

JAN 24 2013

A BILL FOR AN ACT

RELATING TO HORSE RACING.

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

1 SECTION 1. Although it has been a number of years since
2 Hawaii's sugar plantations shut down, and the State has sought
3 new ways to expand its economic base to ensure increasing
4 revenues, the State must continue its efforts, particularly in
5 the development of industries that do not heavily impact the
6 environment.

7 One industry that has demonstrated its economic and social
8 worth to communities in the United States is horse racing.
9 Racetrack activities will involve betting, which is classified
10 as parimutuel, as opposed to casino gambling. With betting,
11 approximately eighty per cent is paid out to the players (which
12 is the reason for the established odds) while ten per cent is
13 paid to the State in taxes and the remaining ten per cent is
14 applied to track expenses. The favorable feature of this
15 activity is that the bettors who number in the thousands, will
16 have money in their pockets to spend, which will boost the
17 State's economy. Casino gambling, on the other hand, pays



1 eighty per cent to the house with ten per cent paid to the
2 players.

3 Parimutuel horse racing is a popular and widespread form of
4 legalized wagering in the United States and has been approved in
5 forty-four states. Parimutuel horse racing and facilities are
6 operated by private groups under strict federal and state
7 government regulation and law enforcement. The industry is also
8 regulated by the Thoroughbred Racing Association, the
9 Thoroughbred Racing Protective Bureau, the United States
10 Trotting Association, and the Association of Racing
11 Commissioners International.

12 In this State, horse racing began at least by the early
13 twentieth century when the Big Island's Parker Ranch imported
14 top racing lines of horses from the United States mainland and
15 England to develop thoroughbreds in Hawaii. Prior to World War
16 II, horse racing provided opportunities for recreation and
17 employment for many people on the Big Island. On Oahu, horse
18 racing officially began in 1939 when the Oahu Jockey Club was
19 incorporated and the Kailua racetrack was constructed.
20 According to newspaper accounts, modern horse racing on Oahu
21 flourished until 1952. Attempts to conduct horse racing at



1 Kapiolani park failed in 1949, and a bill to permit horse racing
2 on Maui failed to pass the house of representatives in 1959.

3 The legislature believes that the development of a
4 parimutuel horse racing industry in Hawaii would benefit the
5 environment, since horse racing allows for as much as five
6 hundred acres to be retained for an environmentally friendly
7 use. Horse racing would also provide economic development
8 opportunities, including the expansion of horse breeding, feed,
9 and other related agricultural industries, as well as increased
10 sources of revenue from newly generated business, hotel,
11 restaurant, and airline activities. In addition to an increased
12 need for veterinarians, new jobs, such as stablehands, jockeys,
13 track maintenance and food service personnel, and computer and
14 telecommunications operators, would have a multiplier effect on
15 creating more new jobs in other support and travel industries.

16 A parimutuel horse racing industry in Hawaii would also
17 provide many educational opportunities, especially in the areas
18 of travel industry and business management, veterinary medicine,
19 television broadcasting, and other media and information
20 processing technologies. A horse racing facility could even be
21 included in the planning and development of an international
22 sports complex in Hawaii.



1 Moreover, a horse racing industry may bolster the State's
2 tourism industry. The State is currently losing revenues as
3 many residents travel to other states to observe and wager on
4 horse racing and participate in other casino gaming activities.

5 Finally, the legislature believes that state regulation and
6 control of horse racing will prevent and deter unlawful
7 bookmaking and gambling activities.

8 The purpose of this Act is to establish horse racing and
9 parimutuel wagering on horse racing in Hawaii, subject to strict
10 regulations that will:

- 11 (1) Ensure the protection of the health, peace, safety,
12 and general welfare of the people of this State;
- 13 (2) Prevent and deter unlawful bookmaking and betting on
14 horse races;
- 15 (3) Generate and maintain stable public revenues for the
16 State's general fund and the counties;
- 17 (4) Promote the commercial and economic benefits from a
18 horse racing industry, including benefits to the
19 tourism industry;
- 20 (5) Perpetuate the recreational and entertainment value
21 and the longstanding appreciation of Hawaii's people



1 for horses and horse racing, historically recognized
2 as a sport in Hawaii;

3 (6) Encourage agriculture and the breeding of horses in
4 Hawaii;

5 (7) Encourage the expansion of horse racing opportunities
6 in the public interest; and

7 (8) Provide for uniform regulation for each type of horse
8 racing.

