

JAN 27 2021

A BILL FOR AN ACT

RELATING TO GAMING.

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

1 SECTION 1. The legislature finds that article XII, section
2 2, of the state constitution states in part that "[t]he State
3 and its people do further agree and declare that the spirit of
4 the Hawaiian Homes Commission Act looking to the continuance of
5 the Hawaiian homes projects for the further rehabilitation of
6 the Hawaiian race shall be faithfully carried out."

7 The legislature further finds that over twenty-eight
8 thousand native Hawaiians are awaiting homestead leases while
9 the department of Hawaiian home lands struggles to develop land
10 and lots. Current costs for infrastructure development, borne
11 by the department, are in excess of \$150,000 per lot. In order
12 to fulfill the needs of the current waitlist, the department
13 requires over \$6,000,000,000 for infrastructure costs alone to
14 serve its beneficiaries. This significant sum is separate and
15 apart from costs for maintenance of existing lessee communities
16 housing nearly ten thousand beneficiaries, upkeep of several
17 utility systems, and other costs. Over the last decade, the



1 legislature has funded the department at levels higher than in
2 years past, which has provided increased opportunity for the
3 department of Hawaiian home lands to increase its reach.
4 However, by conservative estimates, it will take the department
5 at least another hundred years to meet the needs of its
6 beneficiaries at current funding levels.

7 The legislature additionally finds that, in the face of an
8 unprecedented and historic budget shortfall as a result of the
9 ongoing coronavirus disease 2019 (COVID-19) pandemic, the
10 department of Hawaiian home lands must seek alternative means of
11 revenue. One alternative is the development of an integrated
12 resort that includes limited casino gaming on Hawaiian home
13 lands designated for commercial use on the island of Oahu
14 excluding lands west of Ko Olina in order to address the
15 staggering budget shortfall this century through increased
16 revenue for both beneficiaries and the department of Hawaiian
17 home lands.

18 The legislature also finds that the downstream economic and
19 social benefits of integrated resort development have been
20 demonstrated globally in diverse locations such as Macau,
21 Singapore, the Bahamas, and many states in the United States.



1 In addition to enhancing existing tourism and infrastructure,
2 the integrated resort that includes limited casino gaming will
3 increase state revenue from a new wagering tax along and
4 traditional sources like the general excise tax and the
5 transient accommodation tax. Evidence from over two hundred
6 individual gaming facilities on federal trust lands in twenty-
7 nine states demonstrates significant economic activity through
8 expenditures by casinos and their suppliers; job creation at the
9 integrated resort and new businesses stimulated by increases in
10 tourism, State government, education, and at suppliers to the
11 integrated resort; wages paid to employees of the integrated
12 resort and all impacted businesses; taxes on all taxable
13 economic activity; and direct gaming-related payments to the
14 State and local governments.

15 The legislature further finds that as a global tourism
16 destination, Hawaii would realize similar economic and social
17 benefits through operation and licensing of a single integrated
18 resort that includes limited casino gaming on Hawaiian home
19 lands. For example, 2015 estimates for travel spending for the
20 State of Hawaii were \$21,700,000,000. By comparison, 2015
21 estimates for travel spending for the state of North Carolina



1 were \$22.8 billion. In 2014, North Carolina, a state with only
2 two tribally-operated gaming facilities, realized:

- 3 (1) \$1,330,000,000 in sales tied to gaming;
- 4 (2) 11,730 jobs directly related to gaming; \$530,000,000
5 in salaries, wages, bonuses, tips, and benefits from
6 those jobs; and
- 7 (3) \$205,000,000 in tax revenue and direct payments from
8 tribal governments to federal, state, and local
9 government.

10 Impacts from integrated resort development, particularly on
11 tribal lands, depend on several factors and market conditions.
12 However, the opportunity and potential for increased revenue to
13 the department of Hawaiian home lands and the state will
14 directly address the unprecedented economic shock of COVID-19
15 that threatens to gut legislative funding for the foreseeable
16 future.

17 The purpose of this Act is to authorize limited casino
18 gaming in the form of a single integrated resort property on
19 Hawaiian home lands designated for commercial use on the island
20 of Oahu excluding lands west of Ko Olina in order to address
21 historic funding shortfalls to the department of Hawaiian home



1 lands made worse by the economic shutdown from the global
2 pandemic. The limited authorization of casino gaming would
3 address the dire financial state of the department of Hawaiian
4 home lands by ensuring that the department is the primary
5 beneficiary of the gaming operation through a lease agreement
6 with the licensee and through direct collection of eighty per
7 cent of the state tax payments on gross gaming revenue.

8 SECTION 2. 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 CASINO GAMING

13 § -1 Limited casino gaming authorized. Casino gaming
14 and a system of wagering incorporated therein are authorized
15 only to the extent that they are conducted in accordance with
16 this chapter. In case of any conflict between this chapter and
17 any other law regarding casino gaming, this chapter shall
18 prevail. This chapter and the rules adopted by the commission
19 shall apply to all persons who are licensed or otherwise
20 participate in gaming as permitted under this chapter.



1 § -2 Definitions. As used in this chapter, unless the
2 context clearly requires otherwise:

3 "Agent" means any person who is employed by any agency of
4 the State other than the commission who is assigned to perform
5 full-time services on behalf of or for the benefit of the
6 commission regardless of the title or position held by that
7 person.

8 "Applicant" means any person who applies for a license
9 under this chapter.

10 "Casino gaming" or "limited casino gaming" means the
11 operation of games conducted pursuant to this chapter as part of
12 an integrated resort with a gaming license authorized by the
13 commission.

14 "Chairperson" means the chairperson of the Hawaii gaming
15 commission.

16 "Commission" means the Hawaii gaming commission.

17 "Conflict of interest" means a situation in which the
18 private interest of a member, employee, or agent of the
19 commission may influence the judgment of the member, employee,
20 or agent in the performance of the member's, employee's, or



1 agent's public duty under this chapter. A conflict of interest
2 includes but is not limited to:

3 (1) Any conduct that would lead a reasonable person,
4 knowing all of the circumstances, to conclude that the
5 member, employee, or agent of the commission is biased
6 against or in favor of an applicant;

7 (2) Acceptance of any form of compensation other than from
8 the commission for any services rendered as part of
9 the official duties of the member, employee, or agent
10 for the commission; or

11 (3) Participation in any business being transacted with or
12 before the commission in which the member, employee,
13 or agent of the commission or the member's,
14 employee's, or agent's parent, spouse, or child has a
15 financial interest.

