

JAN 23 2025

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# A BILL FOR AN ACT

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RELATING TO SPORTS WAGERING.

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

1       SECTION 1. The legislature finds that sports wagering is a  
2 commonplace activity and that tens of thousands of residents in  
3 the State participate in illegal online sports gambling on  
4 unregulated internet sites each year. However, many people  
5 making illegal wagers in the State do so unknowingly. Illegal  
6 offshore gambling website operators process bets from the State  
7 without any taxation, regulatory oversight, or consumer  
8 protection accountability. Moreover, tens of millions of  
9 dollars in revenues generated from online gambling are being  
10 realized by offshore operators serving Hawaii residents, but no  
11 benefits are provided to the State.

12       The legislature further finds that providing a legal, safe,  
13 and regulated framework for sports wagering would combat illegal  
14 gambling activities, protect consumers, promote responsible  
15 gambling practices and mitigate associated risks, and generate  
16 additional revenue for the State to allocate to public  
17 initiatives, including education, housing, and infrastructure.



Accordingly, the purpose of this Act is to:

(1) Legalize and regulate sports wagering in the State;

(2) Establish the Hawaii state sports wagering commission;

and

(3) Establish the responsible gambling program.

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

**"CHAPTER**

**REGULATION OF SPORTS WAGERING**

**§ -1 Definitions.** As used in this chapter:

"Adjusted sports wagering receipts" means a sports wagering operator's gross receipts from sports wagering excluding free bets and promotional credits, less the total of all winnings paid to patrons, which includes the cash equivalent of any merchandise or thing of value awarded as a prize, and less excise tax payments remitted to the federal government.

"Collegiate sports" means an athletic or sporting event in which at least one participant is a team or contestant competing on behalf or under sponsorship of a public or private



1 institution of higher education, regardless of where the  
2 institution is located.

3 "Commission" means the Hawaii state sports wagering  
4 commission established pursuant to section -2.

5 "Department" means the department of business, economic  
6 development, and tourism.

7 "License" means any license applied for or issued by the  
8 commission under this chapter, including but not limited to:

9 (1) A sports wagering operator license under section -6  
10 to permit a sports wagering operator to operate sports  
11 wagering:

12 (A) Through an approved mobile application or other  
13 digital platform that involves, at least in part,  
14 the use of the Internet; or

15 (B) In-person at a designated sportsbook or retail  
16 sports betting location approved by the  
17 commission; and

18 (2) A sports wagering supplier license under section -7  
19 to sell goods and services to be used in connection  
20 with sports wagering but not to directly accept  
21 wagers.



1 "National criminal history background check system" means  
2 the criminal history record system maintained by the Federal  
3 Bureau of Investigation based on fingerprint identification or  
4 any other method of positive identification.

5 "Non-sporting event" means any event that is not collegiate  
6 sports or a professional sports or athletic event.

7 "Professional sports or athletic event" means an event at  
8 which two or more contestants participate in a sports event or  
9 athletic event and one or more participants receive compensation  
10 and do not have collegiate eligibility.

11 "Qualified gaming entity" means an entity that offers  
12 sports wagering through computers, mobile applications, or  
13 digital platforms, in not less than three jurisdictions in the  
14 United States pursuant to a state regulatory structure, or a  
15 retail sports betting location licensed by the commission.

16 "Responsible gambling program" means a set of initiatives,  
17 policies, and practices implemented to prevent or mitigate  
18 gambling addiction.

19 "Sports wagering" means a wager on the outcome of a  
20 professional, collegiate, or other authorized sporting event or  
21 contest, including wagers made online or in-person. Sports



1   wagering includes but is not limited to single-game bets, teaser  
2   bets, parlays, over-under, moneyline, pools, exchange wagering,  
3   in-game wagering, in-play bets, proposition bets, and straight  
4   bets.

5       "Sports wagering account" means a financial record  
6   established by a sports wagering operator for an individual  
7   patron in which the person may deposit and withdraw funds for  
8   sports wagering and other authorized purchase and to which the  
9   licensed sports wagering operator may credit winnings or other  
10   amounts due to that patron or authorized by that patron. A  
11   sports wagering account may be established electronically  
12   through an approved mobile application or digital platform or  
13   in-person at a retail sports betting location approved by the  
14   commission.

15       "Sports wagering operator" means any entity or operator  
16   authorized by the commission to conduct sports wagering  
17   activities in the State.

18       "Sports wagering supplier" means a person that provides  
19   critical services to a sports betting operator; provided that  
20   critical services shall be deemed to be geolocation and know  
21   your customer services.



1 "Wager" means any sum of money or thing of value risked on  
2 an uncertain occurrence.

3 § -2 **Hawaii state sports wagering commission;**  
4 **established; duties.** (a) There is established within the  
5 department of business, economic development, and tourism, the  
6 Hawaii state sports wagering commission which shall consist of  
7 seven members who shall serve staggered four-year terms and be  
8 appointed as follows:

9 (1) Three members shall be appointed by the governor;

10 (2) Two members shall be appointed by the president of the  
11 senate; and

12 (3) Two members shall be appointed by the speaker of the  
13 house of representatives.

14 (b) The commission shall carry out the following duties:

15 (1) Develop and adopt rules applicable to sports wagering  
16 operators;

17 (2) Develop and establish an application process,  
18 including forms and the payment of fees, for a license  
19 under this chapter;

20 (3) Develop and adopt a list of prohibited events for  
21 which sports wagering operators shall not accept



1 wagers, including but not limited to elections,  
2 televised competitions, and award shows; provided that  
3 the commission may add an event to the list of  
4 prohibited events or remove an event from the list of  
5 prohibited events;

6 (4) Monitor the compliance of sports wagering operators  
7 and sports wagering suppliers under this chapter;

8 (5) Enforce penalties, including the suspension or  
9 revocation of a license, for violations of this  
10 chapter or any rules that the commission may adopt;

11 (6) Establish and administer a responsible gambling  
12 program;

13 (7) Collect fees and fines from sports wagering  
14 activities; and

15 (8) Adopt rules pursuant to chapter 91 to carry out the  
16 purposes of this chapter.

17 **§ -3 Authorizing of sports wagering; license required.**

18 (a) Notwithstanding any law to the contrary, the operation of  
19 sports wagering shall be lawful when conducted in accordance  
20 with this chapter and the rules adopted under this chapter.



