

Honolulu, Hawaii

FEB 08 , 2024

RE: H.B. No. 2762
H.D. 1

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.B. No. 2762 entitled:

"A BILL FOR AN ACT RELATING TO GAMING,"

begs leave to report as follows:

The purpose of this measure is to authorize limited casino
gaming in the State by:

- (1) Granting a forty-year gaming license for a single
integrated resort property on lands under the control of
the Office of Hawaiian Affairs designated for commercial
use on the island of Oahu, excluding lands west of Ko
Olina;
- (2) Establishing the Hawaii Gaming Commission within the
Office of Hawaiian Affairs for administrative purposes;
- (3) Imposing a wagering tax on gross gaming revenue;
- (4) Creating the State Gaming Fund and Casino Gaming Special
Fund; and
- (5) Appropriating funds for the operations of the Hawaii
Gaming Commission.



Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Honolulu Police Department; Kapalama Neighborhood Security Walk; and CARES. Your Committee received comments on this measure from the Office of Hawaiian Affairs; Office of Information Practices; and Tax Foundation of Hawaii.

Your Committee finds that the downstream economic and social benefits of integrated resort development have been demonstrated globally in diverse locations such as Macau, Singapore, the Bahamas, and many states in the United States. Your Committee further finds that gaming dollars have appreciably improved the basic health and education on reservations. The revenue generated by native gaming directly funds social and health services critical for tribal members and citizens and have offered employment opportunities that can benefit native and non-native people alike.

Your Committee additionally finds that Hawaii would realize similar economic and social benefits through operation and licensing of a single integrated resort that includes limited casino gaming on lands under the control of the Office of Hawaiian Affairs. Your Committee believes that limited authorization of casino gaming would help the Office of Hawaiian Affairs in its mission to better the conditions of Native Hawaiians by ensuring that the Office is the primary beneficiary of the gaming operation through a lease agreement with the licensee and through direct collection of state tax payments on gross gaming revenue.

Your Committee notes that the Office of Hawaiian Affairs and Native Hawaiians are entitled to twenty percent of public land trust revenues but are not currently receiving most of those revenues. Your Committee intends for this measure to serve as a funding mechanism to provide the Office of Hawaiian Affairs and Native Hawaiians with their fair share of funding. This measure provides that the collection of a portion of gross gaming revenue from an integrated resort will be deposited into the Casino Gaming Special Fund and used for the purposes of the Office of Hawaiian Affairs, including for the betterment of Native Hawaiians.

Your Committee has amended this measure by:



- (1) Deleting language that would have exempted the construction of any integrated resort or gaming facility under the control of the Office of Hawaiian Affairs designated for commercial use from the special assessment and any special improvement district requirements regarding redevelopment;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2762, H.D. 1, and be referred to your Committees on Consumer Protection & Commerce and Judiciary & Hawaiian Affairs.

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



DANIEL HOLT, Chair



