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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. Title 13 of the Hawaii Revised Statutes is  
2 amended by adding a new chapter to be appropriately designated  
3 and to read as follows:

4 "CHAPTER

5 GAMING COMMISSION

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 gaming, 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. sections  
14          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 -13.

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 **§ -3 Banyan Drive gaming establishment development**  
7 **district; established; boundaries; advisory committee.** The  
8 Banyan Drive gaming establishment development district is  
9 established and shall include the area in the South Hilo  
10 district bounded by the shoreline from the intersection of  
11 Lihiwai Street and Mamalahoa Highway; Mamalahoa Highway to where  
12 it becomes Kamehameha Avenue; Kamehameha Avenue to its  
13 intersection with Keaa Street; Keaa Street from its intersection  
14 with Kamehameha Avenue to its intersection with Kalaniana'ole  
15 Avenue; Kalaniana'ole Avenue to Kumai Street; Kumai Street to its  
16 intersection with Ocean View Drive; the north end of Ocean View  
17 Drive to the shoreline; and the shoreline from the north end of  
18 Ocean View Drive to the intersection of Lihiwai Street and  
19 Mamalahoa Highway. This chapter supersedes any development  
20 district established by the county of Hawaii within the  
21 boundaries of the Banyan Drive gaming establishment development



1 district with regard to the siting, development, and operation  
2 of a casino within the district.

3 (b) There is established a Banyan Drive gaming  
4 establishment development district advisory committee consisting  
5 of the following members:

6 (1) The planning director of the county of Hawaii;

7 (2) Five members appointed by the mayor of the county of  
8 Hawaii and representing community and business  
9 interests;

10 (3) One member appointed by the governor from a list of  
11 three names submitted for appointment by the president  
12 of the senate, and one member appointed by the  
13 governor from a list of three names submitted for  
14 appointment by the speaker of the house of  
15 representatives; and

16 (4) Two members appointed by the governor as provided in  
17 section 26-34.

18 The advisory committee shall submit recommendations to the  
19 commission regarding issues relating to the Banyan Drive  
20 community development district.

21 **§ -4 Hawaii gaming control commission.** (a) There is  
22 established the Hawaii gaming control commission, which shall be



1 a body corporate and a public instrumentality of the State for  
2 the purpose of implementing this chapter. The commission shall  
3 be placed within the department of business, economic  
4 development, and tourism for administrative purposes. The  
5 commission shall consist of:

- 6 (1) The chairperson of the board of land and natural  
7 resources, or the first deputy to the chairperson of  
8 the board of land and natural resources, who shall  
9 serve as an ex officio voting member;
- 10 (2) The director of finance, or the director's designee,  
11 who shall serve as an ex officio voting member;
- 12 (3) The director of business, economic development, and  
13 tourism, or the director's designee, who shall serve  
14 as an ex officio voting member; and
- 15 (4) The following members to be appointed by the governor  
16 with the advice and consent of the senate under  
17 section 26-34:
  - 18 (A) One member to be appointed from a list of  
19 nominees submitted by the president of the  
20 senate; and



1 (B) One member to be appointed from a list of  
2 nominees submitted by the speaker of the house of  
3 representatives.

4 Appointments of initial commission members shall be made within  
5 ten days of the effective date of this Act.

6 (b) No person shall be appointed as a member of the  
7 commission or continue to be a member of the commission if the  
8 person:

9 (1) Is an elected state official;

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

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

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



1 ordinance in a state involving gambling or fraud that  
2 substantially corresponds to a misdemeanor in that  
3 state within the ten years prior to appointment.

4 (c) Except for ex officio members of the commission, the  
5 term of office of a commission member shall be five years.

6 Vacancies in the commission shall be filled for the unexpired  
7 term in like manner as the original appointments; provided that  
8 the governor shall have thirty days following the occurrence of  
9 a vacancy to appoint a successor member to the commission.

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

12 (e) Members of the commission shall:

13 (1) Be a resident of the State;

14 (2) Serve part-time;

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

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

19 (f) Officers of the commission, including the chairperson,  
20 shall be selected by the members. The commission, subject to  
21 chapter 92, shall hold at least one meeting in each quarter of  
22 the State's fiscal year. The commission shall hold its initial



1 meeting within twenty days of the effective date of this  
2 chapter. Special meetings may be called by the chairperson or  
3 any three members upon seventy-two hours written notice to each  
4 member. Three members shall constitute a quorum, and a majority  
5 vote of the five members present shall be required for any final  
6 determination by the commission. The commission shall keep a  
7 complete and accurate record of all its meetings.

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

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



1 state who temporarily undertakes the role of interim executive  
2 director. The executive director shall:

- 3 (1) Hold office at the will of the commission;
- 4 (2) Be exempt from chapters 76 and 89;
- 5 (3) Devote full time to the duties of the office;
- 6 (4) Not hold any other office or employment;
- 7 (5) Perform any and all duties that the commission  
8 assigns; and
- 9 (6) Receive an annual salary at an amount set by the  
10 commission, and shall be reimbursed for expenses  
11 actually and necessarily incurred in the performance  
12 of the executive director's duties.

13 (i) Except as otherwise provided by law, the executive  
14 director may:

- 15 (1) Hire assistants, other officers, and employees, who  
16 shall be exempt from chapters 76 and 89 and who shall  
17 serve at the will of the executive director; and
- 18 (2) Appoint committees and consultants necessary for the  
19 efficient operation of casino gaming; provided that no  
20 person shall be hired or appointed under this  
21 subsection who:

22 (A) Is an elected state official;





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



1 shall include restrictions on which employees are prohibited  
2 from participating in or wagering on any casino game or casino  
3 gaming operation subject to the jurisdiction of the commission.  
4 The code of ethics shall be separate from and in addition to any  
5 standards of conduct set forth pursuant to chapter 84.

