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# A BILL FOR AN ACT

RELATING TO GAMING.

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

PART I

SECTION 1. The Hawaiian Homes Commission Act,,1920, as amended, is amended by adding a new section to be appropriately designated and to read as follows:

"§ . Gaming; commission authority. (a) The commission shall have the authority to determine whether casino gaming operations shall be allowed on Hawaiian homelands pursuant to chapter , Hawaii Revised Statutes. Authority for casino gaming operations on Hawaiian home lands shall require an affirmative resolution approved by a majority vote of the commission.

(b) Upon authorization by the commission for casino gaming operations pursuant to subsection (a), the commission shall:

(1) Consult with the beneficiaries of the Hawaiian Homes Commission Act to determine the appropriateness of a prospective gaming site; and

(2) Designate the specific parcels upon which gaming shall be allowed."



1       SECTION 2.   Section 204.5, Hawaiian Homes Commission Act,  
2   1920, as amended, is amended to read as follows:

3       "§204.5.   **Additional powers.**   In addition and supplemental  
4   to the powers granted to the department by law, and  
5   notwithstanding any law to the contrary, the department may:

6       (1)   With the approval of the governor, undertake and carry  
7       out the development of any Hawaiian home lands  
8       available for lease under and pursuant to section 207  
9       of this Act by assembling these lands in residential  
10      developments and providing for the construction,  
11      reconstruction, improvement, alteration, or repair of  
12      public facilities therein, including, without  
13      limitation, streets, storm drainage systems,  
14      pedestrian ways, water facilities and systems,  
15      sidewalks, street lighting, sanitary sewerage  
16      facilities and systems, utility and service corridors,  
17      and utility lines, where applicable, sufficient to  
18      adequately service developable improvements therein,  
19      sites for schools, parks, off-street parking  
20      facilities, and other community facilities;

21      (2)   With the approval of the governor, undertake and carry  
22      out the development of available lands for homestead,



1 commercial, and multipurpose projects as provided in  
2 section 220.5 of this Act, as a developer under this  
3 section or in association with a developer agreement  
4 entered into pursuant to this section by providing for  
5 the construction, reconstruction, improvement,  
6 alteration, or repair of public facilities for  
7 development, including, without limitation, streets,  
8 storm drainage systems, pedestrian ways, water  
9 facilities and systems, sidewalks, street lighting,  
10 sanitary sewerage facilities and systems, utility and  
11 service corridors, and utility lines, where  
12 applicable, sufficient to adequately service  
13 developable improvements therein, sites for schools,  
14 parks, off-street parking facilities, and other  
15 community facilities;

16 (3) With the approval of the governor, designate by  
17 resolution of the commission all or any portion of a  
18 development or multiple developments undertaken  
19 pursuant to this section an "undertaking" under part  
20 III of chapter 39, Hawaii Revised Statutes; [and]

21 (4) Exercise the powers granted under section 39-53,  
22 Hawaii Revised Statutes, including the power to issue



1 revenue bonds from time to time as authorized by the  
2 legislature[-]; and

3 (5) Develop Hawaiian home lands, as authorized by the  
4 commission pursuant to section , for the purpose of  
5 establishing casino gaming operations subject to  
6 chapter , Hawaii Revised Statutes.

7 All provisions of part III of chapter 39, Hawaii Revised  
8 Statutes, shall apply to the department and all revenue bonds  
9 issued by the department shall be issued pursuant to the  
10 provisions of that part, except these revenue bonds shall be  
11 issued in the name of the department, and not in the name of the  
12 State.

13 As applied to the department, the term "undertaking" as  
14 used in part III of chapter 39 shall include a residential  
15 development or a development of homestead, commercial, or  
16 multipurpose projects under this Act. The term "revenue" as  
17 used in part III of chapter 39, shall include all or any portion  
18 of the rentals derived from the leasing of Hawaiian home lands  
19 or available lands, whether or not the property is a part of the  
20 development being financed."

21 SECTION 3. Section 213.6, Hawaiian Homes Commission Act,  
22 1920, as amended, is amended to read as follows:



1       "§213.6. Hawaiian home lands trust fund. (a) There is  
2 established a trust fund to be known as the Hawaiian home lands  
3 trust fund, into which shall be deposited all appropriations by  
4 the state legislature and moneys pursuant to section -4(b),  
5 Hawaii Revised Statutes, specified to be deposited therein.

6 Moneys of the Hawaiian home lands trust fund shall be expended  
7 by the department, as provided by law, upon approval by the  
8 commission and shall be used for capital improvements and other  
9 purposes undertaken in furtherance of the Act[-]; provided that

10 moneys deposited pursuant to section -4(b), Hawaii Revised  
11 Statutes, shall only be used to develop Hawaiian home land  
12 communities, including the construction, reconstruction,  
13 improvement, alteration, or repair of public and community  
14 facilities. The department shall have a fiduciary

15 responsibility toward the trust fund and shall provide annual  
16 reports therefor to the legislature and to the beneficiaries of  
17 the trust.