16 "Department" means the department of Hawaiian home lands.

17 "Executive director" means the executive director of the
18 commission.

19 "Financial interest" or "financially interested" means any
20 interest in investments, awarding of contracts, grants, loans,
21 purchases, leases, sales, or similar matters under consideration



1 or consummated by the commission or holding a one per cent or
2 more ownership interest in an applicant or a licensee. For
3 purposes of this definition, a member, employee, or agent of the
4 commission shall be considered to have a financial interest in a
5 matter under consideration if:

6 (1) The individual owns one per cent or more of any class
7 of outstanding securities that are issued by a party
8 to the matter under consideration or consummated by
9 the commission; or

10 (2) The individual is employed by or is an independent
11 contractor for a party to the matter under
12 consideration by the commission.

13 "Gambling" means the playing of a game by a patron of a
14 gaming establishment.

15 "Game" means a banking or percentage game played with
16 cards, dice, tiles, dominoes, or an electronic, electrical, or
17 mechanical device or machine played for money, property, checks,
18 or any other representative of value that has been approved by
19 the commission.

20 "Gaming" means dealing, operating, carrying on, conducting,
21 maintaining, or exposing any game for pay.



1 "Gaming device" or "gaming equipment" means an electronic,
2 electrical, or mechanical machine used in connection with gaming
3 or a game.

4 "Gaming license" means a license issued by the commission
5 that permits the licensee to operate casino gaming.

6 "Gaming licensee" means a person or entity who holds a
7 gaming license from the Hawaii gaming commission.

8 "Gross gaming revenue" means the total of:

9 (1) Cash received or retained as winnings by a licensee;

10 and

11 (2) Compensation received for conducting any game in which
12 a licensee is not party to a wager.

13 "Individual" means a natural person.

14 "Integrated resort" means a destination resort property
15 that offers a wide variety of leisure and entertainment products
16 besides casino gaming, ranging from restaurants, convention
17 services, golf or other outdoor activities, pools and spas,
18 retail, aquariums, theme parks, movie and live theaters,
19 museums, and sporting events.



1 "Managerial employee" means a person who holds a policy
2 making position with the commission or any licensee under this
3 chapter.

4 "Occupational license" means a license issued by the
5 commission to a person or entity to perform an occupation
6 relating to casino gaming in the State that the commission has
7 identified as an occupation that requires a license.

8 "Person" means an individual, association, partnership,
9 estate, trust, corporation, limited liability company, or other
10 legal entity.

11 "Supplier" means a person that the commission has
12 identified under rules adopted by the commission as requiring a
13 license to provide goods or services regarding the realty,
14 construction, maintenance, or business of a proposed or existing
15 integrated resort on a regular or continuing basis, including
16 security businesses, manufacturers, distributors, persons who
17 service gaming devices or equipment, garbage haulers,
18 maintenance companies, food purveyors, and construction
19 companies.

20 "Supplier's license" means a license that authorizes a
21 supplier to furnish any equipment, devices, supplies, or



1 services to a licensed integrated resort permitted under this
2 chapter.

3 "Wagerer" means a person who plays a gambling game
4 authorized under this chapter.

5 § -3 Hawaii gaming commission. (a) There is
6 established the Hawaii gaming commission, which shall be a body
7 corporate and a public instrumentality of the State for the
8 purpose of implementing this chapter. The commission shall be
9 placed within the department of Hawaiian home lands for
10 administrative purposes only. The department shall not direct
11 or exert authority over the day-to-day operations or functions
12 of the commission. The commission shall consist of five members
13 as follows:

14 (1) One member of the Hawaiian homes commission; and
15 (2) Four members to be appointed by the governor with the
16 advice and consent of the senate under section 26-34;
17 provided that:

18 (A) At least one of the members shall be native
19 Hawaiian as defined in the Hawaiian Homes
20 Commission Act;



1 (B) One member shall have experience in corporate
2 finance and securities;

3 (C) One member shall have experience in criminal
4 investigations and law enforcement;

5 (D) One member shall have experience in legal and
6 policy issues related to gaming; and

7 (E) One member may have professional experience in
8 gaming regulatory administration or gaming
9 industry management.

10 Appointments of initial commission members shall be made within
11 one year of the effective date of Act . The commission
12 shall select a member to be chairperson by a two-thirds vote.

13 (b) No person shall be appointed as a member of the
14 commission or continue to be a member of the commission if the
15 person:

16 (1) Is an elected state official;

17 (2) Is licensed by the commission pursuant to this chapter
18 or is an official of, has a financial interest in, or
19 has a financial relationship with, any gaming
20 operation subject to the jurisdiction of the
21 commission pursuant to this chapter;



1 (3) Is related to any person within the second degree of
2 consanguinity or affinity who is licensed by the
3 commission pursuant to this chapter; or

4 (4) Has been under indictment, convicted, plead guilty or
5 nolo contendere, or forfeited bail for a felony or a
6 misdemeanor involving gambling or fraud under the laws
7 of this State, any other state, or the United States
8 within the ten years prior to appointment; or a local
9 ordinance in a state involving gambling or fraud that
10 substantially corresponds to a misdemeanor in that
11 state within the ten years prior to appointment.

12 (c) The term of office of a commission member shall be
13 four years or until a successor is appointed and shall be
14 eligible for reappointment; provided that no commission member
15 shall serve more than eight years. Vacancies in the commission
16 shall be filled for the unexpired term in like manner as the
17 original appointments; provided that the governor shall have
18 ninety days following the occurrence of a vacancy to appoint a
19 successor member to the commission. A person appointed to fill
20 a vacancy of a commission member shall serve for only the



1 unexpired term of the commission member. The governor may
2 remove a commission member if the commission member:

- 3 (1) Is guilty of malfeasance in office;
- 4 (2) Substantially neglects the duties of a commission
5 member;
- 6 (3) Is unable to discharge the powers and duties of the
7 commission member's office;
- 8 (4) Commits gross misconduct; or
- 9 (5) Is convicted of a felony.

10 (d) Each member of the commission shall be a resident of
11 the state of Hawaii and, while serving on the commission, shall
12 not:

- 13 (1) Hold or be a candidate for federal, state, or local
14 elected office;
- 15 (2) Hold an appointed office in a federal, state, or local
16 government, except for the chairman of the Hawaiian
17 homes commission; or
- 18 (3) Serve as an official in a political party.