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

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

10 (A) A casino licensee under this chapter or in  
11 another jurisdiction; or

12 (B) A potential casino licensee who had an  
13 application to operate a casino pending before  
14 the commission or any other jurisdiction;  
15 except that the person seeking employment may be  
16 employed by the commission if the person's interest in  
17 a casino licensee would not, in the opinion of the  
18 commission, interfere with the objective discharge of  
19 the person's employment obligations. A person shall  
20 not be employed by the commission if the person's  
21 interest in the casino licensee constitutes a  
22 controlling interest in that casino licensee; or



1           (2) The person or the person's spouse, parent, child,  
2           child's spouse, or sibling, is a member of the  
3           commission, or a director of, or a person financially  
4           interested in, any person licensed as a casino  
5           licensee or casino supplier, or any person who has an  
6           application for a casino or occupational license  
7           pending before the commission.

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

11          (1) Listing all assets, liabilities, and property and  
12          business interests of the member, executive director,  
13          key employee, and any of their spouses; and

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

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

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



1           (o) A member of the commission, executive director, or key  
2 employee shall not hold direct or indirect interest in, be  
3 employed by, or enter into a contract for service with, any  
4 applicant or person licensed by the commission for a period of  
5 five years after the date of termination of the person's  
6 membership on or employment with the commission.

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

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

18           (r) A business entity in which a former commission member  
19 or employee or agent has an interest, or any partner, officer,  
20 or employee of the business entity, shall not make any  
21 appearance or representation before the commission that is  
22 prohibited to that former member, employee, or agent. As used



1 in this subsection, "business entity" means a corporation,  
2 limited liability company, partnership, limited liability  
3 partnership association, trust, or other form of legal entity.

4 **§ -5 Records; other staffing powers of the commission.**

5 (a) The executive director shall keep records of all  
6 proceedings of the commission and shall preserve all records,  
7 books, documents, and other papers belonging to the commission  
8 or entrusted to its care relating to casino gaming.

9 (b) In addition to persons hired under section -4(i)  
10 the commission may employ any personnel that may be necessary to  
11 carry out its duties related to casino gaming.

12 **§ -6 Powers of the commission.** (a) The commission

13 shall have all powers necessary to fully and effectively  
14 supervise all casino gaming operations, including the power to:

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



# S.B. NO. 2984

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



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



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





1 other information the commission deems necessary to  
2 effectively administer this chapter;

3 (11) Conduct hearings, issue subpoenas for the attendance  
4 of witnesses and subpoenas duces tecum for the  
5 production of books, records, and other pertinent  
6 documents, and to administer oaths and affirmations to  
7 the witnesses, when, in the judgment of the  
8 commission, it is necessary to administer or enforce  
9 this chapter. The executive director or the executive  
10 director's designee is also authorized to issue  
11 subpoenas and to administer oaths and affirmations to  
12 witnesses;

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



1 operations; provided that the propriety of that  
2 ejection or exclusion shall be subject to subsequent  
3 hearing by the commission;

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

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

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

20 (16) Establish minimum levels of insurance to be maintained  
21 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 chapter shall be the  
9                   emergency interim rules of the commission. As adopted  
10                  under this chapter, all references in the Nevada  
11                  regulations to "Nevada" shall mean "Hawaii" and all  
12                  references to any Nevada state department, agency,  
13                  commission, statute, or rule shall mean the equivalent  
14                  or similar department, agency, commission, statute, or  
15                  rule of the State. To the extent the Nevada  
16                  regulations are inconsistent with this chapter, this  
17                  chapter shall supersede the Nevada regulations. Due  
18                  to the imminent peril to public health, safety, or  
19                  morals absent valid rules related to gaming authorized  
20                  by this chapter, the commission, under chapter 91, may  
21                  amend the emergency interim rules to correct  
22                  inconsistencies between the Nevada regulations and



1           this chapter, but the commission shall retain as much  
2           of the emergency interim rules as possible until at  
3           least the date on which the casino licensee authorized  
4           by this chapter begins operating the gaming facility  
5           authorized under this chapter. Rules may include but  
6           need not be limited to rules that:

7           (A) Govern, restrict, approve, or regulate the casino  
8           gaming authorized in this chapter;

9           (B) Promote the safety, security, and integrity of  
10          casino gaming authorized in this chapter;

11          (C) License and regulate, consistent with the  
12          qualifications and standards set forth in this  
13          chapter, persons participating in or involved  
14          with casino gaming authorized in this chapter;  
15          and

16          (D) Authorize any other action that may be reasonable  
17          or appropriate to enforce this chapter and rules  
18          adopted under this chapter.

19          (b) This section is not intended to limit warrantless  
20          inspections except in accordance with constitutional  
21          requirements.



1           §   -7 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 -4(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 **§ -8 Authorization of limited gaming.** (a) Casino  
8 gaming shall only be permitted in one casino facility within the  
9 Banyan Drive gaming establishment development district at a site  
10 approved by the commission following a public hearing conducted  
11 pursuant to section -19(c). Any application for a casino  
12 license to operate the casino facility shall include a casino  
13 facility development plan for the casino facility.

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



1 section -9. Applications for a casino license shall be  
2 submitted to the commission no later than thirty days after the  
3 date of the commission's initial meeting. The commission shall  
4 select one applicant who in the commission's judgment best meets  
5 all of the criteria pursuant to section -10 no later than  
6 ninety days after the final date applications must be submitted  
7 to the commission. If the applicant selected by the commission  
8 meets all the requirements of this chapter, the commission shall  
9 issue a casino license to that applicant within thirty days  
10 after the date the applicant is selected.