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

12 "CHAPTER

13 PARIMUTUEL WAGERING AND HORSE RACING

14 § -1 Definitions. As used in this chapter, unless the
15 context otherwise requires:

16 "Association" means any person engaged in the conduct of a
17 recognized horse racing meeting.

18 "Board" means the Hawaii horse racing board.

19 "Breakage" means the odd cents by which the amount payable
20 on each dollar wagered exceeds a multiple of 10 cents.



1 "Licensee" means a person, corporation, partnership,
2 association, or other body holding a valid license issued under
3 this chapter.

4 "Parimutuel horse racing facility" means any facility where
5 horse races are viewed live or by way of telecast, and
6 parimutuel wagers are made on the outcomes of those horse races.

7 "Parimutuel wagering" means any system whereby wagers with
8 respect to the outcome of a horse race are placed with, or in, a
9 wagering pool conducted by a person licensed or otherwise
10 permitted to do so under the law of this State, and in which the
11 participants are wagering with each other and not against the
12 operator, such that all sums wagered on competitors in a horse
13 race are pooled and holders of winning tickets share the total
14 amount bet, minus a percentage for the licensee and the State as
15 set forth in this chapter.

16 "Race" means any horse race conducted live in this State or
17 telecast from a state other than Hawaii, or a foreign country
18 where parimutuel horse racing is legal.

19 § -2 **Hawaii horse racing board; establishment.** (a)

20 There is established the Hawaii horse racing board, which shall
21 be placed within the department of commerce and consumer affairs
22 for administrative purposes.



1 (b) The board shall consist of three members, who shall
2 not be public officers or employees. The members shall be from
3 the general public and selected on the basis of their knowledge,
4 interest, and proven expertise in relevant fields, which shall
5 include but are not limited to the following: both equitation
6 and operations of the horse racing industry, accounting,
7 agriculture, commerce and trade, computer science, corporate
8 management, economics, finance, law, law enforcement, marketing,
9 and the parimutuel industry.

10 (c) The members of the board shall be appointed as
11 follows:

12 (1) One member shall be appointed by the governor for a
13 term of three years;

14 (2) One member shall be appointed by the governor from a
15 list of nominees submitted by the president of the
16 senate. The initial appointee shall be appointed from
17 a list of two nominees submitted by the president of
18 the senate; provided that the list of nominees for
19 subsequent appointments shall be subject to subsection

20 (d). The member appointed from a list of nominees
21 submitted by the president of the senate shall serve
22 for a term of three years; and



1 (3) One member, by and with the advice and consent of the
2 senate, shall be appointed by the governor from a list
3 of nominees submitted by the speaker of the house of
4 representatives. The initial appointee shall be
5 appointed from a list of two nominations submitted by
6 the speaker of the house of representatives; provided
7 that the list of nominees for subsequent appointments
8 shall be subject to subsection (d). The member
9 appointed from a list of nominees submitted by the
10 speaker of the house of representatives shall serve
11 for a term of three years.

12 (d) Whenever a member appointed from a list of nominees
13 submitted by the president of the senate or the speaker of the
14 house of representatives vacates the member's seat on the board
15 prior to the expiration of the member's term, the governor shall
16 fill the vacancy for the unexpired term by appointment from a
17 list of two nominees submitted by the nominating authority in
18 subsection (c)(2) or (c)(3), as the case may be. Whenever the
19 term of a member appointed from a list of nominees submitted by
20 the president of the senate or the speaker of the house of
21 representatives expires, the governor shall appoint a member
22 from a list of two nominees submitted by that nominating



1 authority, as the case may be; provided that the nominating
2 authority may nominate and the governor may reappoint a member
3 to another term so long as the reappointment is not contrary to
4 subsection (f).

5 (e) An appointment required to be made from a list of
6 nominees submitted by the president of the senate or the speaker
7 of the house of representatives shall be made by the governor
8 within ten days of receipt of the list of nominees. The
9 governor shall appoint the members of the board prior to July 1,
10 2014, to staggered terms pursuant to section 26-34.