19 (e) The commission, subject to chapter 92, shall hold at
20 least one meeting in each quarter of the State's fiscal year.

21 The commission shall hold its initial meeting within one year of



1 the effective date of Act . Special meetings may be called
2 by the chairperson or any three members upon seventy-two hours
3 written notice to each member. Three members shall constitute a
4 quorum, and a majority vote of the five members present shall be
5 required for any final determination by the commission. The
6 commission shall keep a complete and accurate record of all its
7 meetings.

8 (f) The members shall serve on a part-time basis. For
9 each hour engaged in the official duties of the commission, each
10 part-time member of the commission shall be paid an hourly wage
11 at the percentage rate specified in this section based on the
12 hourly wage paid the chairman of the Hawaiian homes commission;
13 provided that compensation shall not exceed eighty per cent of
14 the total regular working hours in a month; provided further
15 that part-time members shall not be entitled to any vacation,
16 sick leave, or other benefits except as provided in this
17 section. All commissioners shall receive their necessary
18 expenses for travel and incidentals that shall be paid from
19 appropriations provided the commission for such purposes.

20 (g) Before assuming the duties of office, each member of
21 the commission shall take an oath that the member shall



1 faithfully execute the duties of office according to the laws of
2 the State.

3 (h) The commission shall appoint a person to serve as the
4 executive director of the commission who shall be subject to the
5 commission's supervision. The commission shall appoint an
6 interim executive director within ten days of the commission's
7 initial meeting who shall be exempt from paragraphs (3) and (4)
8 such that the interim executive director may be a current public
9 employee or regulator official from a similar body in another
10 state who temporarily undertakes the role of interim executive
11 director. The executive director shall:

- 12 (1) Hold office at the will of the commission;
- 13 (2) Be exempt from chapters 76 and 89;
- 14 (3) Devote full time to the duties of the office;
- 15 (4) Not hold any other office or employment;
- 16 (5) Perform any and all duties that the commission
17 assigns; and
- 18 (6) Receive an annual salary at an amount set by the
19 commission and be reimbursed for expenses actually and
20 necessarily incurred in the performance of the
21 executive director's duties.



1 (i) Except as otherwise provided by law, the executive
2 director may:

3 (1) Hire assistants, other officers, and employees, who
4 shall be exempt from chapters 76 and 89 and who shall
5 serve at the will of the executive director; and

6 (2) Appoint committees and consultants necessary to carry
7 out the functions and duties of the commission under
8 this chapter; provided that no person shall be hired
9 or appointed under this subsection who:

10 (A) Is an elected state official;

11 (B) Is licensed by the commission pursuant to this
12 chapter or is an official of, has a financial
13 interest in, or has a financial relationship
14 with, any gaming operation subject to the
15 jurisdiction of this commission pursuant to this
16 chapter;

17 (C) Is related to any person within the second degree
18 of consanguinity or affinity who is licensed by
19 the commission pursuant to this chapter; or

20 (D) Has been under indictment, convicted, pled guilty
21 or nolo contendere, or forfeited bail for a



1 felony or misdemeanor concerning gambling or
2 fraud under the laws of this State, any other
3 state, or the United States within the last ten
4 years; or a local ordinance in any state
5 involving gambling or fraud that substantially
6 corresponds to a misdemeanor in that state within
7 the ten years prior to employment.

8 (j) The salaries of employees hired pursuant to subsection
9 (i) shall be set by the executive director.

10 (k) The commission shall adopt rules in accordance with
11 chapter 91 establishing a code of ethics for its employees that
12 shall include restrictions on which employees are prohibited
13 from participating in or wagering on any casino game or casino
14 gaming operation subject to the jurisdiction of the commission.
15 The code of ethics shall be separate from and in addition to any
16 standards of conduct set forth pursuant to chapter 84.

17 § -4 **Records; staff.** (a) The executive director shall
18 keep records of all proceedings of the commission and shall
19 preserve all records, books, documents, and other papers
20 belonging to the commission or entrusted to the commission's
21 care.



1 (b) In addition to persons hired under section -3(i),
2 the commission may employ any personnel that may be necessary to
3 carry out its duties under this chapter.

4 § -5 Powers of the commission. (a) The commission
5 shall have all powers necessary to fully and effectively
6 supervise all casino gaming operations, including the power to:

- 7 (1) Administer, regulate, and enforce the system of casino
8 gaming established by this chapter. The commission's
9 jurisdiction shall extend to every person,
10 association, corporation, partnership, trust, and any
11 other entity with a financial interest in or holding a
12 license under this chapter, or required under this
13 chapter to hold a license in casino gaming operations
14 in the state;
- 15 (2) Issue a forty-year gaming license to operate an
16 integrated resort pursuant to this chapter;
- 17 (3) Determine the types and numbers of occupational and
18 supplier's licenses to be permitted under this
19 chapter;
- 20 (4) Adopt standards for the licensing of all persons under
21 this chapter subject to the qualification and



1 standards set forth herein, to issue licenses, and to
2 establish and collect fees for these licenses;

3 (5) Provide for the collection of all taxes imposed
4 pursuant to this chapter, and to collect, receive,
5 expend, and account for all revenues derived from
6 casino gaming;

7 (6) Enter at any time without a warrant and without notice
8 to a gaming licensee, the premises, offices,
9 integrated resort, or other places of business of a
10 gaming licensee, or supplier licensee, where evidence
11 of the compliance or noncompliance with this chapter
12 or rules is likely to be found; provided that entry is
13 authorized to:

14 (A) Inspect and examine all premises wherein casino
15 gaming or the business of gaming or the business
16 of a supplier is conducted, or where any records
17 of the activities are prepared;

18 (B) Inspect, examine, audit, impound, seize, assume
19 physical control of, or summarily remove from the
20 premises all books, ledgers, documents, writings,
21 photocopies or correspondence records, videotapes



- 1 including electronically or digitally stored
2 records, money receptacles other containers and
3 their contents, equipment in which the records
4 are stored, or other gaming related equipment and
5 supplies on or around the premises including
6 counting rooms;
- 7 (C) Inspect the person, and inspect, examine, and
8 seize personal effects present in an integrated
9 resort licensed under this chapter, or any holder
10 of a licensed integrated resort; and
- 11 (D) Investigate and deter alleged violations of this
12 chapter or rules;
- 13 (7) Investigate alleged violations of this chapter or
14 rules and to take appropriate disciplinary action
15 against a gaming licensee or a holder of an
16 occupational or supplier license for a violation, or
17 institute appropriate legal action for enforcement, or
18 both;
- 19 (8) Be present, through its inspectors and agents, any
20 time gaming operations are conducted in an integrated
21 resort for the purpose of certifying the gaming