11 **§ -9 Application for casino license.** (a) A person may  
12 apply to the commission for a casino license to conduct a casino  
13 gaming operation within the Banyan Drive gaming establishment  
14 development district at a site approved by the commission  
15 following a public hearing conducted pursuant to section  
16 -19(c). The application shall be made under oath on forms  
17 required by this chapter and shall include all of the following:

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



- 1           (2) The identity of any business, including, if  
2           applicable, the state of incorporation or  
3           registration, in which the applicant or qualifier has  
4           an equity interest of more than five per cent. If the  
5           applicant or qualifier is a corporation, partnership  
6           or other business entity, the applicant or qualifier  
7           shall identify any other corporation, partnership, or  
8           other business entity in which it has an equity  
9           interest of more than five per cent, including, if  
10          applicable, the state of incorporation or  
11          registration;
- 12          (3) Documentation of a written agreement with a qualified  
13          nonprofit organization for the allocation of casino  
14          gambling net profits pursuant to section     -11;
- 15          (4) An explanation whether the applicant or qualifier has  
16          developed and opened a new land-based casino in an  
17          urban area within a jurisdiction in the United States  
18          that previously did not allow gaming, including a  
19          description of the casino, the casino's gross revenue,  
20          and the amount of revenue the casino has generated for  
21          state and local governments within that jurisdiction;



1           (5) A statement whether the applicant or a qualifier has  
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. The  
5           statement shall include the date, the name and  
6           location of the court, arresting agency, prosecuting  
7           agency, the case caption, the docket number, the  
8           offense, the disposition, and the location and length  
9           of incarceration;

10          (6) A statement whether the applicant or a qualifier has  
11          ever been granted any license or certificate issued by  
12          a licensing authority in the State, or any other  
13          jurisdiction that has been restricted, revoked, or not  
14          renewed. The statement shall describe the facts and  
15          circumstances concerning that restriction, revocation,  
16          or nonrenewal, including the licensing authority, the  
17          date each action was taken, and the reason for each  
18          action;

19          (7) A statement whether the applicant or a qualifier,  
20          within the last ten years, has filed or had filed  
21          against it a civil or administrative action or  
22          proceeding in bankruptcy;



- 1           (8) A statement whether the applicant or a qualifier,  
2           within the last five tax years, has been adjudicated  
3           by a court or tribunal to have failed to pay any final  
4           amount of any income, sales, or gross receipts tax due  
5           and payable under federal, state, or local law, after  
6           exhaustion of all inter-agency appeals processes.  
7           This statement shall identify the amount of the tax,  
8           type of tax, time periods involved, and resolution;
- 9           (9) A statement listing the names and titles of all public  
10          officials or officers of any unit of state government  
11          or county government in the jurisdiction in which the  
12          casino facility is to be located, and the spouses,  
13          parents, and children of those public officials or  
14          officers who, directly or indirectly, own any  
15          financial interest in, have any beneficial interest  
16          in, are the creditors of or hold any debt instrument  
17          issued by, or hold or have an interest in any  
18          contractual or service relationship with, the  
19          applicant or a qualifier. As used in this paragraph,  
20          "public official" or "officer" does not include a  
21          person who would be listed solely because of the  
22          person's state or federal military service;



1           (10) The name and business telephone number of any  
2                   attorney, counsel, or any other person representing an  
3                   applicant or a qualifier in matters before the  
4                   commission;

5           (11) A description of the applicant or its qualifiers'  
6                   history of, or plan for, community involvement or  
7                   investment in the area where the casino facility will  
8                   be located; and

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

17           (b) Information provided on the application shall be used  
18 as the basis for a thorough background investigation that the  
19 commission shall conduct with respect to each applicant and  
20 qualifier, but any financial information submitted by each  
21 applicant and qualifier shall be kept confidential by the



1 commission. An incomplete application shall be cause for denial  
2 of a license by the commission.

3 (c) Applicants shall submit with their application a plan  
4 for training residents of the State for jobs that are available  
5 at the casino facility. The plan shall take into consideration  
6 the need to provide training to low-income persons to enable  
7 such persons to qualify for jobs that will be created in the  
8 casino facility.

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

18 (e) A nonrefundable application fee of \$100,000 shall be  
19 paid to the commission by an applicant at the time of filing to  
20 defray the costs associated with an applicant and qualifier's  
21 background investigation conducted by the commission. If the



1 costs of the investigation exceed \$1,000,000, the applicant  
2 shall pay the additional amount to the commission.

3       **§ -10 Criteria for award of a casino license.** (a) The  
4 commission shall issue one casino license to operate a casino  
5 facility to the applicant that has paid the application fee  
6 required under section -9, is eligible and suitable to  
7 receive a casino license under this chapter and the rules  
8 adopted by the commission, and best satisfies all of the  
9 following criteria:

10       (1) The applicant has submitted a casino facility  
11 development plan for the casino facility that provides  
12 the greatest likelihood that the applicant's casino  
13 facility will increase tourism, generate jobs, provide  
14 revenue to the local economy, and provide revenue to  
15 the general fund;

16       (2) The applicant has entered into a written agreement  
17 with a qualified nonprofit organization for the  
18 allocation of casino gaming net profits pursuant to  
19 section -11;

20       (3) The applicant or its qualifiers have a history of, or  
21 a bona fide plan for, community involvement or





