

JAN 19 2024

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# A BILL FOR AN ACT

RELATING TO ONLINE FANTASY SPORTS.

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

1           SECTION 1. The legislature finds that the determination  
2 that online fantasy sports contests constitute gambling under  
3 Hawaii law is not established in statute, administrative rule,  
4 or a court opinion, but the opinion from a previous attorney  
5 general. Online fantasy sports contests, unlike gambling  
6 activities, are predominantly a game of skill and not of chance.  
7 The notion that online fantasy sports contests are a game of  
8 chance has existed since the early days of online fantasy sports  
9 contests, but given overwhelming research to the contrary, this  
10 theory has been rejected by many states.

11           The legislature further finds that studies have shown that  
12 the premise of daily fantasy sports is akin to solitaire and  
13 other entertainment recognized as games of skill in the State.  
14 For example, a leading study by the Massachusetts Institute of  
15 Technology in 2018 looked at the seasonal win and loss record of  
16 skilled and unskilled players in a dataset. When all  
17 performances were plotted on the same graph, the graph skewed



1 linear, which indicated a game of skill. The study subsequently  
2 found that if online fantasy sports contests were a game of  
3 chance, the graph would present circular with around a fifty per  
4 cent win fraction. In a separate study, the research team split  
5 the population into two groups; one of players who had played a  
6 significant number of games, and one of players who had played  
7 only a few. The group of players who had played more games had  
8 a statistically higher win fraction, even after a correction for  
9 biases, which the study reported indicated a game of skill.  
10 Furthermore, another rigorous data-driven study undertaken by  
11 the researchers at the Massachusetts Institute of Technology and  
12 Columbia University and led by Professor Vishal Mishra,  
13 Professor Devavrat Shah, and Doctor Sudarsan V.S. Ranganathan,  
14 unequivocally quantifies the degree to which online fantasy  
15 sports contests exhibit the predominance of skill. The study  
16 found that the use of skill is more present in online fantasy  
17 sports contests than investing in mutual funds, which is a  
18 legally recognized activity in the State. The study also found  
19 that not only did the data indicate a predominance of skill in  
20 online fantasy sports contests, but that luck may play more of a  
21 role in mutual fund management than in team selection in online



1 fantasy sports contests because the variance in skill was higher  
2 in online fantasy sports contests than in mutual fund  
3 management.

4       The legislature further finds that the revenue from online  
5 fantasy sports contests, not only from the general excise tax  
6 but also an additional online fantasy sports contests tax, could  
7 create additional funding for the State. In addition to  
8 residents being able to participate in the highly regulated and  
9 recognized industry of online fantasy sports contests, visitors  
10 who are presently barred from participating would be able to  
11 continue to play in their leagues, which will provide a large  
12 stream of additional revenue for the State. The revenue  
13 generated through online fantasy sports contests could be used  
14 to grant funds with special concerns, such as for Lahaina  
15 community recovery efforts. Furthermore, many highly-regulated  
16 entities that are platforms for online fantasy sports contests  
17 have offered to act as a common collector of tax revenue for the  
18 State, which will ensure a readily available stream of income  
19 that will be meticulously monitored, reported on, and held  
20 accountable to generally accepted accounting principles and  
21 other principles of oversight.



1           The legislature further finds that aligning Hawaii with  
2 other states that provide a legal avenue for online fantasy  
3 sports contests will not affect the legality of sports book  
4 betting, which would remain illegal.

5           The purpose of this Act is to legalize online fantasy  
6 sports contests in Hawaii by:

- 7           (1) Establishing an online fantasy sports contests  
8                 registration and monitoring program under the  
9                 department of the attorney general;
- 10          (2) Imposing an online fantasy sports contests tax;
- 11          (3) Establishing the online fantasy sports contests  
12                 special fund and allocating proceeds of the fund for  
13                 Lahaina community recovery efforts;
- 14          (4) Exempting registered online fantasy sports contests  
15                 from state gambling laws; and
- 16          (5) Appropriating funds to the department of the attorney  
17                 general to establish and implement a registration and  
18                 monitoring program for online fantasy sports contests.

19           SECTION 2. The Hawaii Revised Statutes is amended by  
20 adding a new chapter to be appropriately designated and to read  
21 as follows:



1 "CHAPTER

2 ONLINE FANTASY SPORTS

3 § -1 Definitions. As used in this chapter, unless the  
4 context otherwise requires:

5 "Animal contest" means any event that competes animals  
6 against each other, including horses, dogs, or roosters.

