requirements regarding redevelopment authorized by  
19 subsection (a);
- 20 [~~4~~] (5) The redevelopment of the Ala Wai boat harbor  
21 shall be exempt from the assessment and any special



1 improvement district requirements authorized by  
2 subsection (a); and  
3 ~~(5)~~ (6) No other properties or owners shall be exempt  
4 from the assessment unless the properties or owners  
5 are expressly exempted in the ordinance establishing a  
6 district adopted pursuant to this section or amending  
7 the rate or method of assessment of an existing  
8 district."

9 SECTION 4. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$5,000,000 or so much  
11 thereof as may be necessary for fiscal year 2012-2013 for the  
12 purpose of funding the operations of the Hawaii gaming control  
13 commission; provided that the:

14 (1) Casino licensee shall reimburse the amount  
15 appropriated by remitting \$5,000,000 to the director  
16 of finance no later than the first day on which the  
17 casino opens for operation;

18 (2) Casino licensee's application fee under section  
19 -8(e), Hawaii Revised Statutes, shall be applied as  
20 a credit against the \$5,000,000 amount due under this  
21 section; and





# S.B. NO. 2210

**Report Title:**

Stand-Alone Casino Gaming; Waikiki

**Description:**

Grants twenty-year license for one stand-alone casino in Waikiki not in a hotel. Establishes Hawaii Gaming Control Commission. Imposes fifteen per cent wagering tax on gross receipts. Creates State Gaming Fund and Compulsive Gambler Program. Effective July 1, 2012.

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