- 1 investment in the area where the casino facility will  
2 be located;
- 3 (4) The applicant has the financial ability to purchase  
4 and maintain adequate liability and casualty insurance  
5 and to provide an adequate surety bond;
- 6 (5) The applicant has provided data identifying the  
7 applicant's sources of capital and demonstrating that  
8 the applicant has adequate capital to develop,  
9 construct, maintain, and operate the proposed casino  
10 facility;
- 11 (6) The applicant has adequate capitalization to develop,  
12 construct, maintain, and operate, for the duration of  
13 the license, the proposed casino facility in  
14 accordance with the requirements of this chapter and  
15 rules adopted by the commission and to responsibly pay  
16 off its secured and unsecured debts in accordance with  
17 its financing agreement and other contractual  
18 obligations;
- 19 (7) Neither the applicant nor any of its qualifiers have  
20 been indicted, convicted, pled guilty or nolo  
21 contendere, or forfeited bail for any felony or for a  
22 misdemeanor involving gambling, theft, or fraud;



- 1           (8) Neither the applicant nor any of its qualifiers,  
2                    within the last ten years, have filed, or had filed  
3                    against them a proceeding for bankruptcy;
- 4           (9) The extent to which an applicant or any of its  
5                    qualifiers have, within the last five tax years, been  
6                    adjudicated by a court or tribunal to have failed to  
7                    pay any final amount of income, sales, or gross  
8                    receipts tax due and payable under federal, state, or  
9                    local law, after exhaustion of all inter-agency  
10                  appeals processes;
- 11          (10) The extent to which the applicant meets other  
12                  standards for the issuance of a casino license that  
13                  the commission may have adopted by rule;
- 14          (11) To ensure the continued integrity of Hawaii collegiate  
15                  athletics, the applicant shall file with the  
16                  commission a certified statement that the applicant's  
17                  casino facility located in the State and subject to  
18                  this chapter shall not permit or engage in wagering on  
19                  Hawaii collegiate athletics;
- 20          (12) The adequacy of the applicant's plan for training  
21                  residents of the State for jobs that are available at  
22                  the casino facility and the extent to which the plan



1 considers the need to provide training to low-income  
2 persons to enable those persons to qualify for jobs  
3 that will be created in the casino facility; and

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

10 (b) Any rules adopted pursuant to chapter 91 shall further  
11 define and clarify the criteria listed in subsection (a) rather  
12 than create new conditions for licensure.

13 (c) An applicant shall be ineligible to receive a casino  
14 license if the applicant or any employee or qualifier of the  
15 applicant:

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

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

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



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

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

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

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

13 (f) The commission may revoke the casino license if the  
14 licensee fails to begin regular casino gaming operations within  
15 twelve months of receipt of the commission's approval of the  
16 application or twelve months after a certificate of occupancy  
17 for the casino facility is first issued, whichever is later,  
18 upon a finding by the commission that the casino license  
19 revocation is in the best interest of the State.

20 (g) The commission shall establish a process to facilitate  
21 and expedite the approval of the necessary licenses and permits.  
22 The commission may establish its own procedures for the issuance



1 of liquor licenses for any holder of a casino license under this  
2 chapter and the holder of a casino license shall not be subject  
3 to any requirement of the Hawaii county liquor commission as to  
4 the approval of forms of live or professional music, dancing,  
5 and entertainment; provided that all state laws and county  
6 ordinances relating to liquor are met. The commission shall be  
7 the receiving agency for any environmental assessment required  
8 under chapter 343.

9 (h) Nothing in this chapter shall be interpreted to  
10 prohibit a casino licensee from operating a school to train  
11 occupational licensees.

12 **§ -11 Joint agreement with qualified nonprofit**  
13 **organization for allocation of net profits required.** (a) No  
14 person shall be issued a casino license without first executing  
15 a written agreement with a qualified nonprofit organization  
16 setting forth the following allocation of all net profits from  
17 casino gaming conducted pursuant to this chapter:

18 (1) Fifty per cent to the casino licensee; and

19 (2) Fifty per cent to the qualified nonprofit

20 organization; provided that the agreement shall:

21 (A) Require the qualified nonprofit organization to

22 provide funding for any service described in



1 subsection (d)(2) at a rate of \$ for every  
2 \$ of net profits allocated to the qualified  
3 nonprofit organization; provided further that the  
4 agreement shall also require that the qualified  
5 nonprofit organization obtain and expend matching  
6 funds from sources other than the casino licensee  
7 of at least per cent of the net profits to  
8 which the qualified nonprofit organization is  
9 entitled pursuant to this paragraph;

10 (B) Authorize the casino licensee to retain any net  
11 profits for which the qualified nonprofit  
12 organization is unable to provide the matching  
13 funds described in subparagraph (A); and

14 (C) Require that all net profits received by the  
15 qualified nonprofit organization be used only for  
16 the services provided by the qualified nonprofit  
17 organization.

18 (b) The casino licensee's compliance with the terms of the  
19 agreement required under subsection (a) shall be a condition of  
20 the casino license, and the commission shall revoke the license  
21 if at any time the casino licensee fails to allocate net profits



1 in accordance with the agreement, except as provided in  
2 subsection (c).

3 (c) Notwithstanding subsection (b), if an agreement under  
4 subsection (a) is terminated because of the qualified nonprofit  
5 organization's failure to fulfill the requirements of the  
6 agreement or this section, the casino license shall not be  
7 immediately revoked, and the casino licensee shall be allowed  
8 days to enter into a new agreement with another qualified  
9 nonprofit organization in accordance with subsection (a). The  
10 commission shall revoke the casino license if an agreement in  
11 accordance with subsection (a) is not executed by the end of the  
12 -day period.

13 (d) For the purposes of this section, "qualified nonprofit  
14 organization" means any private entity with its principal place  
15 of business in Hilo, on the island of Hawaii, and that is  
16 organized and operated:

17 (1) In accordance with section 501(c)(3) of the Internal  
18 Revenue Code of 1986, as amended; and

19 (2) For the purpose of providing services to the Hilo  
20 community for any of the following:

21 (A) Youth or early intervention;

22 (B) Substance abuse;



- 1 (C) Domestic violence;
- 2 (D) Affordable housing; or
- 3 (E) Any other community service approved by the
- 4 commission.