7 "Authorized player" means an individual residing in this  
8 State who is not a prohibited player and who participates in an  
9 online fantasy sports contest offered by a registrant.

10 "Collegiate sport or athletic event" means a sport or  
11 athletic event offered or sponsored by or played in connection  
12 with a public or private institution that offers education  
13 services beyond the secondary level.

14 "Department" means the department of the attorney general.

15 "Entry fee" means cash or cash equivalent that is paid by  
16 an authorized player to an operator or registrant to participate  
17 in an online fantasy sports contest offered by the operator or  
18 registrant.

19 "High school sport or athletic event" means a sport or  
20 athletic event offered or sponsored by or played in connection



1 with a public or private institution that offers education  
2 services at the secondary level.

3 "Highly experienced player" means an authorized player who  
4 has:

5 (1) Entered more than one thousand contests offered by a  
6 single operator or registrant; or

7 (2) Won more than three prizes valued at \$1,000 each or  
8 more from a single operator or registrant.

9 "Minor" means any person who is under the age of eighteen  
10 years.

11 "Online fantasy sports contest" or "contest" means a game  
12 of skill in which one or more contestants compete against each  
13 other online by using their knowledge and understanding of  
14 athletic events and athletes to select and manage rosters of  
15 simulated players whose performance directly corresponds with  
16 the actual performance of human competitors on sports teams and  
17 in sports events.

18 "Online fantasy sports operator" or "operator" means any  
19 person or entity that offers any online fantasy sports contest  
20 to any authorized player through any online fantasy sports  
21 platform.



1 "Online fantasy sports platform" or "platform" means the  
2 combination of hardware, software, and data networks used to  
3 manage, administer, or control contests and any associated entry  
4 fees.

5 "Online fantasy sports registrant" or "registrant" means an  
6 operator who is registered by the department.

7 "Prohibited player" means:

8 (1) Any member, officer, employee, or agent of an operator  
9 or registrant;

10 (2) Any spouse, child, sibling, or parent residing as a  
11 member of the same household in the principal place of  
12 abode of any member, officer, employee, or agent of an  
13 operator or registrant;

14 (3) Any individual with access to confidential information  
15 about contests;

16 (4) Any amateur or professional athlete whose performance  
17 may be used to determine the outcome of a contest;

18 (5) Any sports agent, team employee, referee, or league  
19 official associated with any sport or athletic event  
20 on which contests are based;



1 (6) Any individual located in a state where the conduct of  
2 contests is expressly prohibited; or

3 (7) Any minor.

4 "Prohibited sports event" means any collegiate sport or  
5 athletic event, any high school sport or athletic event, or any  
6 animal contest.

7 "Sports event" means any amateur or professional sport or  
8 athletic event except a prohibited sports event.

9 § -2 Registration; operators. (a) No operator shall  
10 administer, manage, or otherwise make available an online  
11 fantasy sports platform to persons located in this State unless  
12 registered with the department pursuant to section -3. A  
13 registrant may use multiple online fantasy sports platforms and  
14 offer multiple types of contests; provided that each platform  
15 and each type of contest has been reviewed and approved by the  
16 department. This chapter shall apply only to online fantasy  
17 sports contests for which an authorized player pays an entry  
18 fee.

19 (b) Registration issued by the department pursuant to  
20 section -3 shall remain in effect for three years. The  
21 department shall establish a process for renewal.



1 (c) The department shall post a list of all operators  
2 registered in the State pursuant to this section on the  
3 department's website for public use.

4 (d) The department shall adopt rules to implement this  
5 chapter, including the initial form of the application for  
6 registration. The rules shall provide for the registration and  
7 operation of contests in the State and include but not be  
8 limited to responsible protections with regard to compulsive  
9 play and safeguards for fair play.