1 licensee's revenue, receiving complaints from the
2 public, and conducting other investigations into the
3 conduct of the casino gaming and the maintenance of
4 the equipment as from time to time the commission may
5 deem necessary and proper;

6 (9) Adopt appropriate standards for an integrated resort,
7 as well as for electronic or mechanical gaming
8 devices;

9 (10) Require that records including financial or other
10 statements of a gaming licensee under this chapter be
11 kept in the manner prescribed by the commission and
12 that a licensee involved in the ownership or
13 management of casino gaming operations submit to the
14 commission an annual balance sheet and profit and loss
15 statement, a list of the stockholders or other persons
16 having a five per cent or greater beneficial interest
17 in the gaming activities of the licensee, and any
18 other information the commission deems necessary to
19 effectively administer this chapter;

20 (11) Conduct hearings, issue subpoenas for the attendance
21 of witnesses and subpoenas duces tecum for the



1 production of books, records, and other pertinent
2 documents, and to administer oaths and affirmations to
3 the witnesses, when, in the judgment of the
4 commission, it is necessary to administer or enforce
5 this chapter. The executive director or the executive
6 director's designee may issue subpoenas and administer
7 oaths and affirmations to witnesses;

8 (12) Eject or exclude, or authorize the ejection or
9 exclusion of, any person from an integrated resort
10 where the person is in violation of this chapter or
11 where the person's conduct or reputation is such that
12 the person's presence within the integrated resort, in
13 the opinion of the commission, may call into question
14 the honesty and integrity of the gaming operation or
15 interfere with the orderly conduct thereof or any
16 other action that, in the opinion of the commission,
17 is a detriment or impediment to the gaming operations;
18 provided that the propriety of that ejection or
19 exclusion shall be subject to subsequent hearing and
20 determination by the commission as prescribed by
21 rules;



- 1 (13) Permit a gaming licensee of casino gaming operations
2 to use a wagering system whereby wagerers' money may
3 be converted to tokens, electronic cards, or chips,
4 that shall be used only for wagering within the
5 integrated resort;
- 6 (14) Suspend, revoke, or restrict licenses, to require the
7 removal of a licensee or an employee of a licensee for
8 a violation of this chapter or rule, or for engaging
9 in a fraudulent practice;
- 10 (15) Impose and collect fines against a licensee for each
11 violation of this chapter, any rules adopted by the
12 commission, or for any other action which, in the
13 commission's discretion, is a detriment or impediment
14 to casino gaming operations;
- 15 (16) Establish minimum levels of insurance to be maintained
16 by a licensee;
- 17 (17) Delegate the execution of any of its powers for the
18 purpose of administering and enforcing this chapter;
19 and
- 20 (18) Adopt rules pursuant to chapter 91 to implement this
21 chapter.



1 (b) Rules adopted under this chapter may include but need
2 not be limited to rules that:

3 (1) Govern, restrict, approve, or regulate the casino
4 gaming authorized in this chapter;

5 (2) Promote the safety, security, and integrity of casino
6 gaming authorized in this chapter;

7 (3) License and regulate, consistent with the
8 qualifications and standards set forth in this
9 chapter, persons participating in or involved with
10 casino gaming authorized in this chapter; and

11 (4) Authorize any other action that may be reasonable or
12 appropriate to enforce this chapter and rules adopted
13 under this chapter.

14 This section is not intended to limit warrantless inspections
15 except in accordance with constitutional requirements.

16 § -6 Member, employee, or agent of commission; conduct
17 generally. (a) By January 31 of each year, each member of the
18 commission shall prepare and file with the commission a
19 disclosure form in which the member shall:

20 (1) Affirm that the member or the member's spouse, parent,
21 child, or child's spouse is not a member of the board



- 1 of directors of, financially interested in, or
2 employed by a licensee or applicant;
- 3 (2) Affirm that the member continues to meet all other
4 criteria for commission membership under this chapter
5 or the rules adopted by the commission;
- 6 (3) Disclose any legal or beneficial interest in any real
7 property that is or may be directly or indirectly
8 involved with gaming operations authorized by this
9 chapter; and
- 10 (4) Disclose any other information that may be required to
11 ensure that the integrity of the commission and its
12 work is maintained.
- 13 (b) By January 31 of each year, the executive director
14 shall prepare and file with the commission a disclosure form in
15 which the executive director shall:
- 16 (1) Affirm the absence of financial interests prohibited
17 by this chapter;
- 18 (2) Disclose any legal or beneficial interest in any real
19 property that is or may be directly or indirectly
20 involved with gaming or gaming operations authorized
21 by this chapter;



- 1 (3) Disclose whether the employee or the employee's
2 spouse, parent, child, or child's spouse is
3 financially interested in or employed by a supplier
4 licensee, or an applicant for a supplier's license,
5 under this chapter; and
- 6 (4) Disclose any other information that may be required to
7 ensure that the integrity of the commission and its
8 work is maintained.
- 9 (c) A new or current employee or agent of the commission
10 shall obtain written permission from the executive director
11 before continuing outside employment held at the time the
12 employee begins to work for the commission. Permission shall be
13 denied, or permission previously granted shall be revoked, if
14 the nature of the work is considered to or does create a
15 possible conflict of interest with the commission or otherwise
16 interferes with the duties of the employee or agent for the
17 commission.
- 18 (d) An employee or agent of the commission granted
19 permission for outside employment shall not conduct any business
20 or perform any activities, including solicitation, related to



1 outside employment on premises used by the commission or during
2 the employee's working hours for the commission.

3 (e) As used in this section:

4 "Outside employment" includes the following:

5 (1) Operation of a proprietorship;

6 (2) Participation in a partnership or group business
7 enterprise; or

8 (3) Performance as a director or corporate officer of any
9 for-profit corporation, or banking or credit
10 institution.

11 § -7 **Authorization of limited gaming.** Casino gaming
12 shall only be permitted in one integrated resort on Hawaiian
13 home lands designated for commercial use on the island of Oahu
14 excluding lands west of Ko Olina. Any application for a gaming
15 license to operate the integrated resort shall include a
16 development plan for the integrated resort.