5 **§ -12 Bond of licensee.** Before a casino license is  
6 issued, the licensee shall file a bond in the sum of \$200,000  
7 with the department. The bond shall be used to guarantee that  
8 the licensee faithfully makes the payments, keeps books and  
9 records, makes reports, and conducts games of chance in  
10 conformity with this chapter and rules adopted by the  
11 commission. The bond shall not be canceled by a surety on less  
12 than thirty days' notice in writing to the commission. If a  
13 bond is canceled and the licensee fails to file a new bond with  
14 the commission in the required amount on or before the effective  
15 date of cancellation, the licensee's license shall be revoked.  
16 The total and aggregate liability of the surety on the bond  
17 shall be limited to the amount specified in the bond.

18 **§ -13 Application deficiency.** (a) If, in the review of  
19 an application submitted under this chapter, the executive  
20 director identifies an apparent deficiency that, if true, would  
21 require denial of the license or the disqualification of a  
22 qualifier, the executive director shall immediately notify the





1 affected applicant or qualifier in writing of the apparent  
2 deficiency. The applicant or qualifier may then request a  
3 confidential informal conference with the executive director to  
4 discuss the factual basis of the apparent deficiency.

5 (b) The executive director shall provide the applicant or  
6 qualifier a reasonable period of time to correct the apparent  
7 deficiency and, if the apparent deficiency is not corrected  
8 within the reasonable time period, the executive director shall  
9 find that the apparent deficiency has not been corrected.

10 Following this finding, the affected applicant or qualifier  
11 shall have an opportunity to appeal the executive director's  
12 finding to the commission. The commission shall conduct an  
13 investigative hearing, pursuant to section -19 and in  
14 accordance with rules adopted under this chapter, to determine  
15 whether there is sufficient evidence to support an apparent  
16 deficiency finding. At the hearing, the burden of proof shall  
17 be on the executive director to demonstrate that the finding of  
18 an apparent deficiency is supported by law and facts. Any  
19 finding by the commission regarding an applicant or a  
20 qualifier's apparent deficiency shall not constitute a final  
21 determination by the commission as to the suitability of the



1 applicant to hold a license, or the suitability of a qualifier  
2 to hold an ownership interest in a casino applicant.

3 (c) At any time prior to a finding by the commission that  
4 a qualifier is unsuitable to hold an ownership interest in a  
5 casino applicant, a qualifier shall have the ability to sell its  
6 ownership interest in the casino applicant to the casino  
7 applicant, another qualifier, or a third party.

8 (d) A qualifier who has been issued a finding of an  
9 apparent deficiency shall have the right to request that the  
10 commission expand the apparent deficiency hearing under this  
11 section to include a determination of the qualifier's  
12 suitability to hold an ownership interest in the casino license  
13 applicant. If such a request is made, the commission shall  
14 determine the suitability of the affected qualifier separate  
15 from the suitability of the casino applicant and any of its  
16 other qualifiers. A request by a qualifier for an extended  
17 hearing pursuant to this section shall not prevent the  
18 commission from issuing a license to the applicant. Until the  
19 commission determines that a qualifier under this section is  
20 suitable to hold an ownership interest in the casino applicant,  
21 the casino applicant or licensee shall not do any of the  
22 following:



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

5           (2) Pay any direct or indirect compensation to the  
6           qualifier for services rendered to the applicant,  
7           unless specifically approved and authorized by the  
8           commission.

9           **§ -14 Institutional investor.** (a) Unless the  
10          commission determines that an institutional investor is  
11          unqualified, an institutional investor holding less than ten per  
12          cent of the equity securities or ten per cent of the debt  
13          securities of a casino licensee's affiliate or affiliated  
14          company that is related in any way to the financing of the  
15          casino licensee, shall be granted a waiver of the eligibility  
16          and suitability requirements if:

17          (1) The securities represent a percentage of the  
18          outstanding debt of the affiliate or affiliated  
19          company not exceeding twenty per cent, or a percentage  
20          of any issue of the outstanding debt of the affiliate  
21          or affiliated company not exceeding fifty per cent;



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

4           (3) Upon request by the commission, the institutional  
5           investor files with the commission a certified  
6           statement that it has no intention of influencing or  
7           affecting the affairs of the issuer, the casino  
8           licensee, or its affiliate or affiliated company.

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

13          (c) An institutional investor granted a waiver under this  
14          section that subsequently intends to influence or affect the  
15          affairs of the issuer shall provide notice to the commission and  
16          file an application for a determination of eligibility and  
17          suitability before taking any action that may influence or  
18          affect the affairs of the issuer.

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



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

6           (f) The casino licensee or an affiliate or affiliated  
7 company of the casino licensee shall immediately notify the  
8 commission of any information concerning an institutional  
9 investor holding its equity or debt securities that may affect  
10 the eligibility and suitability of the institutional investor  
11 for a waiver under this section.

12           (g) If the commission finds that an institutional  
13 investor, holding any security of an affiliate or affiliated  
14 company of a casino licensee that is related in any way to the  
15 financing of the casino licensee, fails to comply with the  
16 requirements of this section, or if at any time the commission  
17 finds that, by reason of the extent or nature of its holdings,  
18 an institutional investor is in a position to exercise a  
19 substantial impact upon the controlling interests of a casino  
20 licensee, the commission may take any necessary action to  
21 protect the public interest, including requiring the



1 institutional investor to satisfy the eligibility and  
2 suitability requirements under sections -9 and -10.