10 § -3 Scope of registration review. (a) The department  
11 shall prescribe the initial form of the application for  
12 registration that shall include but not be limited to:

13 (1) The full name and principal address of the operator;

14 (2) If a corporation, the name of the state in which  
15 incorporated and the full names and addresses of any  
16 partner, officer, director, shareholder holding ten  
17 per cent or more equity, and ultimate equitable  
18 owners;

19 (3) If a business entity other than a corporation, the  
20 full names and addresses of the principals, partners,



1           shareholders holding five per cent or more equity, and  
2           ultimate equitable owners;

3           (4) Whether the corporation or business entity files  
4           information and reports with the United States  
5           Securities and Exchange Commission as required under  
6           section 13 of the Securities Exchange Act of 1934, as  
7           amended, or whether the securities of the corporation  
8           or business entity are regularly traded on an  
9           established securities market in the United States;

10          (5) The type and estimated number of contests to be  
11          conducted annually; and

12          (6) A statement of the assets and liabilities of the  
13          operator.

14          (b) The department may require the full names and  
15          addresses of the officers and directors of any creditor of the  
16          operator and stockholders who hold more than ten per cent of the  
17          stock of the creditor.

18          (c) Each individual listed on the application for  
19          registration as an officer or director shall be subject to a  
20          criminal history record check in accordance with section  
21          846-2.7, including providing a full set of electronic



1 fingerprints for the purpose of obtaining federal and state  
2 criminal history record checks to the Hawaii criminal justice  
3 data center for processing with the Federal Bureau of  
4 Investigation. The application shall not be considered complete  
5 until the results of the criminal history record check are  
6 received by the department. The department may obtain criminal  
7 history information through the Hawaii criminal justice data  
8 center in accordance with section 846-2.7 for the purposes of  
9 this section.

10 (d) Upon receipt of the criminal history record check  
11 pursuant to subsection (c), the department shall determine  
12 whether to approve or deny any application for registration.  
13 The department shall deny any application for registration or  
14 suspend, refuse to renew, or revoke any existing registration  
15 issued pursuant to this chapter upon the finding that the  
16 operator or registrant, or any partner, officer, director, or  
17 shareholder has:

18 (1) Knowingly made a false statement of material fact or  
19 deliberately failed to disclose any information  
20 required by the department;



- 1           (2) Possessed a registration or license to offer or
- 2                   conduct contests that was denied, suspended, or
- 3                   revoked in any other state or country for just cause;
- 4           (3) Legally defaulted in the payment of any obligation or
- 5                   debt due to any state or political subdivision; or
- 6           (4) Knowingly failed at any time to comply with any
- 7                   requirement under this chapter, adopted rule, or
- 8                   requirement prescribed by the department.

9           (e) If an application for registration is denied or an  
10 existing registration is suspended, denied renewal, or revoked,  
11 the department shall notify the operator or registrant of the  
12 right to submit a request for a contested case hearing pursuant  
13 to chapter 91 within sixty days of the department's decision.  
14 The contested case hearing shall be conducted in accordance with  
15 chapter 91.

16           § -4 **Safeguards; minimum standards.** (a) As a condition  
17 of registration in the State, each operator or registrant shall  
18 implement the following safeguards:

- 19           (1) Limit each authorized player to one active and
- 20                   continuously used account, and prevent prohibited

1 players from maintaining accounts or participating in  
2 any contest offered by that operator or registrant;

3 (2) Prohibit minors from participating in any contest,  
4 including:

5 (A) If a registrant becomes or is made aware that a  
6 minor has participated in one of its contests,  
7 the registrant shall promptly refund any deposit  
8 received from the minor no later than two  
9 business days after the registrant is aware of  
10 the minor's participation regardless of whether  
11 the minor engaged or attempted to engage in a  
12 contest; provided that any refund may be offset  
13 by any prizes already awarded;

14 (B) Each registrant shall publish and facilitate  
15 parental control procedures to allow parents or  
16 guardians to exclude minors from access to any  
17 contest or platform. These procedures shall  
18 include a toll-free number to call for help in  
19 establishing the parental controls; and



- 1 (C) Each registrant shall take appropriate steps to  
2 confirm that an individual opening an account is  
3 not a minor;
- 4 (3) When referencing the chances or likelihood of winning  
5 in advertisements or upon contest entry, make clear  
6 and conspicuous, accurate statements that are not  
7 misleading concerning the chances of winning and the  
8 number of winners;
- 9 (4) Enable authorized players to exclude themselves from  
10 contests and take reasonable steps to prevent these  
11 players from entering a contest from which they have  
12 excluded themselves;
- 13 (5) Permit any authorized player who requests to be  
14 excluded from contests to permanently close an account  
15 registered to that player on any platforms supported  
16 by the operator or registrant at any time and for any  
17 reason;
- 18 (6) Offer introductory procedures for authorized players,  
19 which shall be prominently displayed on the main page  
20 of the operator's or registrant's platform, that