17 § -8 **Gaming license; application; fee.** (a) The
18 application for a gaming license under this chapter shall be
19 made under oath on forms required by this chapter and shall
20 include all of the following:



- 1 (1) The name, business address, telephone number, social
2 security number and, where applicable, the federal tax
3 identification number of the applicant;
- 4 (2) The identity of any business, including, if
5 applicable, the state of incorporation or
6 registration, in which the applicant has an equity
7 interest of more than five per cent. If the applicant
8 is a corporation, partnership or other business
9 entity, the applicant shall identify any other
10 corporation, partnership, or other business entity in
11 which it has an equity interest of more than five per
12 cent, including, if applicable, the state of
13 incorporation or registration;
- 14 (3) An explanation whether the applicant has developed and
15 opened a new land-based casino within a jurisdiction
16 in the United States that previously did not allow
17 gaming, including a description of the casino, the
18 casino's gross revenue, and the amount of revenue the
19 casino has generated for state and local governments
20 within that jurisdiction;



- 1 (4) A statement whether the applicant has been indicted,
2 convicted, pled guilty or nolo contendere, or
3 forfeited bail for any felony or for a misdemeanor
4 involving gambling, theft, or fraud. The statement
5 shall include the date, the name and location of the
6 court, arresting agency, prosecuting agency, the case
7 caption, the docket number, the offense, the
8 disposition, and the location and length of
9 incarceration;
- 10 (5) A statement whether the applicant has ever been
11 granted any license or certificate issued by a
12 licensing authority in the State, or any other
13 jurisdiction that has been restricted, revoked, or not
14 renewed. The statement shall describe the facts and
15 circumstances concerning that restriction, revocation,
16 or nonrenewal, including the licensing authority, the
17 date each action was taken, and the reason for each
18 action;
- 19 (6) A statement whether the applicant, within the last ten
20 years, has filed or had filed against it a civil or
21 administrative action or proceeding in bankruptcy;



- 1 (7) A statement whether the applicant, within the last
2 five tax years, has been adjudicated by a court or
3 tribunal to have failed to pay any final amount of any
4 income, sales, or gross receipts tax due and payable
5 under federal, state, or local law, after exhaustion
6 of all inter-agency appeals processes. This statement
7 shall identify the amount of the tax, type of tax,
8 time periods involved, and resolution;
- 9 (8) A statement listing the names and titles of all public
10 officials or officers of any unit of state government
11 or county government in the jurisdiction in which the
12 integrated resort is to be located, and the spouses,
13 parents, and children of those public officials or
14 officers who, directly or indirectly, own any
15 financial interest in, have any beneficial interest
16 in, are the creditors of or hold any debt instrument
17 issued by, or hold or have an interest in any
18 contractual or service relationship with, the
19 applicant. As used in this paragraph, "public
20 official" or "officer" does not include a person who



1 would be listed solely because of the person's state
2 or federal military service;

3 (9) The name and business telephone number of any
4 attorney, counsel, or any other person representing an
5 applicant in matters before the commission;

6 (10) A description of the applicant's history of, or plan
7 for, community involvement or investment in the area
8 where the integrated resort will be located,
9 particularly noting any experience working with native
10 or indigenous communities;

11 (11) A description of any proposed or approved integrated
12 resort, including the economic benefit to the
13 community, especially native or indigenous
14 communities, anticipated or actual number of
15 employees, any statement from an applicant regarding
16 compliance with federal and state affirmative action
17 guidelines, projected or actual admissions, projected
18 or actual gross receipts, and scientific market
19 research, if any; and

20 (12) A clarification of the legal operation of casino games
21 of chance or games of other forms.



1 (b) Information provided on the application shall be used
2 as the basis for a thorough background investigation that the
3 commission shall conduct with respect to each applicant, but any
4 financial information submitted by each applicant shall be kept
5 confidential by the commission and shall not be subject to the
6 Uniform Information Practices Act. An incomplete application
7 shall be cause for denial of consideration by the commission and
8 forfeiture of the non-refundable deposit.

9 (c) Applicants shall submit with their application a plan
10 for training native Hawaiians as defined in the Hawaiian Homes
11 Commission Act for jobs that are available at the integrated
12 resort. The plan shall take into consideration the need to
13 provide training to low-income persons to enable those persons
14 to qualify for jobs that will be created in the integrated
15 resort.

16 (d) A nonrefundable application fee of one million dollars
17 shall be paid to the commission by an applicant at the time of
18 filing to defray the costs associated with an applicant's
19 background investigation conducted by the commission. If the
20 costs of the investigation exceed one million dollars, the
21 applicant shall pay the additional amount to the commission.



1 § -9 Criteria for award of the gaming license; transfer
2 of license prohibited. (a) The commission shall issue one
3 gaming license to operate an integrated resort to the applicant
4 that has paid the application fee required under section -8,
5 is eligible and suitable to receive a gaming license under this
6 chapter and the rules adopted by the commission, and best
7 satisfies all of the following criteria:

8 (1) The applicant has submitted a development plan for the
9 integrated resort that provides the greatest
10 likelihood that the applicant's facility will provide
11 the maximum revenue to the department of Hawaiian home
12 lands to develop and deliver lands, generate jobs, and
13 provide an economic benefit to native Hawaiians as
14 defined in the Hawaiian Homes Commission Act;

15 (2) The applicant has a history of, or a bona fide plan
16 for, community involvement or investment in the area
17 where the integrated resort will be located,
18 particularly noting any experience working with native
19 or indigenous communities;



- 1 (3) The applicant has the financial ability to purchase
2 and maintain adequate liability and casualty insurance
3 and to provide an adequate surety bond;
- 4 (4) The applicant has provided data identifying the
5 applicant's sources of capital and demonstrating that
6 the applicant has adequate capital to develop,
7 construct, operate, and maintain the proposed
8 integrated resort;
- 9 (5) The applicant has adequate capitalization to develop,
10 construct, operate, and maintain for the duration of
11 the license, the proposed integrated resort in
12 accordance with the requirements of this chapter and
13 rules adopted by the commission and to responsibly pay
14 off its secured and unsecured debts in accordance with
15 its financing agreement and other contractual
16 obligations;
- 17 (6) The applicant has not been indicted, convicted, pled
18 guilty or nolo contendere, or forfeited bail for any
19 felony or for a misdemeanor involving gambling, theft,
20 or fraud;