Sports wagering operators may conduct sports wagering activities:

- (1) In-person at retail sports betting locations approved by the commission; and
  - (2) Online via qualified gaming entities;
- provided that the commission may limit the number of licensed operators in the State to ensure manageable oversight.

(b) A person or entity shall not engage in any activities in the State that require a license under this chapter unless the necessary license has been obtained in accordance with this chapter and the rules adopted under this chapter.

**§ -4 Application; criminal history background check.**

(a) An application for a license or for renewal of a license required under this chapter shall be submitted on an application form as prescribed by the commission pursuant to section -2.

An application submitted to the commission shall include the following:

- (1) The full name, current address, and contact information of the applicant;
- (2) Disclosure of each person that has control of the applicant as described in subsection (b);





- 1           (3)   Consent to permit the commission to conduct a criminal  
2           history record check in accordance with subsection (c)  
3           of the applicant and each person disclosed under  
4           subsection (b)(2) in accordance with procedures  
5           established by the commission;
- 6           (4)   For the applicant and each person disclosed under  
7           subsection (b)(2), a record of previous license or  
8           application in the State or in any other jurisdiction;
- 9           (5)   For a sports wagering operator applicant, proof that  
10          the sports wagering system has been tested and  
11          certified for use in another United States  
12          jurisdiction by an independent testing laboratory;
- 13          (6)   Proof that the applicant possesses sufficient cash and  
14          other supplies to conduct sports wagering at all  
15          times;
- 16          (7)   Measures to ensure the security, protection, and  
17          confidentiality of a bettor's data;
- 18          (8)   Measures to prevent underage or illegal gambling; and
- 19          (9)   Any other information that the commission may require  
20          by rule.



1 (b) The following persons shall be considered to have  
2 control of an applicant or a licensee:

3 (1) Each corporate holding company, parent company, or  
4 subsidiary company of a corporate applicant or  
5 licensee and each person who owns fifteen per cent or  
6 more of the corporate applicant or licensee and who  
7 has the ability to control the activities of the  
8 corporate applicant or licensee or elect a majority of  
9 the board of directors of that corporate applicant or  
10 licensee, except for a bank or other licensed lending  
11 institution that holds a mortgage or other lien  
12 acquired in the ordinary course of business;

13 (2) Each person associated with a noncorporate applicant  
14 or licensee that directly or indirectly holds a  
15 beneficial or proprietary interest in the noncorporate  
16 applicant's or licensee's business operation or that  
17 the department otherwise determines has the ability to  
18 control the noncorporate applicant or licensee; and

19 (3) Any executive, employee, or agent of an applicant or  
20 licensee who has ultimate decision-making authority



1 over the conduct of the applicant's or licensee's  
2 sports wagering operations in the State.

3 (c) The commission shall request a criminal history record  
4 check in the form the commission requires and submit  
5 fingerprints for a national criminal records check against the  
6 national criminal history background check system. The  
7 fingerprints shall be furnished by all persons required to be  
8 named in the application and shall be accompanied by a signed  
9 authorization for the release of information by a law  
10 enforcement agency in the State and the Federal Bureau of  
11 Investigation; provided that an individual who has submitted to  
12 a criminal history record check in the State or any other state  
13 within the previous twelve months shall not be required to  
14 submit to another criminal history record check; provided  
15 further that the person shall submit the results of the previous  
16 criminal history record check and affirm that there has been no  
17 material change in the individual's criminal history since the  
18 time of the previous criminal history record check.

19 (d) A person licensed under this chapter shall give the  
20 commission written notice within thirty days of any material  
21 change to any information provided in the licensee's application



1 for a license or renewal, including any change in the identity  
2 of persons considered to have control of the licensee under  
3 subsection (b).

4 (e) The commission shall keep all information, records,  
5 interviews, reports, statements, memoranda, or other data  
6 supplied to or used by the commission in the course of its  
7 review or investigation of an applicant for an operator license  
8 confidential. The commission shall also keep confidential any  
9 trade secret, proprietary information, confidential commercial  
10 information, or confidential financial information pertaining to  
11 any applicant or licensee.

12 § -5 Denial of license; reprimand, suspension, and  
13 revocation. The commission may deny a license to any applicant,  
14 reprimand any licensee, or suspend or revoke a license if:

15 (1) The applicant or licensee has knowingly made a false  
16 statement of material fact to the commission;

17 (2) The applicant or licensee has intentionally not  
18 disclosed the existence or identity of other persons  
19 that have control of the applicant or licensee as  
20 required by section -4;



(3) The applicant or licensee has had a license revoked by any government authority responsible for regulation of gaming activities;

(4) The applicant has been convicted of a crime of moral turpitude, gambling-related offense, theft or fraud offense, or has otherwise demonstrated, either by a police record or other satisfactory evidence, a lack of respect for law and order;

(5) The applicant or licensee has not demonstrated to the satisfaction of the commission financial responsibility sufficient to adequately meet the requirements of the licensed business or proposed business; or

(6) An applicant has not met the requirements of this section or any other provision of this chapter.

**§ -6 Sports wagering operator license; issuance; fees; term of license.** (a) The commission shall issue a sports wagering operator license to an applicant that meets all the requirements of this section, section -4, and rules adopted under this chapter and that has not violated any portion of this chapter. The commission shall establish a process that ensures



1 equal opportunity for sports wagering operators that submitted  
2 an application within thirty days of applications first being  
3 accepted by the commission to first commence offering,  
4 conducting, and operating sports wagering on the same day.

5 (b) Only a qualified gaming entity shall be eligible to  
6 apply for a sports wagering operator license.

7 (c) A sports wagering operator license granted by the  
8 commission under this section shall grant a licensee the lawful  
9 authority to conduct sports wagering online or in-person at a  
10 retail sports betting location pursuant to any rules adopted  
11 under this chapter.

12 (d) The fee for an initial sports wagering operator  
13 license shall be \$250,000. The fee for renewal of a sports  
14 wagering operator license shall be \$100,000. In addition to the  
15 license fee, the commission may charge a processing fee for an  
16 initial or renewed sports wagering operator license in an amount  
17 equal to the projected cost of processing the application and  
18 performing any background investigations. If the actual cost  
19 exceeds the projected cost, an additional fee may be charged to  
20 meet the actual cost; provided that if the projected cost



1 exceeds the actual cost, the difference may be refunded to the  
2 applicant or licensee.

3 (e) A license granted or renewed under this section shall  
4 be valid for three years, unless sooner revoked by the  
5 commission pursuant to section -5.