11 (f) Each term of a member of the board shall commence on
12 July 1, and expire on June 30. No person shall be appointed
13 consecutively to more than two terms as a member of the board.
14 No person shall serve as a member of the board for more than six
15 consecutive years.

16 (g) Any member of the board whose term has expired and who
17 is not disqualified from membership under subsection (f) may
18 continue in office as a holdover member until a successor is
19 appointed; provided that a holdover member shall not hold office
20 beyond the end of the second regular session of the legislature
21 following the expiration of the member's term of office.



1 (h) The governor may remove or suspend for cause any
2 member of the board after due notice and public hearing.

3 (i) Members shall serve part time and shall be compensated
4 \$ for each day in the performance of official duties;
5 provided that the compensation of a member shall not exceed
6 \$ in any one year. Members shall also be reimbursed for
7 expenses, including travel expenses, incurred in the performance
8 of official duties.

9 (j) Officers of the board, including the chairperson,
10 shall be selected by the members.

11 § -3 Powers and duties of the board. (a) The board
12 shall exercise all powers assigned to it under this chapter
13 necessary to effectuate the purposes of this chapter.

14 (b) The board shall also have the power to:

15 (1) Maintain an office;

16 (2) Keep detailed records of all meetings and of all
17 business transacted, including but not limited to
18 collections and disbursements;

19 (3) Adopt rules pursuant to chapter 91 that will establish
20 the selection process for the licensee to conduct
21 parimutuel wagering at parimutuel horse racing
22 facilities in the State;



- 1 (4) Select the licensee to conduct the parimutuel wagering
2 at parimutuel horse racing facilities in the State;
3 and
- 4 (5) Employ staff and other employees as necessary for the
5 performance of the board's duties, including but not
6 limited to an executive secretary, auditors,
7 inspectors, and security personnel to ensure the
8 integrity of parimutuel horse racing as conducted by
9 the licensee in the State. The duties and
10 compensation of the employees of the board shall be
11 determined by the board, and their compensation shall
12 be paid from the administrative fund of the board
13 established in section -7. The board may combine
14 in a single person the duties of one or more employees
15 or officials, as efficiency and economy require. The
16 employees appointed by the board under this paragraph
17 shall not be subject to chapter 76, but shall be
18 members of the employees' retirement system of the
19 State and shall be eligible to receive the benefits of
20 any state or federal employee benefit program
21 generally applicable to officers and employees of the



1 State. Employees may be dismissed by the board at its
2 pleasure.

3 (c) The board shall submit an annual report to the
4 governor and the legislature, which shall include a complete
5 accounting of all income and disbursements.

6 § -4 **Oath by board members.** Before commencing the
7 duties of the office, each member of the board shall take an
8 oath that the member will faithfully execute the duties of the
9 member's office according to the laws of the State.

10 § -5 **Bond required.** Before commencing the duties of the
11 office, each member of the board shall procure a surety bond.
12 The bond shall be approved by the governor and the attorney
13 general, payable to the State in the sum of \$100,000, and
14 conditioned upon the faithful performance of the member's duties
15 and the correct accounting and payment of all sums within the
16 member's control under this chapter. Each bond, upon execution
17 and approval, shall be filed with the attorney general. When,
18 in the governor's opinion, the bond of any member of the board
19 has become or is likely to become invalid or insufficient, the
20 governor shall require that member to renew the bond. The
21 renewed bond shall be approved by the governor in the sum
22 prescribed in this section. The cost of any bond given by any



1 member of the board under this section shall be part of the
2 necessary expenses of the board.

3 § -6 **Meetings and quorum requirements.** (a) The powers
4 of the board are vested in the members thereof. All actions
5 taken, and motions and resolutions adopted by the board at any
6 meeting of the board shall require an affirmative vote of at
7 least two members.

8 (b) Two members of the board shall constitute a quorum.
9 If a vacancy occurs, a majority of the members remaining
10 qualified shall constitute a quorum.