- 1 (7) The applicant has not filed or had filed against them
2 a proceeding for bankruptcy within the last ten years;
- 3 (8) The extent to which an applicant has, within the last
4 five tax years, been, adjudicated by a court or
5 tribunal to have failed to pay any final amount of
6 income, sales, or gross receipts tax due and payable
7 under federal, state, or local law, after exhaustion
8 of all inter-agency appeals processes;
- 9 (9) The extent to which the applicant meets other
10 standards for the issuance of a gaming license that
11 the commission may have adopted by rule;
- 12 (10) To ensure the continued integrity of Hawaii collegiate
13 athletics, neither the applicant, nor any parent or
14 subsidiary of the applicant permits wagering on Hawaii
15 collegiate athletics in Hawaii or any other
16 jurisdiction where they hold a license;
- 17 (11) The adequacy of the applicant's plan for creating
18 partnerships with the University of Hawaii and
19 existing educational institutions for training native
20 Hawaiians as defined in the Hawaiian Homes Commission
21 Act for jobs, including management positions, that are



1 available at the integrated resort and the extent to
2 which the plan considers the need to provide training
3 to low-income persons to enable those persons to
4 qualify for jobs that will be created in the
5 integrated resort; and

6 (12) The caliber of the proposed integrated resort,
7 including the proposed integrated resort's aesthetic
8 appearance, amount of economic benefit to the
9 community, especially native or indigenous
10 communities, anticipated or actual number of
11 employees, compliance with federal and state
12 affirmative action guidelines, and projected or actual
13 gross receipts.

14 (b) An applicant shall be ineligible to receive a gaming
15 license if the applicant or any employee:

16 (1) Has been convicted of a felony under the laws of this
17 State, any other state, or the United States;

18 (2) Has been convicted of any violation under part III,
19 chapter 712, or substantially similar laws of another
20 jurisdiction;



1 (3) Knowingly submitted an application for a license under
2 this chapter that contains false information;

3 (4) Is a member or employee of the commission;

4 (5) Has had revoked a license to own or operate gaming
5 facilities in this State or any other jurisdiction; or

6 (6) Is not, or has not consented to be, subject to the
7 laws and jurisdiction of the state.

8 (c) To demonstrate financial ability, the applicant may
9 include the economic resources available directly or indirectly
10 to the gaming license applicant.

11 (d) Simultaneous with an applicant's submission of an
12 application, each applicant that is a natural person shall
13 submit to the commission on fingerprint cards issued by the
14 Federal Bureau of Investigation or in digital format two sets of
15 fingerprints for each applicant.

16 (e) The commission shall establish a process to facilitate
17 and expedite the approval of the necessary licenses and permits
18 for the integrated resort. The commission may establish its own
19 procedures for the issuance of liquor licenses for any holder of
20 a gaming license under this chapter and the holder of a gaming
21 license shall not be subject to any requirement of the Honolulu



1 liquor commission as to the approval of forms of live or
2 professional music, dancing, and entertainment; provided that
3 all other state laws and county ordinances relating to liquor
4 are met.

5 (f) Once issued, the gaming license issued pursuant to
6 this chapter shall be nontransferable and shall be valid only
7 for the person or entity in whose name it was issued and for the
8 operation of the integrated resort on Hawaiian home lands
9 designated for commercial use on the island of Oahu excluding
10 lands west of Ko Olina.

11 § -10 Purpose of the gaming license. The gaming
12 licensee shall have the following obligations:

- 13 (1) Ensure the proper operation and conduct of casino
14 games of chance or games of other forms;
- 15 (2) Manage and conduct gaming activities that are licensed
16 by the commission;
- 17 (3) Operate and conduct casino games of chance or games of
18 other forms in a fair and honest manner without
19 criminal influence;
- 20 (4) Employ staff that have the appropriate qualifications;
21 and



1 (5) Safeguard and ensure the department of Hawaiian home
2 lands and the State of Hawaii's interests in land
3 lease and tax revenue from the operation of the
4 integrated resort.

5 § -11 **Applicability of Hawaii law.** (a) The integrated
6 resort property and licensee shall be exclusively governed by
7 the laws of the State of Hawaii.

8 (b) The integrated resort with the gaming license shall
9 recognize and accept the exclusive jurisdiction of the court of
10 the State of Hawaii in case of any potential dispute or conflict
11 of interests.

12 (c) The integrated resort with the gaming license shall
13 comply with applicable laws of the State of Hawaii and waives
14 the right to apply regulations of a place other than Hawaii
15 which exempt the licensee from performing obligations or acts
16 that must be performed or are imposed.

17 § -12 **Participation in the operation of gambling in**
18 **other jurisdictions.** (a) The integrated resort with the gaming
19 license shall inform the commission of its participation in the
20 operation of casino games of chance or games of other forms in
21 any other jurisdictions, including participation in the



1 operation through a management contract, or of such intent. If
2 the licensee is aware that any of its directors or controlling
3 shareholders, or any shareholder that directly or indirectly
4 holds the equivalent of five per cent or more of its share
5 capital has the intent to participate in the operation of casino
6 games or games of other forms in any other jurisdictions, the
7 licensee shall inform the commission immediately.

8 (b) For the purpose of this section, the licensee shall
9 submit to the commission or procure to obtain and submit to the
10 commission, as the case may be, any documents, information or
11 materials that may be requested, except those that are
12 considered as confidential by law.

13 § -13 **Supplier's licenses.** (a) No person shall furnish
14 equipment, devices, or supplies to the licensed integrated
15 resort under this chapter unless the person has first obtained a
16 supplier's license pursuant to this section. The commission may
17 issue a supplier's license to any person, firm, or corporation
18 who pays a nonrefundable application fee as set by the
19 commission upon a determination by the commission that the
20 applicant is eligible for a supplier's license and upon payment
21 by the applicant of a license fee, the amount to be set by the



1 commission and adjusted to market conditions from time to time.
2 Supplier's licenses shall be renewable annually upon payment of
3 the annual license fee and a determination by the commission
4 that the licensee continues to meet all of the requirements of
5 this chapter.

6 (b) The holder of a supplier's license may sell or lease,
7 or contract to sell or lease, gaming equipment and supplies to
8 any licensee involved in the ownership or management of casino
9 gaming operations.

10 (c) Casino gaming supplies and equipment shall not be
11 distributed unless supplies and equipment conform to standards
12 adopted by rules of the commission.

