

STAND. COM. REP. NO. 1520-24

Honolulu, Hawaii

MAR 28 , 2024

RE: H.C.R. No. 70

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.C.R. No. 70 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO CONVENE A SPORTS WAGERING WORKING GROUP TO CONDUCT A COMPREHENSIVE ANALYSIS OF THE POTENTIAL LEGALIZATION AND REGULATION OF ONLINE SPORTS WAGERING IN HAWAII,"

begs leave to report as follows:

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to convene a Sports Wagering Working Group to conduct a comprehensive analysis of the potential legalization and regulation of online sports wagering in Hawaii.

Your Committee received testimony in support of this measure from the Sports Betting Alliance and DraftKings. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that a robust illegal sports betting market thrives in the absence of a legal, regulated framework. Your Committee further finds that the American Gaming Association estimates that Americans wager over \$63,000,000,000 each year in the illegal market with no oversight, consumer protections, or tax revenue generated. Your Committee also finds that sports wagering

2024-2636 HCR70 HSCR HMSO

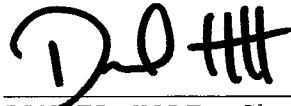


is offered safely and responsibly by reputable operators in jurisdictions where sports wagering is legal, and these operators implement robust measures with regard to identity verification, consumer protection, responsible gaming, and game integrity that are not present in the illegal market. Your Committee recognizes that the legalization of sports wagering presents an opportunity to generate significant revenue for Hawaii and believes that a comprehensive analysis of the potential legalization and regulation of online sports wagering in the State is warranted.

Your Committee notes that the Department of Business, Economic Development, and Tourism states in its testimony that for the project to be completed at the scope and timeline as requested in this measure, the Department would need \$200,000 in state funds to hire a research company to conduct the analysis. Alternatively and preferably, the Department currently has vacancies for economist positions and, if the deadline to submit the report to the Legislature is extended to twenty days prior to the Regular Session of 2026, the Department could fill the economist positions over the next few months and conduct the analysis in house.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 70 and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



DANIEL HOLT, Chair



Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HCR 70	Committee Referral: ECD, FIN	Date: 3/22/2024		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)	✓			
2. LAMOSAO, Rachele F. (VC)	✓			
3. HUSSEY-BURDICK, Natalia				✓
4. KONG, Sam Satoru	✓			
5. LA CHICA, Trish	✓			
6. NAKAMURA, Nadine K.	✓			
7. QUINLAN, Sean				✓
8. PIERICK, Elijah			✓	
TOTAL (8)	5	0	1	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u>De H</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				