11 § -7 **Administrative fund; establishment.** The board
12 shall establish and administer an administrative fund. All
13 revenues received shall be deposited in the administrative fund.
14 Expenditures from the fund shall be used for all necessary
15 expenses and payments permitted or required by this chapter.

16 § -8 **Prohibitions.** (a) No member, employee, or
17 appointee of the board shall:

18 (1) Directly or indirectly, individually or as a member of
19 a partnership, or as a shareholder of a corporation,
20 have any interest in the licensee or any subcontractor
21 to the licensee that conducts, or seeks to conduct,
22 parimutuel wagering in the State; or



1 (2) Directly or indirectly, wager at any parimutuel
2 wagering facility authorized under this chapter.

3 (b) In addition to the proscriptions in subsection (a), no
4 board member shall:

5 (1) Accept any form of employment by a business
6 organization regulated under this chapter for a period
7 of two years following the termination of the member's
8 service on the board;

9 (2) Engage in any oral ex parte communications with any
10 representative, agent, officer, or employee of any
11 business organization regulated under this chapter
12 concerning any matter pending before the board; or

13 (3) Participate actively in the management or conducting
14 of any political campaign, which includes:

15 (A) Holding office in a political party, political
16 organization, or political club;

17 (B) Campaigning for a candidate in a partisan
18 election by making speeches or writing on behalf
19 of a candidate;

20 (C) Soliciting votes in support of or in opposition
21 to a candidate; and



1 (D) Making contributions of time and effort to any
2 political party, political organization,
3 political club, or candidate.

4 § -9 **Subpoena powers.** (a) In administering this
5 chapter, any member of the board, or an agent authorized by the
6 board, may subpoena witnesses, examine witnesses under oath, and
7 require the production of books, papers, documents, electronic
8 and computer records, or any other objects or things that the
9 member or agent deems relevant or material to the inquiry. Upon
10 application by the member or agent, enforcement of the subpoena
11 may be sought in the circuit court of the circuit in which the
12 person subpoenaed resides or is found in the same manner as a
13 subpoena issued by the clerk of a circuit court.

14 (b) The board, upon the request of any person interested
15 in a matter before the board, shall issue subpoenas for the
16 attendance of witnesses or the production of books, records,
17 documents, or things on behalf of the person.

18 (c) The board's subpoenas may be served by any person
19 appointed by the board. The subpoenas shall be served, and
20 witness fees and mileage shall be paid, pursuant to sections
21 607-8 and 607-12.



1 § -10 **Bonding of employees.** The board may require any
2 of its employees to be bonded in an amount that it determines.
3 Upon execution and approval, every bond shall be filed with the
4 attorney general. The cost of the bond shall be part of the
5 necessary expenses of the board.

6 § -11 **Rules; adoption; publication.** All rules of the
7 board shall be adopted in accordance with chapter 91. The board
8 shall publish all rules in convenient pamphlet form at least
9 annually, on or before January 31, of each year. The board
10 shall furnish copies of the pamphlets to each parimutuel horse
11 racing facility, all employees authorized by this chapter, and
12 any other person who requests a copy.

13 § -12 **Parimutuel wagering; wagering facilities; fees.**

14 (a) The State's share of moneys received at parimutuel horse
15 racing facilities shall be deposited into the administrative
16 fund established pursuant to section -7.

17 (b) The chairperson, with the approval of the board, shall
18 supervise all receipts, disbursements, and accounting of the
19 administrative fund, including that portion that shall be
20 transmitted to the state general fund.



1 (c) From the total moneys wagered at each parimutuel horse
2 racing facility, the board shall collect from the licensee and
3 distribute appropriately the following:

4 (1) One-half of one per cent, which shall be transmitted
5 to the county in which the facility is located;

6 (2) One-half of one per cent, which shall be deposited
7 into the administrative fund; and

8 (3) Four per cent, which shall be deposited into the state
9 general fund.

10 (d) The licensee may deduct not more than ten per cent
11 from all moneys wagered at parimutuel horse racing facilities as
12 the licensee's share. The remainder of moneys wagered shall be
13 distributed according to formulas established by the board to
14 holders of winning parimutuel tickets. A licensee shall compute
15 the breakage in the parimutuel horse racing system at the
16 nearest 10 cents to be distributed as follows:

17 (1) Fifty per cent shall be retained by the licensee; and

18 (2) Fifty per cent shall be transmitted to the board for
19 deposit into the state general fund,

20 subject to the rules adopted by the board.