- 1 explain contest play and how to identify a highly  
2 experienced player;
- 3 (7) Identify all highly experienced players in any contest  
4 by a symbol attached to the highly experienced  
5 players' usernames or by any other easily visible  
6 means on all platforms supported by the operator or  
7 registrant;
- 8 (8) Disclose the number of entries a single authorized  
9 player may submit to each contest;
- 10 (9) Disclose the maximum number of total entries allowed  
11 for each contest;
- 12 (10) Implement measures to protect the privacy and online  
13 security of authorized players and their accounts;
- 14 (11) Offer all authorized players access to their account  
15 history and account details;
- 16 (12) Ensure authorized players' funds are protected upon  
17 deposit and segregated from the operating funds of the  
18 operator or registrant and otherwise protected from  
19 corporate insolvency, financial risk, or criminal or  
20 civil actions against the operator or registrant;



- 1           (13) List on each website, in a prominent place,  
2                   information concerning assistance for compulsive play  
3                   in the State, including a toll-free number directing  
4                   callers to reputable resources containing further  
5                   information that shall be free of charge;
- 6           (14) Ensure the value of any prizes and awards offered to  
7                   authorized players is established and made known to  
8                   the authorized players in advance of the contest, and  
9                   that the value is not determined by the number of  
10                  authorized players or the amount of any entry fee paid  
11                  by the authorized players;
- 12          (15) Ensure all winning outcomes reflect the relative  
13                  knowledge and skill of the authorized players and is  
14                  determined predominately by accumulated statistical  
15                  results of the performance of individuals in sports  
16                  events;
- 17          (16) Ensure no winning outcome is based on the score, point  
18                  spread, or performance of a single sports team, or any  
19                  combination of teams;



1           (17) Ensure no winning outcome is based solely on any  
2                   single performance of an individual athlete in a  
3                   single sport or athletic event;

4           (18) Ensure no game or contest is based on a prohibited  
5                   sports event; and

6           (19) Assess and collect any tax or fee as provided by law.

7           (b) Each registrant shall restrict the number of entries  
8 submitted by a single authorized player for any contest to a  
9 maximum of one hundred fifty entries per player per contest, or  
10 a maximum of three per cent of the total number of entries by  
11 all authorized players for any contest, whichever is less, or as  
12 determined by the department. Registrants shall take reasonable  
13 steps to prevent authorized players from submitting more than  
14 the allowable number of entries per contest. The department  
15 shall adopt rules to further effectuate this section to ensure  
16 that the number of entries submitted by a single authorized  
17 player for any contest will lead to a fair and equitable  
18 distribution of the number of entries.

19           (c) Operators shall not directly or indirectly operate,  
20 promote, or advertise any platform or contest to individuals  
21 located in the State unless registered pursuant to this chapter.



1 Unless otherwise approved by the department, operators and  
2 registrants shall not directly or indirectly promote or  
3 advertise any online fantasy or simulation sports games or  
4 contests with an entry fee during the conduct of any online  
5 fantasy or simulation sports games or contests without an entry  
6 fee. This subsection shall not apply to any operator or  
7 registrant that prohibits prohibited players from participating  
8 in online fantasy or simulation sports games or contests without  
9 an entry fee.

10 (d) Registrants shall not offer any contest based on any  
11 prohibited sports event.

12 (e) Registrants shall not permit any minor or prohibited  
13 participant to enter any contest.

14 (f) Advertisements for contests and prizes offered by a  
15 registrant shall not target prohibited participants, minors, or  
16 self-excluded individuals. Representations or implications  
17 about average winnings from contests shall be fair and not be  
18 misleading, and shall, at a minimum, include:

19 (1) The median and mean net winnings of all authorized  
20 players participating in contests offered by the  
21 registrant; and



1           (2) The percentage of winnings awarded by the registrant  
2           to highly experienced players participating in  
3           contests offered by the registrant within the  
4           preceding calendar year.

5           (g) Registrants shall prohibit the use of third-party  
6           scripts or scripting programs for any contest and ensure that  
7           measures are in place to deter, detect, and, to the extent  
8           reasonably possible, prevent cheating, including collusion, and  
9           the use of cheating devices or software programs that submit  
10          entry fees or adjust the athletes selected by an authorized  
11          player.