13 (d) A person, firm, or corporation shall be ineligible to
14 receive a supplier's license if:

15 (1) The person has been convicted of a felony under the
16 laws of this State, any other state, or the United
17 States;

18 (2) The person has been convicted of any violation under
19 part III, chapter 712, or substantially similar laws
20 of another jurisdiction;



S.B. NO. 1321

- 1 (3) The person has knowingly submitted an application for
2 a license under this chapter that contains false
3 information;
- 4 (4) The person is a member of the commission;
- 5 (5) The firm or corporation is one in which a person
6 described in paragraph (1), (2), (3), or (4) is an
7 officer, director, or managerial employee;
- 8 (6) The firm or corporation employs a person described in
9 paragraph (1), (2), (3), or (4) that participates in
10 the management or operation of casino gaming
11 authorized under this chapter; or
- 12 (7) The license of the person, firm, or corporation issued
13 under this chapter, or a license to own or operate
14 casino gaming facilities in any other jurisdiction,
15 has been revoked.
- 16 (e) A supplier shall:
- 17 (1) Furnish to the commission a list of all equipment,
18 devices, and supplies offered for sale or lease in
19 connection with games authorized under this chapter;
- 20 (2) Keep books and records for the furnishing of
21 equipment, devices, and supplies to casino gaming



- 1 operations separate and distinct from any other
2 business that the supplier might operate;
- 3 (3) File quarterly returns with the commission listing all
4 sales and leases;
- 5 (4) Permanently affix its name to all its equipment,
6 devices, and supplies, used for casino gaming
7 operations; and
- 8 (5) File an annual report with the commission listing its
9 inventories of casino gaming equipment, devices, and
10 supplies.
- 11 (f) Any person who knowingly makes a false statement on an
12 application is guilty of a misdemeanor.

13 § -14 Occupational license. (a) The commission may
14 issue an occupational license to an applicant upon:

- 15 (1) The payment of a nonrefundable application fee set by
16 the commission;
- 17 (2) A determination by the commission that the applicant
18 is eligible for an occupational license; and
- 19 (3) Payment of an annual license fee in an amount set by
20 the commission.



1 (b) To be eligible for an occupational license, an
2 applicant shall:

3 (1) Be at least twenty-one years of age if the applicant
4 performs any function involved in casino gaming by
5 patrons; provided that any applicant seeking an
6 occupational license for a non-gaming function shall
7 be at least eighteen years of age;

8 (2) Not have been convicted of a felony offense in any
9 jurisdiction or a crime involving dishonestly or moral
10 turpitude; and

11 (3) Have met standards for the holding of an occupational
12 license as provided in rules adopted by the
13 commission, including background inquiries and other
14 requirements.

15 (c) Each application for an occupational license shall be
16 on forms prescribed by the commission and shall contain all
17 information required by the commission. The applicant shall set
18 forth in the application whether the applicant:

19 (1) Has been issued prior gaming-related licenses in any
20 jurisdiction;



1 (2) Has been licensed in any other jurisdiction under any
2 other name, and if so, the name and the applicant's
3 age at the time; and

4 (3) Has had a permit or license issued from any other
5 jurisdiction suspended, restricted, or revoked, and if
6 so, for what period of time.

7 (d) Each applicant shall submit with the application two
8 sets of the applicant's fingerprints. The commission shall
9 charge each applicant a fee to defray the costs associated with
10 the search and classification of fingerprints obtained by the
11 commission with respect to the application.

12 (e) The commission may refuse to grant an occupational
13 license to any person:

14 (1) Who is unqualified to perform the duties required of
15 the applicant;

16 (2) Who fails to disclose or states falsely any
17 information called for in the application;

18 (3) Who has been found guilty of a violation of this
19 chapter or whose prior casino gaming related license
20 or application has been suspended, restricted,



1 revoked, or denied for just cause in any other
2 jurisdiction; or

3 (4) For any other just cause.

4 (f) The commission may suspend, revoke, or restrict any
5 occupational licensee:

6 (1) For any violation of this chapter;

7 (2) For any violation of the rules of the commission;

8 (3) For any cause which, if known to the commission, would
9 have disqualified the applicant from receiving a
10 license;

11 (4) For default in the payment of any obligation or debt
12 due to the State or the county; or

13 (5) For any other just cause.

14 (g) A person who knowingly makes a false statement on an
15 application is guilty of a misdemeanor.

16 (h) Any license issued pursuant to this section shall be
17 valid for a period of one year from the date of issuance and
18 shall be renewable annually upon payment of the annual license
19 fee and a determination by the commission that the licensee
20 continues to meet all of the requirements of this chapter.



1 § -15 Temporary supplier and occupational licenses. (a)

2 Upon written request of a person applying for a supplier or
3 occupational license under this chapter, the executive director
4 shall issue a temporary license to the applicant and permit the
5 applicant to undertake employment with, conduct business
6 transactions with, and provide goods and services to licensees,
7 gaming license applicants, and holders of certificates of
8 suitability; provided that all of the following provisions are
9 met:

- 10 (1) The applicant has submitted to the commission a
11 completed application, an application fee, and all
12 required disclosure forms and other required written
13 documentation and materials;
- 14 (2) Preliminary review of the application and a criminal
15 history check by the executive director or the
16 commission staff does not reveal that the applicant or
17 the applicant's key persons, local and regional
18 managerial employees or sales and service
19 representatives, or substantial owners have been
20 convicted of a felony or misdemeanor that would
21 require denial of the application or may otherwise be



1 ineligible, unqualified, or unsuitable to permit
2 licensure under this chapter; and

3 (3) There is no other apparent deficiency in the
4 application that may require denial of the
5 application.

6 (b) A temporary license issued under this section shall be
7 valid for not more than one hundred and eighty days, but may be
8 renewed upon expiration by the executive director.

9 (c) An applicant who receives a temporary license under
10 this section may undertake employment with or supply a gaming
11 licensee, gaming license applicants, and holders of certificates
12 of suitability with goods and services subject to this chapter
13 until a license is issued by the commission pursuant to the
14 applicant's application or until the temporary license expires
15 or is suspended or revoked. During the period of the temporary
16 license, the applicant shall comply with this chapter and rules
17 adopted by the commission.

18 (d) If the temporary license expires, is not renewed, is
19 suspended or revoked, or otherwise terminates, the executive
20 director shall immediately forward the applicant's application
21 to the commission for action after first providing a reasonable



1 time for the applicant to correct any apparent deficiency in its
2 application.