18       (b) The commission may deposit moneys from the trust fund  
19 into depositories other than the state treasury and may manage,  
20 invest, and reinvest moneys in the trust fund. The commission  
21 may hold, purchase, sell, assign, transfer, or dispose of any  
22 securities and investments in which any of the moneys have been



1 invested, as well as the proceeds of the investments. Moneys  
2 from the trust fund that are deposited into depositories other  
3 than the state treasury shall be exempt from the requirements of  
4 chapters 36 and 38. Any interest or other earnings arising out  
5 of investments from the trust fund shall be credited, to and  
6 deposited into the trust fund."

7 PART II

8 SECTION 4. The Hawaii Revised Statutes is amended by  
9 adding a new chapter to be appropriately designated and to read  
10 as follows:

11 "CHAPTER

12 GAMING

13 § -1 Definitions. As used in this chapter:

14 "Casino gaming operation" means the operation of games  
15 licensed under this chapter, including baccarat, twenty-one,  
16 poker, craps, slot machine, video game of chance, roulette  
17 wheel, klondike table, punch-board, faro layout, keno layout,  
18 numbers ticket, push card, jar ticket, pull tab, or other game  
19 of chance that is authorized by the commission as a wagering  
20 device.

21 "Commission" means the Hawaii gaming commission.

22 "Gross receipts" means the total of:



- 1           (1) Cash received as revenue from casino gaming  
2           operations;  
3           (2) Cash received in payment for credit extended by a  
4           licensee to a patron for purposes of gaming; and  
5           (3) Compensation received for conducting any game in which  
6           the licensee is not party to a wager.

7 Gross receipts do not include counterfeit money or tokens, coins  
8 of other countries that are received in gaming devices, cash  
9 taken in fraudulent acts perpetrated against a licensee for  
10 which the licensee is not reimbursed, and cash received as entry  
11 fees for contests or tournaments in which individuals compete  
12 for prizes.

13 "Individual" means a natural person.

14       §     -2 Gaming commission; established; duties. (a)

15 There is established a Hawaii gaming commission within the  
16 department of commerce and consumer affairs. The governor shall  
17 appoint five members of the commission pursuant to section 26-  
18 34.

19       (b) The commission shall:

- 20       (1) Establish the qualifications of any applicant for  
21       licensure to conduct casino gaming operations under



1           this chapter; provided that an applicant shall be a  
2           corporation properly incorporated in the state;

3           (2) Evaluate applicants and award casino gaming operation  
4           licenses to responsive and qualified applicants who  
5           submit a bid that is expected to best fit the needs of  
6           the community located in an area designated by the  
7           Hawaiian homes commission pursuant to section       (b),  
8           Hawaiian Homes Commission Act, 1920, as amended;

9           (3) Collect all taxes and fees imposed; and

10          (4) Regulate casino gaming operations established under  
11          this chapter.

12          §     -3   **Gaming; where permitted.** Licenses issued by the  
13          commission pursuant to section       -2(b) shall authorize casino  
14          gaming operations only on Hawaiian home lands, as designated by  
15          the Hawaiian homes commission pursuant to section       , Hawaiian  
16          Homes Commission Act, 1920, as amended.

17          §     -4   **Wagering tax; distribution.** (a) A wagering tax  
18          shall be imposed on the monthly gross receipts received from  
19          casino gaming operations authorized under this chapter at the  
20          rate of               per cent. The wagering tax imposed by this  
21          section shall be paid to the commission in lieu of all other  
22          state taxes on gross or adjusted gross receipts, except income





1 taxes, including taxes levied under chapter 237. The commission  
2 shall retain per cent for the administrative costs of the  
3 commission.

4 (b) After deduction of the commission's administrative  
5 costs, the tax collected under subsection (a) shall be allocated  
6 as follows:

7 (1) Twenty per cent shall be deposited into the general  
8 fund; and

9 (2) Eighty per cent shall be deposited into the Hawaiian  
10 home lands trust fund under section 213.6, Hawaiian  
11 Homes Commission Act, 1920, as amended.

12 § -5 Rules. The commission shall adopt rules under  
13 chapter 91 to implement this chapter."

14 PART III

15 SECTION 5. The provisions of the amendments made by this  
16 Act to the Hawaiian Homes Commission Act, 1920, as amended, are  
17 declared to be severable, and if any section, sentence, clause,  
18 or phrase, or the application thereof to any person or  
19 circumstances is held ineffective because there is a requirement  
20 of having the consent of the United States to take effect, then  
21 that portion only shall take effect upon the granting of consent



1 by the United States and effectiveness of the remainder of these  
2 amendments or the application thereof shall not be affected.

3 SECTION 6. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on July 1, 2020.



**Report Title:**

Hawaiian Home Lands; Gaming

**Description:**

Authorizes the Hawaiian Homes Commission (HHC) to allow gaming on Hawaiian Home Lands and to consult with the HHC Act beneficiaries and designate specific Hawaiian Home Lands parcels for the purposes of establishing casino gaming operations. Creates the Hawaii Gaming Commission to regulate casino gaming operations. Imposes a wagering tax on gross receipts of casino gaming operations and provides for distribution to the general fund and Hawaiian Home Lands Trust Fund. (HB2759 HD2)

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

