
A BILL FOR AN ACT

RELATING TO AMUSEMENT CONCESSIONS.

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

1 SECTION 1. Chapter 261, Hawaii Revised Statutes, is
2 amended by adding a new part to read as follows:

3 **"PART . AMUSEMENT CONCESSIONS**

4 **§261- Definitions.** As used in this part:

5 "Amusement concession" means an establishment where a
6 customer is authorized to play or operate any slot machine
7 permitted under this part.

8 "Customer" means a person who:

- 9 (1) Is at least twenty-one years of age;
- 10 (2) Possesses proof of carriage on an airline flight
11 scheduled to leave the United States within twelve
12 hours; and
- 13 (3) Plays or operates any slot machine.

14 "Net revenue" means gross wagers less the following:

- 15 (1) All taxes levied against the amusement concession;



1 (2) All winnings, including amounts paid in cash or in
2 wagering vouchers by the amusement concession as
3 winnings to customers;

4 (3) Gross wages, salaries, and fringe benefits paid by the
5 amusement concession to employees; and

6 (4) Airport fees and rent paid by the amusement
7 concession.

8 "Slot machine" means any mechanical, electrical, or other
9 device, contrivance, or machine that, upon insertion of a coin,
10 token, or similar object, or upon payment of any consideration,
11 is available to play or operate, the play or operation of which,
12 whether by reason of the skill of the operator in playing a game
13 which is presented for play by the machine or application of the
14 element of chance, or both, may deliver or entitle the person
15 playing or operating the machine to receive cash, premiums,
16 merchandise, tokens, or anything of value, whether the payoff is
17 made automatically from the machine or in any other manner.

18 **§261- Airport amusement concessions authorized; license**
19 **required.** (a) Amusement concessions shall be authorized in
20 airports, subject to this part.



1 (b) No airport establishment shall allow an amusement
2 concession unless the establishment holds an amusement
3 concession license issued by the department.

4 (c) The department may establish a fee for amusement
5 concession licenses issued under this part.

6 (d) This part shall not be construed to legalize internet
7 gambling, electronic bingo games, or other forms of gambling
8 under part III of chapter 712 other than play or operation of
9 slot machines within airports.

10 (e) Chapter 102 shall apply to amusement concessions.

11 (f) The department shall adopt rules pursuant to chapter
12 91 to effectuate the purposes of this part.

13 **§261- Location.** (a) Placement of amusement concessions
14 shall be limited to the secured areas of passenger terminals
15 within state airports.

16 (b) The department may provide premises within the airport
17 to any amusement concession for administration, storage, slot
18 machine repair, and other business purposes.

19 (c) No slot machine, whether in operation or under repair,
20 shall be visible from any public thoroughfare.



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1 **§261- Advertising prohibited.** It shall be unlawful to
2 publish, broadcast, or otherwise disseminate within this State,
3 advertising for or on behalf of any amusement concession.

4 **§261- Taxation.** (a) Amusement concessions and
5 customers shall be subject to taxation on all income realized
6 from any amusement concession device, including taxes
7 established pursuant to chapter 235.

8 (b) An amusement concession shall withhold payment of a
9 portion of a customer's winnings, as determined by the
10 department, equal to the expected taxes owed by the customer.

11 **§261- Allocation of proceeds.** (a) Each fiscal year,
12 each amusement concession shall pay to the State eighty-six per
13 cent of the net revenues or the minimum annual guarantee
14 established by the department, whichever is greater.

15 (b) All amounts paid to the State pursuant to this part
16 shall be deposited into the airport revenue fund established
17 pursuant to section 248-8.

18 **§261- Records; inspection; audit.** An amusement
19 concession shall keep records of all operations for purposes of
20 enforcement and taxation. The records shall be deemed open to
21 inspection and without notice by the state attorney general,



1 county prosecutor, department of taxation, and appropriate
2 county licensing authority during regular business hours. An
3 annual audit of each amusement concession shall be conducted at
4 the department's expense. Each annual audit shall be submitted
5 to the legislature no later than twenty days prior to the
6 convening of each regular session.

7 **§261- Indemnification.** All amusement concessions shall
8 indemnify and hold harmless the State of Hawaii, its officers,
9 agents, and employees from and against any and all claims
10 arising out of or resulting from the operation or playing of any
11 slot machine at an amusement concession, including any claims
12 arising or resulting from the payout of any winnings. All
13 amusement concessions shall procure sufficient insurance to
14 provide this indemnification if requested to do so by the
15 department.