6 § -7 **Sports wagering supplier license; issuance; fees;**  
7 **term of license.** (a) The commission shall issue a sports  
8 wagering supplier license upon finding that the applicant meets  
9 all requirements of this section, section -4, and rules  
10 adopted under this chapter.

11 (b) An applicant for a sports wagering supplier license  
12 shall demonstrate that the equipment, systems, or services that  
13 the applicant plans to offer to a sports wagering operator  
14 conform to standards established by the commission by rule. The  
15 commission may accept approval by another jurisdiction that is  
16 specifically determined by the commission to have similar  
17 equipment standards as evidence that the applicant meets the  
18 standards established by the commission.

19 (c) A sports wagering supplier license granted by the  
20 commission pursuant to this section shall grant a licensee  
21 lawful authority to sell or lease sports wagering equipment,



1 systems, or services to sports wagering operators in the State  
2 within the terms and conditions of the license and any rules  
3 adopted under this chapter.

4 (d) The fee for an initial or renewed sports wagering  
5 supplier license shall be \$ . In addition to the  
6 license fee, the commission may charge a processing fee for an  
7 initial or renewed license in an amount equal to the projected  
8 cost of processing the application and performing any background  
9 investigations. If the actual cost exceeds the projected cost,  
10 an additional fee may be charged to meet the actual cost;  
11 provided that if the projected cost exceeds the actual cost, the  
12 difference may be refunded to the applicant or licensee.

13 (e) A license granted or renewed under this section shall  
14 be valid for three years unless sooner revoked by the commission  
15 under section -5.

16 § -8 Sports wagering; house rules. (a) A sports  
17 wagering operator shall adopt comprehensive house rules for game  
18 play governing sports wagering transactions with its patrons.  
19 The rules shall specify the amounts to be paid on winning  
20 wagers, the circumstances under which the sports wagering  
21 operator will void a bet, treatment of errors, late bets and





1 related contingencies, and the effect of schedule changes. The  
2 commission shall approve house rules before implementation by a  
3 sports wagering operator.

4 (b) The house rules, together with any other information  
5 the commission determines to be appropriate, shall be available  
6 in the sports wagering system.

7 § -9 **Sports wagering operator; duties.** A sports  
8 wagering operator shall:

9 (1) Employ a monitoring system using software to identify  
10 irregularities in volume or odds swings that could  
11 signal suspicious activity that requires further  
12 investigation; provided that the suspicious activity  
13 shall be promptly reported to and investigated by the  
14 commission; provided further that system requirements  
15 and specifications shall be in accordance with  
16 industry standards;

17 (2) Promptly report to the commission any facts or  
18 circumstances related to the operation of a licensee  
19 that constitute a violation of state or federal law  
20 and immediately report any suspicious betting over a



threshold set by the operator that has been approved  
by the commission;

(3) Conduct all sports wagering activities and functions  
in a manner that does not pose a threat to the public  
health, safety, or welfare of the residents of the  
State;

(4) Keep current in all payments and obligations to the  
commission;

(5) Prevent any person from tampering with or interfering  
with the operation of any sports wagering;

(6) Ensure that sports wagering only occurs:

(A) Using an online sportsbook approved by the  
commission that uses communications technology to  
accept wagers originating in the State or in a  
state or jurisdiction approved by the commission  
and consistent with federal law; or

(B) In-person at a retail sports betting location  
approved by the commission;

(7) Conspicuously display the minimum and maximum wagers  
permitted and shall comply with the same;



(8) Maintain sufficient cash and other supplies to conduct sports wagering at all times;

(9) Maintain daily records showing the gross sports wagering receipts and adjusted gross sports wagering receipts of the licensee; and

(10) Timely file with the commission any additional reports required by this chapter or by rule adopted under this chapter.

§ -10 **Sports wagering agreements.** The department shall be authorized to:

(1) Enter into sports wagering agreements with other states, territories, nations, jurisdictions, governments, or other entities to accept wagers from individuals located outside the State; provided that entering into the sports wagering agreement shall not violate state or federal law; and

(2) Take all necessary actions to ensure that any sports wagering agreement entered into pursuant to this section becomes effective.



1           §    -11   **Acceptance of wagers; excluded persons.**   (a)   A

2   sports wagering operator shall accept wagers on collegiate  
3   sports or a professional sports or athletic event:

4           (1)   By means of electronic devices using a mobile  
5                 application or digital platform approved by the  
6                 commission; or

7           (2)   In-person at a retail sports betting location approved  
8                 by the commission.

9   A person placing a wager shall be twenty-one years of age or  
10   older and be physically located in the State.

11           (b)   A sports wagering operator shall allow patrons to fund  
12   a sports wagering account using:

13           (1)   A credit or debit card;

14           (2)   Bonuses or promotions;

15           (3)   Electronic bank transfer;

16           (4)   An online or mobile payment system that supports  
17                 online money transfers; and

18           (5)   Any other means approved by the commission.

19           (c)   A sports wagering operator may accept wagers from a  
20   patron physically located in the State:



1           (1) Through the patron's sports wagering account, using a  
2           mobile application or digital platform approved by the  
3           commission; or

4           (2) In-person at a retail sports betting location approved  
5           by the commission.

6 The branding for each mobile application, digital platform, or  
7 retail sports betting location shall be determined by the sports  
8 wagering operator.

9           (d) A sports wagering operator may accept layoff wagers  
10 placed by other sports wagering operators and may place layoff  
11 wagers with other sports wagering operators as long as a sports  
12 wagering operator that places a wager with another sports  
13 wagering operator informs the sports wagering operator accepting  
14 the wager that the wager is being placed by a sports wagering  
15 operator and discloses the wagering operator's identity.

16           (e) The commission or a sports wagering operator may ban a  
17 person from participating in the play or operation of sports  
18 wagering. A log of all excluded persons shall be kept by the  
19 commission and shared with each sports wagering operator. A  
20 person on the commission's exclusion list or a sports wagering



operator's exclusion list shall not engage in sports wagering under this chapter.

(f) An employee of a sports wagering operator shall not place a wager on any wagering even through a mobile application or digital platform of that employee's employer.

(g) A sports wagering operator shall not accept wagers for:

(1) A high school or youth sports event; or

(2) A non-sporting event.

**§ -12 Sports wagering revenues; tax.** For the privilege of holding a license to operate sports wagering under this chapter, a tax of fifteen per cent of the licensee's adjusted gross sports wagering receipts shall be levied on the licensee. The accrual method of accounting shall be used for purposes of calculating the amount of tax owed by the licensee. The department of taxation shall adopt rules and develop any forms necessary to carry out enforcement of this section.