12          (h) Operators and registrants shall develop and  
13          prominently display procedures on the main page of the  
14          operator's or registrant's platform for the filing of a  
15          complaint by the authorized player against the registrant. An  
16          initial response shall be given by the registrant to the player  
17          filing the complaint within forty-eight hours. A complete  
18          response shall be given by the registrant to the player filing  
19          the complaint within ten business days. An authorized player  
20          may file a complaint alleging a violation of this chapter with  
21          the department.



1 (i) Registrants shall maintain records of all accounts  
2 belonging to authorized players and retain these records for  
3 five years from the date an account was created.

4 § -5 Department powers and duties. (a) The department  
5 shall have the following powers and duties for purposes of  
6 administering and enforcing this chapter:

7 (1) Approve and deny applications for registration to  
8 conduct contests in the State and to suspend, refuse  
9 or renew, or revoke any registration issued to the  
10 registrant pursuant to this chapter;

11 (2) Review and approve each platform and contest offered  
12 by an operator or registrant;

13 (3) Accept and investigate complaints of any kind from an  
14 authorized player and attempt to mediate these  
15 complaints where appropriate;

16 (4) Investigate alleged violations of this chapter;

17 (5) Initiate proper enforcement proceedings where action  
18 is deemed by the department to be necessary or  
19 appropriate; and

20 (6) Execute all powers and duties assigned by and  
21 necessary to implement this chapter.



1 (b) The department shall adopt rules, pursuant to chapter  
2 91, to effectuate the purposes of this chapter. The rules shall  
3 include but not be limited to the following:

4 (1) Guidelines for the development of the initial form of  
5 the application for registration;

6 (2) Procedures for the registration and operation of  
7 contests in the State;

8 (3) Responsible protections with regard to compulsive play  
9 and safeguards for fair play; and

10 (4) Procedures for the collection and payment of taxes and  
11 fees as provided by law.

12 The rules may monitor the conduct and operation of contests and  
13 platforms, protect authorized players, and promote the fairness,  
14 honesty, and integrity of contests.

15 § -6 **Penalties.** Any individual, operator, or registrant  
16 that violates this chapter shall be liable for a civil penalty  
17 of not more than \$1,000 for each violation that shall accrue to  
18 the State and may be recovered in a civil action brought by the  
19 department.

20 § -7 **Annual report.** (a) Each registrant shall annually  
21 submit a report to the department no later than June 30 of each



1 year that shall include the following information that applies  
2 to accounts held by authorized players located in the State:

3 (1) The number of accounts held by authorized players on  
4 all platforms offered by the registrant and the number  
5 of accounts held by highly experienced players on all  
6 platforms offered by the registrant;

7 (2) The total number of new accounts established in the  
8 preceding year as well as the total number of accounts  
9 permanently closed in the preceding year;

10 (3) The total amount of entry fees received from  
11 authorized players;

12 (4) The total amount of prizes awarded to authorized  
13 players;

14 (5) The total amount of online fantasy sports revenue  
15 received by the registrant;

16 (6) The total number of authorized players that requested  
17 to exclude themselves from contests; and

18 (7) Any additional information that the department deems  
19 necessary to carry out this chapter.

20 (b) Upon receipt of the annual report submitted by each  
21 registrant, the department shall be authorized, to the extent



1 that the department deems to be in the public interest, to  
2 conduct a financial audit of any registrant, at any time, to  
3 ensure compliance with this chapter.

4 (c) The department shall annually publish a report based  
5 on the aggregate information provided by all registrants  
6 pursuant to this section. The department shall submit this  
7 annual report to the legislature no later than twenty days prior  
8 to the convening of the regular session of each year and post  
9 this annual report on the department's website no later than one  
10 hundred eighty days after the deadline for the submission of  
11 individual reports as required under subsection (a).

12 § -8 Online fantasy sports contests tax; rate;  
13 disposition. An online fantasy sports contests tax shall be  
14 imposed on the gross revenues of each registrant at the rate  
15 of per cent. Tax revenues collected under this section  
16 shall be deposited into the online fantasy sports contests  
17 special fund and directed for Lahaina community recovery  
18 efforts.

19 § -9 Online fantasy sports contests special fund;  
20 purposes and use. There is created within the state treasury a  
21 special fund to be known as the online fantasy sports contests



1 special fund, into which shall be deposited all fees, taxes, and  
2 fines collected under this chapter. Moneys from the online  
3 fantasy sports contests special fund shall be used for  
4 Lahaina community recovery efforts."