3 **§ -15 Supplier's licenses.** (a) No person shall furnish  
4 in excess of \$500,000 worth of equipment, devices, or supplies  
5 to a licensed casino gaming operation under this chapter unless  
6 the person has first obtained a supplier's license pursuant to  
7 this section. The commission may issue a supplier's license to  
8 any person, firm, or corporation who pays a nonrefundable  
9 application fee as set by the commission upon a determination by  
10 the commission that the applicant is eligible for a supplier's  
11 license and upon payment by the applicant of a \$5,000 license  
12 fee. Supplier's licenses shall be renewable annually upon  
13 payment of the \$5,000 annual license fee and a determination by  
14 the commission that the licensee continues to meet all of the  
15 requirements of this chapter.

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

20 (c) Casino gaming supplies and equipment shall not be  
21 distributed unless supplies and equipment conform to standards  
22 adopted by rules of the commission.



- 1 (d) A person, firm, or corporation shall be ineligible to  
2 receive a supplier's license if:
- 3 (1) The person has been convicted of a felony under the  
4 laws of this State, any other state, or the United  
5 States;
- 6 (2) The person has been convicted of any violation under  
7 part III, chapter 712, or substantially similar laws  
8 of another jurisdiction;
- 9 (3) The person has knowingly submitted an application for  
10 a license under this chapter that contains false  
11 information;
- 12 (4) The person is a member of the commission;
- 13 (5) The firm or corporation is one in which a person  
14 described in paragraph (1), (2), (3), or (4) is an  
15 officer, director, or managerial employee;
- 16 (6) The firm or corporation employs a person, described in  
17 paragraph (1), (2), (3), or (4), that participates in  
18 the management or operation of casino gaming  
19 authorized under this chapter; or
- 20 (7) The license of the person, firm, or corporation issued  
21 under this chapter, or a license to own or operate



1 casino gaming facilities in any other jurisdiction,  
2 has been revoked.

3 (e) A supplier shall:

4 (1) Furnish to the commission a list of all equipment,  
5 devices, and supplies offered for sale or lease in  
6 connection with casino games authorized under this  
7 chapter;

8 (2) Keep books and records for the furnishing of  
9 equipment, devices, and supplies to casino gaming  
10 operations separate and distinct from any other  
11 business that the supplier might operate;

12 (3) File quarterly returns with the commission listing all  
13 sales and leases;

14 (4) Permanently affix its name to all its equipment,  
15 devices, and supplies, used for casino gaming  
16 operations; and

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

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

21 (g) Any casino gaming equipment, devices, or supplies  
22 provided by any licensed supplier may either be repaired in the





1 casino facility or be removed from the casino facility to a  
2 facility owned by the holder of a casino license for repair.  
3 Any supplier's equipment, devices, and supplies that are used by  
4 any person in an unauthorized gaming operation shall be  
5 forfeited to the county.

6       **§ -16 Occupational licenses.** (a) The commission may  
7 issue an occupational license to an applicant upon:

8       (1) The payment of a nonrefundable application fee set by  
9       the commission;

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

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

14       (b) To be eligible for an occupational license, an  
15 applicant shall:

16       (1) Be at least twenty-one years of age if the applicant  
17       performs any function involved in casino gaming by  
18       patrons. Any applicant seeking an occupational  
19       license for a non-gaming function shall be at least  
20       eighteen years of age;



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

4           (3) Have met standards for the holding of an occupational  
5           license as provided in rules adopted by the  
6           commission, including background inquiries and other  
7           requirements.

8           (c) Each application for an occupational license shall be  
9           on forms prescribed by the commission and shall contain all  
10          information required by the commission. The applicant shall set  
11          forth in the application whether the applicant:

12          (1) Has been issued prior gaming-related licenses in any  
13          jurisdiction;

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

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

20          (d) Each applicant shall submit with the application two  
21          sets of the applicant's fingerprints. The commission shall  
22          charge each applicant a fee to defray the costs associated with



1 the search and classification of fingerprints obtained by the  
2 commission with respect to the application.

3 (e) The commission may refuse to grant an occupational  
4 license to any person:

5 (1) Who is unqualified to perform the duties required of  
6 the applicant;

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

9 (3) Who has been found guilty of a violation of this  
10 chapter or whose prior casino gaming related license  
11 or application has been suspended, restricted,  
12 revoked, or denied for just cause in any other  
13 jurisdiction; or

14 (4) For any other just cause.

15 (f) The commission may suspend, revoke, or restrict any  
16 occupational licensee:

17 (1) For any violation of this chapter;

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

19 (3) For any cause which, if known to the commission, would  
20 have disqualified the applicant from receiving a  
21 license;



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

3 (5) For any other just cause.

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

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

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

14 **§ -17 Temporary supplier and occupational licenses. (a)**

15 Upon written request of a person applying for a supplier or  
16 occupational license under this chapter, the executive director  
17 shall issue a temporary license to the applicant and permit the  
18 applicant to undertake employment with, conduct business  
19 transactions with, and provide goods and services to, casino  
20 licensees, casino license applicants, and holders of  
21 certificates of suitability; provided that all of the following  
22 provisions are met:



- 1           (1) The applicant has submitted to the commission a  
2           completed application, an application fee, and all  
3           required disclosure forms and other required written  
4           documentation and materials;
- 5           (2) Preliminary review of the application and a criminal  
6           history check by the executive director and the  
7           commission staff does not reveal that the applicant or  
8           the applicant's affiliates, key persons, local and  
9           regional managerial employees or sales and service  
10          representatives, or substantial owners have been  
11          convicted of a felony or misdemeanor that would  
12          require denial of the application or may otherwise be  
13          ineligible, unqualified, or unsuitable to permit  
14          licensure under this chapter;
- 15          (3) There is no other apparent deficiency in the  
16          application that may require denial of the  
17          application; and
- 18          (4) The applicant has an offer of employment from, or  
19          agreement to begin providing goods and services to, a  
20          casino licensee, casino license applicant, or holder  
21          of a certificate of suitability upon receipt of the



1           temporary license or the applicant shows good cause  
2           for being granted a temporary license.