16 **§261- Penalty.** A person commits the offense of
17 gambling if the person knowingly operates or plays a slot
18 machine at an airport concession in violation of this chapter.
19 The penalty for the offense of gambling shall be the same as in
20 section 712-1223; provided that this section shall not apply to



1 any amusement concession or government employees acting in
2 furtherance of their duties."

3 SECTION 2. Chapter 261, Hawaii Revised Statutes, is
4 amended as follows:

5 1. By numbering the following part to read:

6 "PART I. [{}GENERAL PROVISIONS[{}]".

7 2. By numbering the following part to read:

8 "PART II. AIRPORTS".

9 3. By numbering the following part to read:

10 "PART III. AIRPORT RELOCATION".

11 4. By numbering the following part to read:

12 "PART IV. SPECIAL FACILITIES PROJECTS".

13 5. By numbering the following part to read:

14 "PART V. [{}ABANDONED AIRCRAFT[{}]".

15 6. By numbering the following part to read:

16 "PART VI. [{}TRESPASS TO AIRCRAFT[{}]".

17 SECTION 3. Section 261-7, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) In operating an airport or air navigation facility
20 owned or controlled by the department of transportation, or in
21 which it has a right or interest, the department may enter into



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1 contracts, leases, licenses, and other arrangements with any
2 person:

3 (1) Granting the privilege of using or improving the
4 airport or air navigation facility or any portion or
5 facility thereof or space therein for commercial
6 purposes;

7 (2) Conferring the privilege of supplying goods,
8 commodities, things, services, or facilities at the
9 airport, or air navigation facility;

10 (3) Making available services, facilities, goods,
11 commodities, or other things to be furnished by the
12 department or its agents at the airport or air
13 navigation facility; [~~or~~]

14 (4) Granting the use and occupancy of any portion of the
15 land under its jurisdiction that may not be required
16 by the department for aeronautics purposes so that it
17 may instead put the area to economic use and thereby
18 derive revenue therefrom[~~or~~]; or

19 (5) Conferring the privilege of operating amusement
20 concessions pursuant to sections 261- to 261- .



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1 The term "airport purpose" or "airport purposes" contained
2 in any governor's executive order transferring jurisdiction and
3 control of real property to the department of transportation
4 shall be considered to include entering into contracts, leases,
5 licenses, and other arrangements pursuant to this section.

6 (b) Except as otherwise provided in this section, in each
7 case mentioned in subsection [~~(a)(1), (2), (3), and (4),~~] (a),
8 the department may establish the terms and conditions of the
9 contract, lease, license, or other arrangement, and may fix the
10 charges, rentals, or fees for the privileges, services, or
11 things granted, conferred, or made available, for the purpose of
12 meeting the expenditures of the statewide system of airports set
13 forth in section 261-5(a), which includes expenditures for
14 capital improvement projects approved by the legislature. Such
15 charges shall be reasonable and uniform for the same class of
16 privilege, service, or thing."

17 SECTION 4. Section 712-1220, Hawaii Revised Statutes, is
18 amended by amending the definition of "gambling" to read as
19 follows:

20 "(4) "Gambling". A person engages in gambling if [~~he~~] the
21 person stakes or risks something of value upon the outcome of a



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1 contest of chance or a future contingent event not under [~~his~~]
 2 the person's control or influence, upon an agreement or
 3 understanding that [~~he~~] the person or someone else will receive
 4 something of value in the event of a certain outcome. Gambling
 5 does not include [~~bona~~]:

6 (a) Bona fide business transactions valid under the law of
 7 contracts, including but not limited to contracts for
 8 the purchase or sale at a future date of securities or
 9 commodities, and agreements to compensate for loss
 10 caused by the happening of chance, including but not
 11 limited to contracts of indemnity or guaranty and
 12 life, health, or accident insurance[~~-~~]; or

13 (b) Amusement concessions authorized under part of
 14 chapter 261."

15 SECTION 5. Statutory material to be repealed is bracketed
 16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2015.

18 INTRODUCED BY: Cindy Evans

JAN 21 2015



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Report Title:

Amusement Concessions; Airport; Gambling: Slot Machines

Description:

Authorizes the implementation of amusement concessions to provide slot machines at state airports for departing passengers. Revenues to be deposited into the airport revenue fund.

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