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

8 "§712- Online fantasy sports contests. (1) Online  
9 fantasy sports contests registered and conducted pursuant to  
10 chapter shall be exempt from this part.

11 (2) The conduct of unregistered online fantasy sports  
12 contests is prohibited and may be subject to this part."

13 SECTION 4. Section 712-1220, Hawaii Revised Statutes, is  
14 amended as follows:

15 1. By adding a new definition to be appropriately inserted  
16 to read:

17 "Online fantasy sports contest" means a game of skill in  
18 which one or more contestants compete against each other online  
19 by using their knowledge and understanding of athletic events  
20 and athletes to select and manage rosters of simulated players  
21 whose performances directly corresponds with the actual



1 performance of human competitors on sports teams and in sports  
2 events."

3 2. By amending the definition of "contest of chance" to  
4 read:

5 "Contest of chance" means any contest, game, gaming  
6 scheme, or gaming device in which the outcome depends in a  
7 material degree upon an element of chance, notwithstanding that  
8 skill of the contestants may also be a factor therein[~~]~~;  
9 provided that a contest of chance shall not include online  
10 fantasy sports contests registered and conducted pursuant to  
11 chapter \_\_\_\_\_."

12 3. By amending the definition of "gambling" to read:

13 "~~Gambling" [~~A person engages in gambling if he stakes or~~~~  
14 ~~risks]~~ means staking or risking something of value upon the  
15 outcome of a contest of chance or a future contingent event not  
16 under [~~his]~~ the person's control or influence, upon an agreement  
17 or understanding that [~~he]~~ the person or someone else will  
18 receive something of value in the event of a certain outcome.  
19 [~~Gambling]~~ "Gambling" does not include [~~bona]~~;

20 (1) Bona fide business transactions valid under the law of  
21 contracts, including but not limited to contracts for



1 the purchase or sale at a future date of securities or  
2 commodities [~~and agreements~~];

3 (2) Agreements to compensate for loss caused by the  
4 happening of chance, including but not limited to  
5 contracts of indemnity or guaranty and life, health,  
6 or accident insurance [~~-~~]; and

7 (3) Online fantasy sports contests registered and  
8 conducted pursuant to chapter \_\_\_\_\_."

9 SECTION 5. In accordance with section 9 of article VII of  
10 the Hawaii State Constitution and sections 37-91 and 37-93,  
11 Hawaii Revised Statutes, the legislature has determined that the  
12 appropriations contained in Act 164, Regular Session of 2023,  
13 and this Act will cause the state general fund expenditure  
14 ceiling for fiscal year 2024-2025 to be exceeded by  
15 \$ \_\_\_\_\_ or \_\_\_\_\_ per cent. This current declaration takes  
16 into account general fund appropriations authorized for fiscal  
17 year 2024-2025 in Act 164, Regular Session of 2023, and this Act  
18 only. The reasons for exceeding the general fund expenditure  
19 ceiling are that:

20 (1) The appropriation made in this Act is necessary to  
21 serve the public interest; and



1           (2) The appropriation made in this Act meets the needs  
2           addressed by this Act.

3           SECTION 6. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$                    or so  
5 much thereof as may be necessary for fiscal year 2024-2025 to  
6 establish and implement a registration and monitoring program  
7 for online fantasy sports contests.

8           The sum appropriated shall be expended by the department of  
9 the attorney general for the purposes of this Act.

10          SECTION 7. This Act does not affect rights and duties that  
11 matured, penalties that were incurred, and proceedings that were  
12 begun before its effective date.

13          SECTION 8. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15          SECTION 9. This Act shall take effect on July 1, 2024.

16

INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 2868

**Report Title:**

Online Fantasy Sports Contests; Gambling; Exemption; Online Fantasy Sports Contests Special Fund; Department of the Attorney General; Taxation; Expenditure Ceiling; Appropriation

**Description:**

Establishes an online fantasy sports contests registration and monitoring program under the Department of the Attorney General. Imposes an online fantasy sports contests tax on the gross revenues of registrants. Establishes the Online Fantasy Sports Contests Special Fund and allocates proceeds of the fund to the Lahaina community recovery efforts. Exempts registered online fantasy sports contests from state gambling laws. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds.

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