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

6           (c) An applicant who receives a temporary license under  
7 this section may undertake employment with or supply a casino  
8 licensee, casino license applicants, and holders of certificates  
9 of suitability with goods and services subject to this chapter  
10 until a license is issued by the commission pursuant to the  
11 applicant's application or until the temporary license expires  
12 or is suspended or revoked. During the period of the temporary  
13 license, the applicant shall comply with this chapter and rules  
14 adopted by the commission.

15           (d) If the temporary license expires, is not renewed, or  
16 is suspended or revoked, the executive director shall  
17 immediately forward the applicant's application to the  
18 commission for action after first providing a reasonable time  
19 for the applicant to correct any apparent deficiency in its  
20 application.

21           § -18 **Annual report.** The commission shall file a  
22 written annual report with the governor and the legislature at



1 least sixty days prior to the close of each fiscal year and  
2 shall file any additional reports that the governor or the  
3 legislature requests. . The annual report shall include:

- 4 (1) A statement of receipts and disbursements related to  
5 casino gaming pursuant to this chapter;
- 6 (2) Actions taken by the commission; and
- 7 (3) Any additional information and recommendations that  
8 the commission may deem valuable or which the governor  
9 or the legislature may request.

10 **§ -19 Hearings by the commission.** (a) Upon order of  
11 the commission, one of the commission members or a hearings  
12 officer designated by the commission may conduct any hearing  
13 provided for under this chapter related to casino gaming or by  
14 commission rule, and may recommend findings and decisions to the  
15 commission. The record made at the time of the hearing shall be  
16 reviewed by the commission, or a majority thereof, and the  
17 findings and decisions of the majority of the commission shall  
18 constitute the order of the commission in that case.

19 (b) Any party aggrieved by an action of the commission  
20 denying, suspending, revoking, restricting, or refusing to renew  
21 a license under this chapter may request in writing a hearing  
22 before the commission within five days after service of notice



1 of the action of the commission. Notice of the actions of the  
2 commission shall be served either by personal delivery or by  
3 certified mail, postage prepaid, to the aggrieved party. Notice  
4 served by certified mail shall be deemed complete on the  
5 business day following the date of the mailing. The commission  
6 shall conduct all requested hearings promptly and in reasonable  
7 order.

8 (c) No casino facility shall be authorized under this  
9 chapter unless the commission has conducted a public hearing on  
10 the proposed location of the casino facility.

11 **§ -20 Conduct of casino gaming.** Casino gaming may be  
12 conducted by the holder of a casino license, subject to the  
13 following:

14 (1) The site of the casino facility shall be restricted to  
15 the Banyan Drive gaming establishment development  
16 district and approved by the commission following a  
17 public hearing conducted pursuant to section

18 -19(c);

19 (2) The casino facility shall be a stand-alone facility  
20 and shall not be located within a hotel;





1           (3) The casino facility shall be designed to accommodate  
2           spectator events, including hula performances and  
3           competitions with audiences of at least           people;

4           (4) The term of the casino license shall be twenty years  
5           and shall be renewable for additional twenty-year  
6           terms; provided that:

7           (A) The casino facility has demonstrated an effort to  
8           increase tourism, generate jobs, provide revenue  
9           to the local economy, and provide revenue to the  
10          general fund;

11          (B) The casino licensee's actions have not caused the  
12          casino license under this chapter to be suspended  
13          or revoked; and

14          (C) The applicant and its qualifiers remain eligible  
15          and suitable for a casino license;

16          (5) The casino facility may operate twenty-four hours per  
17          day, each and every day of the year;

18          (6) Minimum and maximum wagers on games shall be set by  
19          the casino licensee;

20          (7) The commission's agents may enter and inspect the  
21          casino facility at any time for the purpose of



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



1 years of age who is an employee of the casino  
2 facility. No employee under age twenty-one shall  
3 perform any function involved in casino gaming by  
4 patrons. No person under age twenty-one shall be  
5 permitted to make a wager under this chapter;

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

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

19 (A) The casino licensee agrees to invest at least  
20 \$50,000,000 to develop and construct a casino  
21 facility;



- 1 (B) The casino licensee agrees to use best efforts to  
2 train residents of the island of Hawaii and the  
3 State for jobs that are available at the casino  
4 facility;
- 5 (C) The casino licensee agrees that neither the  
6 casino licensee, nor any parent or subsidiary of  
7 the casino licensee, will operate in a  
8 jurisdiction that permits wagering on Hawaii  
9 collegiate athletics;
- 10 (D) The casino licensee shall use best efforts to  
11 increase tourism, generate jobs, provide revenue  
12 to the local economy, and provide revenue to the  
13 State;
- 14 (E) The casino licensee shall make the casino  
15 facility available for staging cultural events,  
16 including the temporary suspension of casino  
17 gaming at the casino facility if necessary, under  
18 terms specified in the development agreement; and
- 19 (F) The casino licensee and the State agree that,  
20 other than the one casino facility licensed under  
21 this chapter, the State shall not authorize any  
22 additional gaming in the State without the prior



1                   written consent of the casino licensee and the  
2                   State; and

3           (16) In addition to the provisions in paragraphs (1) to  
4                   (15), casino gaming shall be conducted in accordance  
5                   with all rules adopted by the commission.