**§ -13 Penalties.** Any person or entity who violates the provisions of this chapter or any rules adopted by the commission shall be subject to:

(1) A fine of not more than \$500,000;



1 (2) Imprisonment for up to three years; or

2 (3) Suspension or revocation of a license for repeated or  
3 egregious violations.

4 § -14 **Exemption from gambling.** Sports wagering operated  
5 by a sports wagering operator that is licensed under this  
6 chapter shall be exempt from part III of chapter 712.

7 § -15 **Responsible gambling program; underage gambling**  
8 **prevention.** (a) The commission shall establish and administer  
9 a responsible gambling program that shall:

10 (1) Raise public awareness of gambling addiction;

11 (2) Educate the public of gambling addiction;

12 (3) Integrate a voluntary self-exclusion program; and

13 (4) Provide a twenty-four hour support service, including  
14 a gambling addiction hotline.

15 (b) Each licensee under this chapter shall remit to the  
16 commission the equivalent of one per cent of its adjusted sports  
17 wagering receipts each year to fund the responsible gambling  
18 program established under this section.

19 § -16 **Best practices; report.** (a) The commission shall  
20 adopt best practices observed in other states with successful  
21 sports wagering programs, including:



(1) Regulatory frameworks and oversight to ensure strict compliance, auditing, fair play, market fairness, and consumer trust and choice;

(2) A balanced approach that partners local businesses offering in-person registration and online sports wagering platforms to promote online accessibility and support local businesses;

(3) A consumer-friendly model that attracts operators and bettors alike, encouraging competition, industry growth, and innovation; and

(4) Tax collection and revenue allocation to fund public initiatives, including responsible gambling programs.

(b) The commission shall submit a report detailing key performance metrics, tax revenue impacts, and program improvements based on successful models, including any proposed legislation, to the legislature no later than twenty days prior to the convening of each regular session."

SECTION 3. Section 237-13, Hawaii Revised Statutes, is amended to read as follows:

**"§237-13 Imposition of tax.** There is hereby levied and shall be assessed and collected annually privilege taxes against





1 persons on account of their business and other activities in the  
2 State measured by the application of rates against values of  
3 products, gross proceeds of sales, or gross income, whichever is  
4 specified, as follows:

5 (1) Tax on manufacturers.

6 (A) Upon every person engaging or continuing within  
7 the State in the business of manufacturing,  
8 including compounding, canning, preserving,  
9 packing, printing, publishing, milling,  
10 processing, refining, or preparing for sale,  
11 profit, or commercial use, either directly or  
12 through the activity of others, in whole or in  
13 part, any article or articles, substance or  
14 substances, commodity or commodities, the amount  
15 of the tax to be equal to the value of the  
16 articles, substances, or commodities,  
17 manufactured, compounded, canned, preserved,  
18 packed, printed, milled, processed, refined, or  
19 prepared for sale, as shown by the gross proceeds  
20 derived from the sale thereof by the manufacturer



1 or person compounding, preparing, or printing  
2 them, multiplied by one-half of one per cent.

3 (B) The measure of the tax on manufacturers is the  
4 value of the entire product for sale.

5 (2) Tax on business of selling tangible personal property;  
6 producing.

7 (A) Upon every person engaging or continuing in the  
8 business of selling any tangible personal  
9 property whatsoever, there is likewise hereby  
10 levied, and shall be assessed and collected, a  
11 tax equivalent to four per cent of the gross  
12 proceeds of sales of the business; provided that,  
13 in the case of a wholesaler, the tax shall be  
14 equal to one-half of one per cent of the gross  
15 proceeds of sales of the business; and provided  
16 further that insofar as the sale of tangible  
17 personal property is a wholesale sale under  
18 section 237-4(a)(8), the tax shall be one-half of  
19 one per cent of the gross proceeds. Upon every  
20 person engaging or continuing within this State  
21 in the business of a producer, the tax shall be



1 equal to one-half of one per cent of the gross  
2 proceeds of sales of the business, or the value  
3 of the products, for sale.

4 (B) Gross proceeds of sales of tangible property in  
5 interstate and foreign commerce shall constitute  
6 a part of the measure of the tax imposed on  
7 persons in the business of selling tangible  
8 personal property, to the extent, under the  
9 conditions, and in accordance with the provisions  
10 of the Constitution of the United States and the  
11 Acts of the Congress of the United States which  
12 may be now in force or may be hereafter adopted,  
13 and whenever there occurs in the State an  
14 activity to which, under the Constitution and  
15 Acts of Congress, there may be attributed gross  
16 proceeds of sales, the gross proceeds shall be so  
17 attributed.

18 (C) No manufacturer or producer, engaged in ~~[such]~~  
19 business in the State and selling the  
20 manufacturer's or producer's products for  
21 delivery outside of the State (for example,



1           consigned to a mainland purchaser via common  
2           carrier f.o.b. Honolulu), shall be required to  
3           pay the tax imposed in this chapter for the  
4           privilege of so selling the products, and the  
5           value or gross proceeds of sales of the products  
6           shall be included only in determining the measure  
7           of the tax imposed upon the manufacturer or  
8           producer.

9           (D) A manufacturer or producer, engaged in [~~such~~]  
10          business in the State, shall pay the tax imposed  
11          in this chapter for the privilege of selling its  
12          products in the State, and the value or gross  
13          proceeds of sales of the products, thus subjected  
14          to tax, may be deducted insofar as duplicated as  
15          to the same products by the measure of the tax  
16          upon the manufacturer or producer for the  
17          privilege of manufacturing or producing in the  
18          State; provided that no producer of agricultural  
19          products who sells the products to a purchaser  
20          who will process the products outside the State  
21          shall be required to pay the tax imposed in this



1 chapter for the privilege of producing or selling  
2 those products.

3 (E) A taxpayer selling to a federal cost-plus  
4 contractor may make the election provided for by  
5 paragraph (3)(C), and in that case the tax shall  
6 be computed pursuant to the election,  
7 notwithstanding this paragraph or paragraph (1)  
8 to the contrary.

9 (F) The department, by rule, may require that a  
10 seller take from the purchaser of tangible  
11 personal property a certificate, in a form  
12 prescribed by the department, certifying that the  
13 sale is a sale at wholesale; provided that:

14 (i) Any purchaser who furnishes a certificate  
15 shall be obligated to pay to the seller,  
16 upon demand, the amount of the additional  
17 tax that is imposed upon the seller whenever  
18 the sale in fact is not at wholesale; and

19 (ii) The absence of a certificate in itself shall  
20 give rise to the presumption that the sale



1                   is not at wholesale unless the sales of the  
2                   business are exclusively at wholesale.

