

STAND. COM. REP. NO. 1820

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 1308
H.D. 3
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1308, H.D. 3, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SPORTS WAGERING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a regulatory scheme for sports wagering within the State.

Specifically, the measure:

- (1) Places the regulation of sports wagering under the purview of the Department of Business, Economic Development, and Tourism;
- (2) Establishes licensing requirements for sports wagering operators and sports wagering suppliers;
- (3) Establishes a general excise tax to be levied on sports wagering operator licenses;
- (4) Establishes the problem gambling prevention and treatment special fund to be administered and expended by the Department of Health; and



- (5) For the purposes of certain gambling offenses under the Penal Code, specifies that legal sports wagering and fantasy sports contests shall not be considered contests of chance or gambling.

Your Committee received written comments in support of this measure from the Ironworkers Stabilization Fund, BetMGM, DraftKings, Sports Betting Alliance, and numerous individuals.

Your Committee received written comments in opposition to this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; Honolulu Police Department; Hawaii Family Forum; Hawaii State Commission on the Status of Women; HI Good Neighbor; Stop Predatory Gambling; Boyd Gaming; Institute for Human Services; Country Talk Story; Faith Community of the National Coalition to Stop Predatory Gambling; Excel Church; Nation of Hawaii; and numerous individuals.

Your Committee received written comments on this measure from the Department of Taxation; Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and one individual.

Your Committee finds that sports wagering already exists in Hawaii in an illegal, predatory market that poses a risk to public safety, health, and welfare. Your Committee also finds that legalized sports wagering, if properly regulated and monitored, can both decrease illegal predatory activity and assist in the long-term fiscal health of the State and its residents.

Your Committee has amended this measure by:

- (1) Making the Department of Law Enforcement, rather than the Department of Business, Economic Development, and Tourism, responsible for the regulation of sports wagering;
- (2) Clarifying that sports wagering is prohibited for youth sports events;
- (3) Specifying that the fee for an initial or renewal sports wagering operator license shall be \$250,000;

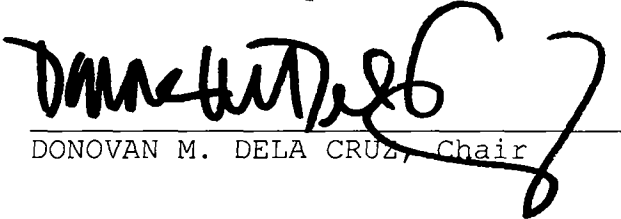


- (4) Specifying that the fee for an initial or renewal sports wagering supplier license shall be \$10,000;
- (5) Providing that the Department of Taxation shall adopt rules and develop any forms necessary to carry out enforcement of the new general excise tax imposed on sports wagering operators;
- (6) Specifying that of the sports wagering operator general excise taxes collected:
 - (A) Seven percent shall be deposited into the problem gambling prevention and treatment special fund; and
 - (B) Seven percent shall be used for programs that support education in the State;
- (7) Specifying that a person convicted of unlicensed sports wagering shall be subject to a fine of no less than:
 - (A) \$10,000, if the person does not have a prior conviction for unlicensed sports wagering or under applicable state gambling law;
 - (B) \$50,000, if the person has one prior conviction for unlicensed sports wagering or under applicable state gambling law; or
 - (C) \$100,000, if the person has two or more prior convictions for unlicensed sports wagering or under applicable state gambling law,among other penalties;
- (8) Specifying that the sports wagering operator general excise tax shall be ten percent of adjusted gross sports wagering receipts; and
- (9) Changing the effective date from July 1, 3000, to July 1, 2025.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1308, H.D. 3, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB1308 HD3 SD1	Committee Referral: EDT/CPN, WAM	Date: 4/2/2025		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)			X	
AQUINO, Henry J.C.		X		
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.		X		
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.			X	
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.		X		
KIM, Donna Mercado		X		
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	7	4	2	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div style="text-align: center;"> Distribution: Original File with Committee Report </div> <div style="text-align: center;"> Yellow Clerk's Office </div> <div style="text-align: center;"> Pink Drafting Agency </div> <div style="text-align: center;"> Goldenrod Committee File Copy </div> </div>				

*Only one measure per Record of Votes