6           **§ -21 Collection of amounts owing under credit**

7 **agreements.** Notwithstanding any other law to the contrary, a  
8 casino licensee who extends credit to a wagerer shall be  
9 expressly authorized to institute a cause of action to collect  
10 any amounts due and owing under the extension of credit, as well  
11 as the licensee's costs, expenses, and reasonable attorney's  
12 fees incurred in collection.

13           **§ -22 Wagering tax; rate; disposition.** A wagering tax  
14 shall be imposed on the monthly gross receipts received from  
15 casino gaming authorized under this chapter at the rate of  
16 fifteen per cent; provided that all other income received by the  
17 casino licensee that is not derived from casino gaming shall not  
18 be subject to the wagering tax, but shall be subject to any  
19 other state taxes on gross or adjusted gross receipts levied  
20 under chapters 237 and 239. The wagering tax imposed by this  
21 section shall be in lieu of all other state taxes on gross or  
22 adjusted gross receipts, including taxes levied under chapters



1 237 and 239, except income taxes. Tax revenues collected under  
2 this section shall be deposited into the state general fund;  
3 provided that the following amounts shall be retained by the  
4 commission and deposited into the state gaming fund for use by  
5 the commission as follows:

- 6 (1) One per cent of the tax revenues to fund a compulsive  
7 gamblers program and for public security at the casino  
8 facility; and  
9 (2) Not more than one per cent of the tax revenues to fund  
10 administrative expenses of the commission.

11 **§ -23 State gaming fund; disposition of taxes collected.**

12 There is established within the state treasury the state gaming  
13 fund to be administered by the Hawaii gaming control commission  
14 into which shall be deposited all fees, taxes, and fines  
15 collected under this chapter other than the wagering tax  
16 collected pursuant to section -22. Moneys from the state  
17 gaming fund shall be used to fund:

- 18 (1) A compulsive gamblers program and for public security  
19 at the casino facility; and  
20 (2) Administrative expenses of the commission.

21 **§ -24 Legislative oversight.** The auditor shall conduct  
22 a program and financial audit of the Hawaii gaming commission



1 after the first full fiscal year of operation and every four  
2 years thereafter.

3       **§ -25 Compulsive gamblers program.** The commission shall  
4 establish and implement a program to assist individuals who are  
5 identified as compulsive gamblers.

6       **§ -26 Disclosure of information.** (a) The commission,  
7 upon written request from any person, shall provide the  
8 following information concerning the applicant or licensee, the  
9 applicant's or licensee's products, services or gambling  
10 enterprises, and the applicant's or licensee's business holdings  
11 if the commission has the information in its possession:

12       (1) The name, business address, and business telephone  
13       number;

14       (2) An identification of any applicant or licensee  
15       including, if an applicant or licensee is not an  
16       individual, its state of incorporation or  
17       registration, its corporate officers, and the identity  
18       of its qualifiers;

19       (3) The name and business telephone number of any  
20       attorney, counsel, lobbyist, or any other person  
21       representing an applicant or licensee in matters  
22       before the commission; and



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

3 **§ -27 License issuance fee.** In addition to any other  
4 fee or payment required under this chapter, there shall be a  
5 one-time fee of \$50,000,000, in cash or cash equivalent, to be  
6 paid as follows:

7 (1) \$25,000,000 as a condition precedent to the issuance  
8 of the casino license; and

9 (2) \$25,000,000 one year after the casino license is  
10 issued.

11 Upon payment of the funds described in paragraph (2), the casino  
12 licensee shall be credited with this payment against the  
13 wagering tax imposed upon the casino licensee under section  
14 -22, to be amortized over a period of ten years after the  
15 second payment is made. The fee shall be deposited into the  
16 general fund. Once issued, the license shall be non-  
17 transferable and shall be valid only for the person or entity in  
18 whose name it was issued and for the operation of the casino  
19 facility at the designated place.

20 **§ -28 Site selection; legislative disapproval.** (a) The  
21 final approval of the selection of a site to construct and  
22 operate a casino facility within the Banyan Drive gaming





1 establishment development district shall be subject to  
2 disapproval by the legislature by a two-thirds vote of either  
3 the senate or the house of representatives or by a majority vote  
4 of both in any regular or special session immediately following  
5 the date of the commission's initial selection of the casino  
6 facility site and public hearing conducted in accordance with  
7 section -19(c).

8 (b) The commission shall submit for introduction to the  
9 legislature a resolution for review of the site to be selected  
10 by the commission. A copy of the resolution shall also be  
11 submitted to the county council of the county of Hawaii when it  
12 is submitted to the legislature."

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

16 "§712- Casino gaming; exempted. This chapter shall not  
17 apply to casino gaming as authorized by chapter ."

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

20 "(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 redevelopment of the Ala Wai boat harbor shall be  
16 exempt from the assessment and any special improvement  
17 district requirements authorized by subsection (a);  
18 [and]
- 19 (5) The construction of any casino facility within the  
20 Banyan Drive gaming establishment development district  
21 pursuant to section -20 shall be exempt from the  
22 assessment and any special improvement district




1           requirements regarding redevelopment 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. Statutory material to be repealed is bracketed  
10       and stricken. New statutory material is underscored.

11           SECTION 5. This Act shall take effect on July 1, 2012.

12

INTRODUCED BY: 



# S.B. NO. 2984

**Report Title:**

Stand-Alone Casino Gaming; Banyan Drive

**Description:**

Establishes the Banyan Drive gaming establishment development district and grants a renewable 20-year license for one stand-alone casino within the district. Allocates casino net profits between the licensee and a nonprofit organization. Imposes 15% wagering tax on gross receipts.

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