3       (3) Tax upon contractors.

4           (A) Upon every person engaging or continuing within  
5           the State in the business of contracting, the tax  
6           shall be equal to four per cent of the gross  
7           income of the business.

8           (B) In computing the tax levied under this paragraph,  
9           there shall be deducted from the gross income of  
10          the taxpayer so much thereof as has been included  
11          in the measure of the tax levied under  
12          subparagraph (A), on another taxpayer who is a  
13          contractor, as defined in section 237-6; provided  
14          that any person claiming a deduction under this  
15          paragraph shall be required to show in the  
16          person's return the name and general excise  
17          number of the person paying the tax on the amount  
18          deducted by the person.

19          (C) In computing the tax levied under this paragraph  
20          against any federal cost-plus contractor, there  
21          shall be excluded from the gross income of the



1 contractor so much thereof as fulfills the  
2 following requirements:

3 (i) The gross income exempted shall constitute  
4 reimbursement of costs incurred for  
5 materials, plant, or equipment purchased  
6 from a taxpayer licensed under this chapter,  
7 not exceeding the gross proceeds of sale of  
8 the taxpayer on account of the transaction;  
9 and

10 (ii) The taxpayer making the sale shall have  
11 certified to the department that the  
12 taxpayer is taxable with respect to the  
13 gross proceeds of the sale, and that the  
14 taxpayer elects to have the tax on gross  
15 income computed the same as upon a sale to  
16 the state government.

17 (D) A person who, as a business or as a part of a  
18 business in which the person is engaged, erects,  
19 constructs, or improves any building or  
20 structure, of any kind or description, or makes,  
21 constructs, or improves any road, street,



1 sidewalk, sewer, or water system, or other  
2 improvements on land held by the person (whether  
3 held as a leasehold, fee simple, or otherwise),  
4 upon the sale or other disposition of the land or  
5 improvements, even if the work was not done  
6 pursuant to a contract, shall be liable to the  
7 same tax as if engaged in the business of  
8 contracting, unless the person shows that at the  
9 time the person was engaged in making the  
10 improvements the person intended, and for the  
11 period of at least one year after completion of  
12 the building, structure, or other improvements  
13 the person continued to intend to hold and not  
14 sell or otherwise dispose of the land or  
15 improvements. The tax in respect of the  
16 improvements shall be measured by the amount of  
17 the proceeds of the sale or other disposition  
18 that is attributable to the erection,  
19 construction, or improvement of ~~such~~ the  
20 building or structure, or the making,  
21 constructing, or improving of the road, street,





1 sidewalk, sewer, or water system, or other  
2 improvements. The measure of tax in respect of  
3 the improvements shall not exceed the amount  
4 which would have been taxable had the work been  
5 performed by another, subject as in other cases  
6 to the deductions allowed by subparagraph (B).  
7 Upon the election of the taxpayer, this paragraph  
8 may be applied notwithstanding that the  
9 improvements were not made by the taxpayer, or  
10 were not made as a business or as a part of a  
11 business, or were made with the intention of  
12 holding the same. However, this paragraph shall  
13 not apply in respect of any proceeds that  
14 constitute or are in the nature of rent, which  
15 shall be taxable under paragraph (9); provided  
16 that insofar as the business of renting or  
17 leasing real property under a lease is taxed  
18 under section 237-16.5, the tax shall be levied  
19 by section 237-16.5.

20 (4) Tax upon theaters, amusements, radio broadcasting  
21 stations, etc.



1           (A) Upon every person engaging or continuing within  
2           the State in the business of operating a theater,  
3           opera house, moving picture show, vaudeville,  
4           amusement park, dance hall, skating rink, radio  
5           broadcasting station, or any other place at which  
6           amusements are offered to the public, the tax  
7           shall be equal to four per cent of the gross  
8           income of the business, and in the case of a sale  
9           of an amusement at wholesale under section  
10          237-4(a)(13), the tax shall be one-half of one  
11          per cent of the gross income.

12          (B) The department may require that the person  
13          rendering an amusement at wholesale take from the  
14          licensed seller a certificate, in a form  
15          prescribed by the department, certifying that the  
16          sale is a sale at wholesale; provided that:

17          (i) Any licensed seller who furnishes a  
18               certificate shall be obligated to pay to the  
19               person rendering the amusement, upon demand,  
20               the amount of additional tax that is imposed



1                   upon the seller whenever the sale is not at  
2                   wholesale; and

3                   (ii) The absence of a certificate in itself shall  
4                   give rise to the presumption that the sale  
5                   is not at wholesale unless the person  
6                   rendering the sale is exclusively rendering  
7                   the amusement at wholesale.

8           (5) Tax upon sales representatives, etc. Upon every  
9           person classified as a representative or purchasing  
10          agent under section 237-1, engaging or continuing  
11          within the State in the business of performing  
12          services for another, other than as an employee, there  
13          is likewise hereby levied and shall be assessed and  
14          collected a tax equal to four per cent of the  
15          commissions and other compensation attributable to the  
16          services so rendered by the person.

17          (6) Tax on service business.

18               (A) Upon every person engaging or continuing within  
19               the State in any service business or calling  
20               including professional services not otherwise  
21               specifically taxed under this chapter, there is



1 likewise hereby levied and shall be assessed and  
2 collected a tax equal to four per cent of the  
3 gross income of the business, and in the case of  
4 a wholesaler under section 237-4(a)(10), the tax  
5 shall be equal to one-half of one per cent of the  
6 gross income of the business.

7 (B) The department may require that the person  
8 rendering a service at wholesale take from the  
9 licensed seller a certificate, in a form  
10 prescribed by the department, certifying that the  
11 sale is a sale at wholesale; provided that:

12 (i) Any licensed seller who furnishes a  
13 certificate shall be obligated to pay to the  
14 person rendering the service, upon demand,  
15 the amount of additional tax that is imposed  
16 upon the seller whenever the sale is not at  
17 wholesale; and

18 (ii) The absence of a certificate in itself shall  
19 give rise to the presumption that the sale  
20 is not at wholesale unless the person



1                   rendering the sale is exclusively rendering  
2                   services at wholesale.