21 (e) The board may adopt higher takeout formulas for bets
22 commonly known as "exotics".



1 (f) A licensee who conducts parimutuel horse racing shall
2 maintain for each race an unclaimed winnings account which shall
3 show the total amount due on outstanding winning parimutuel
4 horse racing tickets not presented for payment. A statement of
5 the balance of the unclaimed winning account shall be furnished
6 to the board within twenty-four hours after any change in the
7 account balance.

8 (g) Any person claiming to be entitled to any winnings of
9 a parimutuel wager who fails to claim the money due at the
10 completion of the race for which the parimutuel horse racing
11 ticket was purchased, may file a claim with the licensee within
12 ninety calendar days after the day of the race, in a form
13 prescribed by the board, accompanied by the valid winning
14 ticket. If the claimant establishes a right to the winnings of
15 the parimutuel wager, the licensee shall pay the winnings to the
16 claimant. At the expiration of the ninety-day period, the
17 holder of a winning ticket shall possess no right to any portion
18 of the wager. Any unclaimed winnings remaining after the
19 expiration of the ninety-day period shall be transmitted to the
20 board for deposit into the state general fund.



1 (h) The licensee shall not make any payment to anyone
2 claiming the winnings of a parimutuel wager, except upon the
3 presentation of a valid, clearly identifiable winning ticket.

4 (i) The licensee shall operate one pool for all parimutuel
5 wagering facilities statewide.

6 (j) Notwithstanding sections -13, -14, and -15,
7 no parimutuel wagering shall be allowed in the State until a
8 horse racing facility has actually been constructed and has
9 become operational in the State.

10 (k) No parimutuel wagering or horse racing shall be
11 allowed in any county whose population exceeds one hundred fifty
12 thousand.

13 § -13 Interstate wagering; common pools. (a) Subject
14 to section -12(j) and applicable federal laws, including but
15 not limited to the Interstate Horseracing Act of 1978 (15 U.S.C.
16 §3001, et seq.), as amended, the board may permit a licensee to
17 participate in interstate common pools, including common pools
18 which may include international jurisdictions. All provisions
19 of law governing parimutuel betting under this chapter shall
20 apply to parimutuel betting in interstate common pools except as
21 otherwise provided in this section or in the board's rules.



1 (b) Participation in a common pool solely as a sending
2 track or as a receiving track shall not cause that track to be
3 deemed to be doing business in this State, or in the other
4 state, for any purpose.

5 § -14 Where licensee is receiving the race from a
6 sending racetrack in another state. (a) Subject to section
7 -12(j) and with the prior approval of the board, a licensee
8 who is permitted to accept wagers in this State on horse races
9 conducted at racetracks located outside this State may combine
10 parimutuel pools in this State with comparable pools at the
11 sending racetrack. Notwithstanding any other provision of this
12 chapter and subject to the approval of the board, the types of
13 wagering, takeout, distribution of winnings, and rules of racing
14 in effect for parimutuel pools at the sending racetrack shall
15 govern wagers placed in this State and merged into the
16 interstate common pool. Breakage for interstate common pools
17 shall be calculated in accordance with the law or rules
18 governing the sending racetrack, and shall be distributed
19 between participating jurisdictions in a manner agreed to
20 between the licensee and the sending racetrack.

21 (b) With the prior approval of the board and concurrence
22 of the sending racetrack, an interstate common pool may be



1 formed among the licensee and other receiving persons or
2 entities in any state other than the state in which the sending
3 racetrack is located. For this interstate common pool, the
4 board may approve the types of wagering, takeout, distribution
5 of winnings, rules of racing, and calculation of breakage which
6 are different than those that would otherwise be applied in this
7 State but are consistent for all parties to the interstate
8 common pool.

9 (c) The licensee may deduct from wagers placed in any
10 interstate common pool any fee to the person or entity
11 conducting the race for the privilege of conducting parimutuel
12 wagering on the race, payment of costs incurred in transmitting
13 the broadcast of the race, and participation in the interstate
14 common pool.