3           (C)   Where any person is engaged in the business of  
4               selling interstate or foreign common carrier  
5               telecommunication services within and without the  
6               State, other than as a home service provider, the  
7               tax shall be imposed on that portion of gross  
8               income received by a person from service which is  
9               originated or terminated in this State and is  
10              charged to a telephone number, customer, or  
11              account in this State notwithstanding any other  
12              state law (except for the exemption under section  
13              237-23(a)(1)) to the contrary. If, under the  
14              Constitution and laws of the United States, the  
15              entire gross income as determined under this  
16              paragraph of a business selling interstate or  
17              foreign common carrier telecommunication services  
18              cannot be included in the measure of the tax, the  
19              gross income shall be apportioned as provided in  
20              section 237-21; provided that the apportionment



1 factor and formula shall be the same for all  
2 persons providing those services in the State.

3 (D) Where any person is engaged in the business of a  
4 home service provider, the tax shall be imposed  
5 on the gross income received or derived from  
6 providing interstate or foreign mobile  
7 telecommunications services to a customer with a  
8 place of primary use in this State when the  
9 services originate in one state and terminate in  
10 another state, territory, or foreign country;  
11 provided that all charges for mobile  
12 telecommunications services which are billed by  
13 or for the home service provider are deemed to be  
14 provided by the home service provider at the  
15 customer's place of primary use, regardless of  
16 where the mobile telecommunications originate,  
17 terminate, or pass through; provided further that  
18 the income from charges specifically derived from  
19 interstate or foreign mobile telecommunications  
20 services, as determined by books and records that  
21 are kept in the regular course of business by the



1 home service provider in accordance with section  
2 239-24, shall be apportioned under any  
3 apportionment factor or formula adopted under  
4 subparagraph (C). Gross income shall not  
5 include:

6 (i) Gross receipts from mobile  
7 telecommunications services provided to a  
8 customer with a place of primary use outside  
9 this State;

10 (ii) Gross receipts from mobile  
11 telecommunications services that are subject  
12 to the tax imposed by chapter 239;

13 (iii) Gross receipts from mobile  
14 telecommunications services taxed under  
15 section 237-13.8; and

16 (iv) Gross receipts of a home service provider  
17 acting as a serving carrier providing mobile  
18 telecommunications services to another home  
19 service provider's customer.

20 For the purposes of this paragraph, "charges for  
21 mobile telecommunications services", "customer",



1 "home service provider", "mobile  
2 telecommunications services", "place of primary  
3 use", and "serving carrier" have the same meaning  
4 as in section 239-22.

5 (7) Tax on insurance producers. Upon every person engaged  
6 as a licensed producer pursuant to chapter 431, there  
7 is hereby levied and shall be assessed and collected a  
8 tax equal to 0.15 per cent of the commissions due to  
9 that activity.

10 (8) Tax on receipts of sugar benefit payments. Upon the  
11 amounts received from the United States government by  
12 any producer of sugar (or the producer's legal  
13 representative or heirs), as defined under and by  
14 virtue of the Sugar Act of 1948, as amended, or other  
15 Acts of the Congress of the United States relating  
16 thereto, there is hereby levied a tax of one-half of  
17 one per cent of the gross amount received; provided  
18 that the tax levied hereunder on any amount so  
19 received and actually disbursed to another by a  
20 producer in the form of a benefit payment shall be  
21 paid by the person or persons to whom the amount is





1 actually disbursed, and the producer actually making a  
2 benefit payment to another shall be entitled to claim  
3 on the producer's return a deduction from the gross  
4 amount taxable hereunder in the sum of the amount so  
5 disbursed. The amounts taxed under this paragraph  
6 shall not be taxable under any other paragraph,  
7 subsection, or section of this chapter.

8 (9) Tax on licensed sports wagering. Upon every entity or  
9 person engaged in sports wagering as a licensed  
10 operator in the State pursuant to chapter \_\_\_\_\_, there  
11 is hereby levied and shall be assessed and collected a  
12 tax equal to fifteen per cent of the adjusted sports  
13 wagering receipts; provided that, of the taxes  
14 collected each fiscal year:

15 (A) Fifty per cent shall be paid to fund public  
16 education programs;

17 (B) Twenty-five per cent shall be paid to fund  
18 affordable housing initiatives;

19 (C) Fifteen per cent shall be paid to fund  
20 responsible gambling programs; and



1           (D) Ten per cent shall be deposited into the general  
2           fund for administrative costs.

3           For the purposes of this paragraph, "adjusted sports  
4           wagering receipts" has the same meaning as defined in  
5           section       -1.

6       ~~[(9)]~~ (10) Tax on other business. Upon every person  
7       engaging or continuing within the State in any  
8       business, trade, activity, occupation, or calling not  
9       included in the preceding paragraphs or any other  
10      provisions of this chapter, there is likewise hereby  
11      levied and shall be assessed and collected, a tax  
12      equal to four per cent of the gross income thereof.  
13      In addition, the rate prescribed by this paragraph  
14      shall apply to a business taxable under one or more of  
15      the preceding paragraphs or other provisions of this  
16      chapter, as to any gross income thereof not taxed  
17      thereunder as gross income or gross proceeds of sales  
18      or by taxing an equivalent value of products, unless  
19      specifically exempted."



SECTION 4. Section 712-1220, Hawaii Revised Statutes, is amended by amending the definitions of "contest of chance" and "gambling" to read as follows:

"Contest of chance" means any contest, game, gaming scheme, or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein. "Contest of chance" does not include sports wagering pursuant to chapter ."

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

[~~Gambling~~] "Gambling" does not include [~~bona~~]:

(1) Bona fide business transactions valid under the law of contracts, including but not limited to contracts for the purchase or sale at a future date of securities or commodities [~~, and agreements~~];



- 1        (2) Agreements to compensate for loss caused by the  
2        happening of chance, including but not limited to  
3        contracts of indemnity or guaranty and life, health,  
4        or accident insurance~~[+]~~; and  
5        (3) Sports wagering activities authorized pursuant to  
6        chapter \_\_\_\_\_."

7        SECTION 5. Section 846-2.7, Hawaii Revised Statutes, is  
8        amended by amending subsection (b) to read as follows:

9        "(b) Criminal history record checks may be conducted by:

- 10       (1) The department of health or its designee on operators  
11       of adult foster homes for individuals with  
12       developmental disabilities or developmental  
13       disabilities domiciliary homes and their employees, as  
14       provided by section 321-15.2;  
15       (2) The department of health or its designee on  
16       prospective employees, persons seeking to serve as  
17       providers, or subcontractors in positions that place  
18       them in direct contact with clients when providing  
19       non-witnessed direct mental health or health care  
20       services as provided by section 321-171.5;



- 1           (3)   The department of health or its designee on all  
2                   applicants for licensure or certification for,  
3                   operators for, prospective employees, adult  
4                   volunteers, and all adults, except adults in care, at  
5                   healthcare facilities as defined in section 321-15.2;
- 6           (4)   The department of education on employees, prospective  
7                   employees, and teacher trainees in any public school  
8                   in positions that necessitate close proximity to  
9                   children as provided by section 302A-601.5;
- 10          (5)   The counties on employees and prospective employees  
11                   who may be in positions that place them in close  
12                   proximity to children in recreation or child care  
13                   programs and services;
- 14          (6)   The county liquor commissions on applicants for liquor  
15                   licenses as provided by section 281-53.5;
- 16          (7)   The county liquor commissions on employees and  
17                   prospective employees involved in liquor  
18                   administration, law enforcement, and liquor control  
19                   investigations;
- 20          (8)   The department of human services on operators and  
21                   employees of child caring institutions, child placing



1 organizations, and resource family homes as provided  
2 by section 346-17;

3 (9) The department of human services on prospective  
4 adoptive parents as established under section  
5 346-19.7;

6 (10) The department of human services or its designee on  
7 applicants to operate child care facilities, household  
8 members of the applicant, prospective employees of the  
9 applicant, and new employees and household members of  
10 the provider after registration or licensure as  
11 provided by section 346-154, and persons subject to  
12 section 346-152.5;

13 (11) The department of human services on persons exempt  
14 pursuant to section 346-152 to be eligible to provide  
15 child care and receive child care subsidies as  
16 provided by section 346-152.5;

17 (12) The department of health on operators and employees of  
18 home and community-based case management agencies and  
19 operators and other adults, except for adults in care,  
20 residing in community care foster family homes as  
21 provided by section 321-15.2;



1       (13)   The department of human services on staff members of  
2           the Hawaii youth correctional facility as provided by  
3           section 352-5.5;

4       (14)   The department of human services on employees,  
5           prospective employees, and volunteers of contracted  
6           providers and subcontractors in positions that place  
7           them in close proximity to youth when providing  
8           services on behalf of the office or the Hawaii youth  
9           correctional facility as provided by section 352D-4.3;

10      (15)   The judiciary on employees and applicants at detention  
11         and shelter facilities as provided by section 571-34;

12      (16)   The department of corrections and rehabilitation on  
13         employees and prospective employees, volunteers,  
14         contract service providers, and subcontract service  
15         providers who are directly involved with the treatment  
16         and care of, or directly involved in providing  
17         correctional programs and services to, persons  
18         committed to a correctional facility, or placed in  
19         close proximity to persons committed when providing  
20         services on behalf of the department or the  
21         correctional facility, as provided by section 353-1.5



1 and the department of law enforcement on employees and  
2 prospective employees whose duties involve or may  
3 involve the exercise of police powers including the  
4 power of arrest as provided by section 353C-5;

5 (17) The board of private detectives and guards on  
6 applicants for private detective or private guard  
7 licensure as provided by section 463-9;

8 (18) Private schools and designated organizations on  
9 employees and prospective employees who may be in  
10 positions that necessitate close proximity to  
11 children; provided that private schools and designated  
12 organizations receive only indications of the states  
13 from which the national criminal history record  
14 information was provided pursuant to section 302C-1;

15 (19) The public library system on employees and prospective  
16 employees whose positions place them in close  
17 proximity to children as provided by section  
18 302A-601.5;

19 (20) The State or any of its branches, political  
20 subdivisions, or agencies on applicants and employees  
21 holding a position that has the same type of contact





1 with children, vulnerable adults, or persons committed  
2 to a correctional facility as other public employees  
3 who hold positions that are authorized by law to  
4 require criminal history record checks as a condition  
5 of employment as provided by section 78-2.7;

6 (21) The department of health on licensed adult day care  
7 center operators, employees, new employees,  
8 subcontracted service providers and their employees,  
9 and adult volunteers as provided by section 321-15.2;

10 (22) The department of human services on purchase of  
11 service contracted and subcontracted service providers  
12 and their employees and volunteers, as provided by  
13 sections 346-2.5 and 346-97;

14 (23) The department of human services on foster grandparent  
15 program, senior companion program, and respite  
16 companion program participants as provided by section  
17 346-97;

18 (24) The department of human services on contracted and  
19 subcontracted service providers and their current and  
20 prospective employees that provide home and  
21 community-based services under section 1915(c) of the



1 Social Security Act, title 42 United States Code  
2 section 1396n(c), or under any other applicable  
3 section or sections of the Social Security Act for the  
4 purposes of providing home and community-based  
5 services, as provided by section 346-97;

6 (25) The department of commerce and consumer affairs on  
7 proposed directors and executive officers of a bank,  
8 savings bank, savings and loan association, trust  
9 company, and depository financial services loan  
10 company as provided by section 412:3-201;

11 (26) The department of commerce and consumer affairs on  
12 proposed directors and executive officers of a  
13 nondepository financial services loan company as  
14 provided by section 412:3-301;

15 (27) The department of commerce and consumer affairs on the  
16 original chartering applicants and proposed executive  
17 officers of a credit union as provided by section  
18 412:10-103;

19 (28) The department of commerce and consumer affairs on:

20 (A) Each principal of every non-corporate applicant  
21 for a money transmitter license;



(B) Each person who upon approval of an application by a corporate applicant for a money transmitter license will be a principal of the licensee; and

(C) Each person who upon approval of an application requesting approval of a proposed change in control of licensee will be a principal of the licensee,

as provided by sections 489D-9 and 489D-15;

(29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;

(30) The Hawaii health systems corporation on:

(A) Employees;

(B) Applicants seeking employment;

(C) Current or prospective members of the corporation board or regional system board; or

(D) Current or prospective volunteers, providers, or contractors,

in any of the corporation's health facilities as provided by section 323F-5.5;

(31) The department of commerce and consumer affairs on:



(A) An applicant for a mortgage loan originator license, or license renewal; and

(B) Each control person, executive officer, director, general partner, and managing member of an applicant for a mortgage loan originator company license or license renewal,

as provided by chapter 454F;

(32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;

(33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;

(34) The counties on prospective employees for fire department positions that involve contact with children or vulnerable adults;