15 (d) Provisions of law or contract, if any, governing the
16 distribution of shares of the takeout, from wagers placed in
17 this State in separate parimutuel pools on races run in another
18 state, either to this State as parimutuel taxes or respectively
19 to breeder awards and to purses in this State, shall remain in
20 effect for wagers placed in interstate common pools; provided
21 that:



1 (1) If the board shall have approved an adjustment in the
2 takeout rate, the distribution of the takeout within
3 this State shall be adjusted proportionately to
4 reflect the adjustment in the takeout rate; and

5 (2) With the concurrence of the licensee and the
6 organization representing a majority of the breeders,
7 the respective share to breeder awards or to purses
8 may be modified.

9 § -15 Where licensee's racetrack is the sending
10 racetrack. (a) Subject to section -12(j) and with the prior
11 approval of the board, a licensee may permit one or more of its
12 races to be utilized for parimutuel wagering at one or more
13 locations in other states, may transmit audiovisual signals of
14 races the licensee conducts to one or more locations outside the
15 State, and may also permit parimutuel pools in other states to
16 be combined with its comparable wagering pools or with wagering
17 pools established by other states. The board may amend its
18 rules and adopt separate rules governing interstate common
19 pools, and adopt rules to provide for interstate common pools
20 governing the calculation of breakage.



1 (b) Parimutuel taxes shall not be imposed upon any amounts
2 wagered in an interstate common pool other than upon amounts
3 wagered within this State.

4 (c) Provisions of law or contract, if any, governing the
5 distribution of shares of the takeout, from wagers placed in
6 other states in separate parimutuel pools on races run in this
7 State, respectively to breeder awards and to purses in this
8 State, shall remain in effect for wagers placed in interstate
9 common pools; provided that with the concurrence of the licensee
10 and the organization representing a majority of the breeders,
11 the respective share of breeder awards or purses may be
12 modified.

13 § -16 Application for license; fee. (a) Applications
14 for a license to conduct parimutuel horse racing at a parimutuel
15 horse racing facility shall be filed with the board. The
16 application shall set forth any information as requested by the
17 board in its rules.

18 (b) The application for the license shall be accompanied
19 by a license fee in the form of a certified check on a bank
20 maintaining an office and licensed to do business in Hawaii in
21 an amount equal to \$500. The license fee shall be deposited
22 into the administrative fund established in section -7.



1 § -17 **Eligibility for license; selection of licensee.**

2 (a) Pursuant to section -3, the board shall select a
3 qualified individual and award that individual a license to
4 conduct parimutuel wagering at parimutuel horse racing
5 facilities throughout the State. The selection of a licensee
6 shall be made pursuant to the rules established by the board;
7 provided that the rules promote the integrity and quality of the
8 activity, the convenience of the public, and efficiency of
9 operation; provided further that:

- 10 (1) Not more than one license shall be awarded per two
11 million persons in the population of this State;
- 12 (2) The licensee shall have not less than twenty-five
13 years experience in the parimutuel horse racing
14 industry;
- 15 (3) The licensee shall hold or have held not less than six
16 different parimutuel horse racing industry licenses,
17 with at least three licenses in the area of equitation
18 and at least three licenses in the area of operations,
19 issued by an existing state horse racing board and
20 validated by the Federal Gaming Commission; and
- 21 (4) The licensee shall be legally domiciled in this State
22 for not less than five years.



1 (b) No parimutuel wagering shall be allowed and no
2 parimutuel horse racing facility shall be established in any
3 county for the purpose of receiving moneys on the results of
4 races unless authorized by ordinance of that county.

5 § -18 **Grounds for refusal to grant license.** The board
6 may refuse to grant a license to any applicant if the applicant:

- 7 (1) Is a partnership, corporation, firm, or association
8 that is not duly authorized to conduct business within
9 the State;
- 10 (2) Is an individual who has been convicted of a crime
11 involving moral turpitude, or, if a partnership,
12 corporation, firm, or association, is in whole or in
13 part controlled or operated, directly or indirectly,
14 by a person who has been convicted of a crime
15 involving moral turpitude;
- 16 (3) Has violated any of the provisions of this chapter or
17 any rule of the board or any law or rule relating to
18 gambling or parimutuel wagering in any other
19 jurisdiction;
- 20 (4) In the belief of the board, should not, in the best
21 interest of the safety, welfare, health, peace, and



1 morals of the people of this State, be granted a
2 license; or

3 (5) Has made a false statement of a material fact to the
4 board.