1 (35) The counties on prospective employees for emergency  
2 medical services positions that involve contact with  
3 children or vulnerable adults;

4 (36) The counties on prospective employees for emergency  
5 management positions and community volunteers whose  
6 responsibilities involve planning and executing  
7 homeland security measures including viewing,  
8 handling, and engaging in law enforcement or  
9 classified meetings and assisting vulnerable citizens  
10 during emergencies or crises;

11 (37) The State and counties on employees, prospective  
12 employees, volunteers, and contractors whose position  
13 responsibilities require unescorted access to secured  
14 areas and equipment related to a traffic management  
15 center;

16 (38) The State and counties on employees and prospective  
17 employees whose positions involve the handling or use  
18 of firearms for other than law enforcement purposes;

19 (39) The State and counties on current and prospective  
20 systems analysts and others involved in an agency's  
21 information technology operation whose position



responsibilities provide them with access to  
proprietary, confidential, or sensitive information;

(40) The department of commerce and consumer affairs on:

(A) Applicants for real estate appraiser licensure or  
certification as provided by chapter 466K;

(B) Each person who owns more than ten per cent of an  
appraisal management company who is applying for  
registration as an appraisal management company,  
as provided by section 466M-7; and

(C) Each of the controlling persons of an applicant  
for registration as an appraisal management  
company, as provided by section 466M-7;

(41) The department of health or its designee on:

(A) Individual applicants or individuals acting on  
behalf of applying entities for hemp processor  
permits as provided under section 328G-2; and

(B) All license applicants, licensees, employees,  
contractors, and prospective employees of medical  
cannabis dispensaries, and individuals permitted  
to enter and remain in medical cannabis



1 dispensary facilities as provided under sections

2 329D-15(a)(4) and 329D-16(a)(3);

3 (42) The department of commerce and consumer affairs on  
4 applicants for nurse licensure or license renewal,  
5 reactivation, or restoration as provided by sections  
6 457-7, 457-8, 457-8.5, and 457-9;

7 (43) The county police departments on applicants for  
8 permits to acquire firearms pursuant to section 134-2,  
9 on individuals registering their firearms pursuant to  
10 section 134-3, and on applicants for new or renewed  
11 licenses to carry a pistol or revolver and ammunition  
12 pursuant to section 134-9;

13 (44) The department of commerce and consumer affairs on:

14 (A) Each of the controlling persons of the applicant  
15 for licensure as an escrow depository, and each  
16 of the officers, directors, and principals who  
17 will be in charge of the escrow depository's  
18 activities upon licensure; and

19 (B) Each of the controlling persons of an applicant  
20 for proposed change in control of an escrow  
21 depository licensee, and each of the officers,



1 directors, and principals who will be in charge  
2 of the licensee's activities upon approval of the  
3 application,

4 as provided by chapter 449;

5 (45) The department of taxation on current or prospective  
6 employees or contractors who have access to federal  
7 tax information in order to comply with requirements  
8 of federal law, regulation, or procedure, as provided  
9 by section 231-1.6;

10 (46) The department of labor and industrial relations on  
11 current or prospective employees or contractors who  
12 have access to federal tax information in order to  
13 comply with requirements of federal law, regulation,  
14 or procedure, as provided by section 383-110;

15 (47) The department of human services on current or  
16 prospective employees or contractors who have access  
17 to federal tax information in order to comply with  
18 requirements of federal law, regulation, or procedure,  
19 and on current or prospective employees, volunteers,  
20 contractors, or contractors' employees or volunteers,  
21 subcontractors, or subcontractors' employees or





1 volunteers, whose position places or would place them  
2 in close proximity to minors, young adults, or  
3 vulnerable adults, as provided by section 346-2.5;

4 (48) The child support enforcement agency on current or  
5 prospective employees, or contractors who have access  
6 to federal tax information in order to comply with  
7 federal law, regulation, or procedure, as provided by  
8 section 576D-11.5;

9 (49) The department of the attorney general on current or  
10 prospective employees or employees or agents of  
11 contractors who have access to federal tax information  
12 to comply with requirements of federal law,  
13 regulation, or procedure, as provided by section  
14 28-17;

15 (50) The department of commerce and consumer affairs on  
16 each control person, executive officer, director,  
17 general partner, and managing member of an installment  
18 loan licensee, or an applicant for an installment loan  
19 license, as provided in chapter 480J;

20 (51) The Hawaii state sports wagering commission on:



1           (A) Applicants for a sports wagering operator license  
2           as provided by section -4; and

3           (B) Each of the controlling persons of an applicant  
4           for a sports wagering operator license;

5       ~~[(51)]~~ (52) The university of Hawaii on current and  
6           prospective employees and contractors whose duties  
7           include ensuring the security of campus facilities and  
8           persons; and

9       ~~[(52)]~~ (53) Any other organization, entity, or the State,  
10          its branches, political subdivisions, or agencies as  
11          may be authorized by state law."

12       SECTION 6. If any provision of this Act, or the  
13       application thereof to any person or circumstance, is held  
14       invalid, the invalidity does not affect other provisions or  
15       applications of the Act that can be given effect without the  
16       invalid provision or application, and to this end the provisions  
17       of this Act are severable.

18       SECTION 7. Statutory material to be repealed is bracketed  
19       and stricken. New statutory material is underscored.

20       SECTION 8. This Act shall take effect on July 1, 2025;  
21       provided that the Hawaii state sports wagering commission shall



1 adopt rules and regulations within six months of the effective  
2 date of this Act; provided further that a licensed sports  
3 wagering operator may begin offering sports wagering no sooner  
4 than twelve months from the effective date of this Act.

5

INTRODUCED BY:

Jay DeCorte



# S.B. NO. 1872

**Report Title:**

DBEDT; Hawaii State Sports Wagering Commission; Responsible Gambling Program; Sports Wagering Operations; Background Check; Penalties; License; Reports; Taxation

**Description:**

Establishes the Hawaii State Sports Wagering Commission within the Department of Business, Economic Development, and Tourism. Establishes licensing requirements for sports wagering operators. Establishes penalties for violations. Specifies that sports wagering shall not be considered games of chance or gambling. Allows the commission to conduct background checks on applicants for a sports wagering operator license and persons in control of applicants for a sports wagering operator license. Requires tax revenue collected from sports wagering to fund certain initiatives, including 50 per cent for public education programs and 25 per cent for affordable housing. Requires the commission to submit annual reports to the Legislature.

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