5 § -19 **Termination of engagement.** The licensee shall not
6 terminate or discontinue the engagement, employment, or
7 activities in preparation for, or in connection with, the
8 establishment of parimutuel horse racing, or otherwise refuse to
9 cooperate or participate, unless the board is given notice in
10 writing at least thirty days prior to the termination or
11 discontinuance. The board, upon notification of all interested
12 parties, may conduct hearings with respect to the termination or
13 discontinuance.

14 § -20 **Transfer of license.** No license issued under this
15 chapter shall be transferred without prior consent of the board.

16 § -21 **Subcontracting for services.** The licensee may
17 subcontract all or part of the services for which licensed;
18 provided that all subcontracts shall be subject to board
19 approval.

20 § -22 **Revocation of license.** (a) The board may revoke
21 the license upon any of the grounds upon which the board could
22 refuse to issue the license under section -18, or if the



1 licensee fails to pay to the board all sums required under this
2 chapter.

3 (b) A license shall be revoked only after reasonable
4 notice and opportunity for hearing pursuant to chapter 91.

5 (c) Revocation of the license shall constitute a
6 forfeiture of all rights and privileges granted by the board.

7 § -23 **Liability insurance.** The licensee shall carry
8 public liability insurance written on an approved form by a
9 company licensed to do business in this State.

10 § -24 **Surety bond.** The licensee shall provide and
11 deliver to the board a bond signed by a surety company
12 authorized to do business in this State in such form as the
13 board requires. The bond shall be in the amount required by the
14 board, but shall not be less than \$250,000. The bond shall
15 require the licensee to:

- 16 (1) Pay to the State all moneys due under this chapter;
17 (2) Pay and discharge all obligations to the employees,
18 subcontractors, and other persons furnishing services,
19 labor, and materials in connection with the
20 construction, operation, maintenance, and repair of
21 the parimutuel horse racing system;



1 (3) Conduct the parimutuel horse racing in strict
 2 accordance with this chapter and the rules of the
 3 board; and

4 (4) Comply with all laws of the State.

5 The attorney general shall prosecute all actions relating to the
 6 bond on behalf of the State."

7 SECTION 3. Chapter 712, Hawaii Revised Statutes, is
 8 amended by adding a new section to part III to be appropriately
 9 designated and to read as follows:

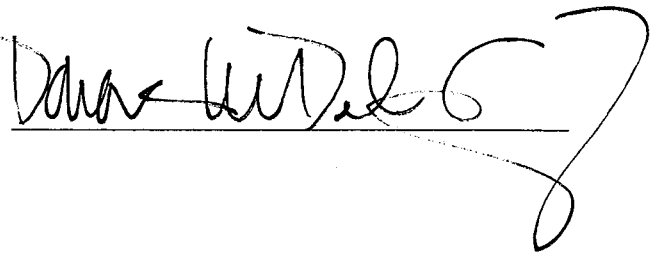
10 "§712- Parimutuel wagering exemption. Parimutuel
 11 wagering conducted in conformance with chapter does not
 12 constitute an offense under this part."

13 SECTION 4. This Act does not affect rights and duties that
 14 matured, penalties that were incurred, and proceedings that were
 15 begun, before its effective date.

16 SECTION 5. New statutory material is underscored.

17 SECTION 6. This Act shall take effect upon its approval.

18

INTRODUCED BY: 



Report Title:

PariMutuel Horse Racing

Description:

Establishes parimutuel horse racing in Hawaii. Establishes regulatory board in DCCA. Requires bonding of board members and certain employees. Establishes licensed wagering facilities. Requires board to adopt and publish rules at least annually in pamphlet form. Exempts parimutuel horse racing from gambling laws. Limits wagering and racing to counties with populations under 150,000. Prohibits wagering and racing unless county approves. Prohibits parimutuel wagering until horse racing facility is actually constructed and in operation.

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