3 **§ -16 Annual report.** The commission shall submit a
4 written annual report to the governor, the legislature, and the
5 Hawaiian homes commission at least sixty days prior to the close
6 of each fiscal year and shall submit any additional reports that
7 the governor, the legislature, or the Hawaiian homes commission
8 requests. The annual report shall include:

- 9 (1) A statement of receipts and disbursements related to
10 the integrated resort pursuant to this chapter;
11 (2) Actions taken by the commission; and
12 (3) Any additional information and recommendations that
13 the commission may deem valuable or which the
14 governor, the legislature, or the Hawaiian homes
15 commission may request.

16 **§ -17 Hearings by the commission.** (a) Upon order of
17 the commission, one of the commission members or a hearings
18 officer designated by the commission may conduct any hearing
19 provided for under this chapter related to casino gaming or by
20 commission rule, and may recommend findings and decisions to the
21 commission. The record made at the time of the hearing shall be



1 reviewed by the commission, or a majority thereof, and the
2 findings and decisions of the majority of the commission shall
3 constitute the order of the commission in that case.

4 (b) Any party aggrieved by an action of the commission
5 denying, suspending, revoking, restricting, or refusing to renew
6 a license under this chapter may request in writing a hearing
7 before the commission within five days after service of notice
8 of the action of the commission. Notice of the actions of the
9 commission shall be served either by personal delivery or by
10 certified mail, postage prepaid, to the aggrieved party. Notice
11 served by certified mail shall be deemed complete on the
12 business day following the date of the mailing. The commission
13 shall conduct all requested hearings promptly and in reasonable
14 order.

15 § -18 Conduct of casino gaming. Casino gaming may be
16 conducted by the holder of a gaming license, subject to the
17 following:

18 (1) The site of the integrated resort shall be restricted
19 to Hawaiian home lands designated for commercial use
20 on the island of Oahu excluding lands west of Ko
21 Olina;



1 (2) The term of the gaming license shall be forty years
2 and shall be renewable for additional twenty-year
3 terms; provided that:

4 (A) The integrated resort met or exceeded its
5 commitment to provide lease payments and
6 revenue to the department of Hawaiian home
7 lands to develop and deliver lands, generate
8 jobs, and provide an economic benefit to native
9 Hawaiians as defined in the Hawaiian Homes
10 Commission Act;

11 (B) The gaming licensee's actions have not caused
12 the gaming license under this chapter to be
13 suspended or revoked; and

14 (C) The applicant remains eligible and suitable for a
15 gaming license;

16 (3) The integrated resort may operate twenty-four hours
17 per day, every day of the year, subject to market
18 conditions;

19 (4) The integrated resort license shall not include the
20 following gaming activities:

21 (A) Online or mobile gaming; and



- 1 (B) Games of chance or any other gaming, betting or
2 gambling activities on ships or planes;
- 3 (5) Minimum and maximum wagers on games shall be set by
4 the gaming licensee with guidance and oversight
5 through regulations by the commission;
- 6 (6) The commission's agents may enter and inspect the
7 integrated resort at any time for the purpose of
8 determining whether the gaming licensee is in
9 compliance with this chapter or rules;
- 10 (7) Commission employees shall have the right to be
11 present in an integrated resort under the control of
12 the gaming licensee;
- 13 (8) Gaming equipment and supplies customarily used in
14 conducting casino gaming shall be purchased or
15 leased only from suppliers licensed under this
16 chapter;
- 17 (9) Persons licensed under this chapter shall permit no
18 form of wagering on games except as permitted by
19 this chapter;
- 20 (10) Wagers may be received only from a person present in
21 an integrated resort. No person present in an



1 integrated resort shall place or attempt to place a
2 wager on behalf of another person who is not present
3 in the integrated resort;

4 (11) No person under age twenty-one shall be permitted in
5 an area of the integrated resort where casino gaming
6 is being conducted, except for a person at least
7 eighteen years of age who is an employee of the
8 integrated resort. No employee under age twenty-one
9 shall perform any function involved in casino gaming
10 by patrons. No person under age twenty-one shall be
11 permitted to make a wager under this chapter;

12 (12) All tokens, chips, or electronic cards used to make
13 wagers shall only be purchased from the gaming
14 licensee within the integrated resort. The tokens,
15 chips, or electronic cards shall be used while
16 within the integrated resort only for the purpose of
17 making wagers on authorized games;

18 (13) Prior to commencing gaming operations at the
19 integrated resort, the gaming licensee shall enter
20 into a development agreement with the department of



S.B. NO. 1321

1 Hawaiian home lands, which will include at least the
2 following terms:

3 (A) The selected licensee agrees to invest at least
4 \$200,000,000 to develop and construct an
5 integrated resort on the site selected by the
6 department of Hawaiian home lands;

7 (B) The selected licensee agrees to create
8 partnerships with local educational institutions
9 to train native Hawaiians as defined in the
10 Hawaiian Homes Commission Act for jobs that are
11 available in the integrated resort;

12 (C) The gaming licensee agrees that neither the
13 gaming licensee, nor any parent or subsidiary of
14 the gaming licensee, will permit wagering on
15 Hawaii collegiate athletics regardless of its
16 legality in other jurisdictions where the
17 licensee operates;

18 (D) All revenue under the development agreement,
19 shall be deposited into the Hawaiian home
20 administration account;



1 (E) The gaming licensee and the State agree that,
2 other than the one integrated resort licensed
3 under this chapter, the State shall not authorize
4 any additional gaming in the State during the
5 initial forty-year license period; and

6 (14) Casino gaming shall be conducted in accordance with
7 all rules adopted by the commission.

8 **§ -19 Wagering tax; rate; disposition.** A wagering tax
9 shall be imposed on the gross gaming revenues of the licensee at
10 the rate of forty-five per cent. Tax revenues collected under
11 this section shall be divided as follows:

12 (1) Seventy-five per cent directed to the Hawaiian home
13 operating fund;

14 (2) Five per cent directed to the Native Hawaiian
15 rehabilitation fund;

16 (3) Fifteen per cent deposited into the state general
17 fund; and

18 (4) Five per cent deposited into the state gaming fund.

19 **§ -20 State gaming fund; disposition of taxes collected.**

20 There is established within the state treasury the state gaming
21 fund to be administered by the commission into which shall be



1 deposited all fees, taxes, and fines collected under this
2 chapter. Moneys from the state gaming fund may be used to fund:

- 3 (1) A compulsive gamblers program and for public
4 security at the integrated resort;
- 5 (2) Training for native Hawaiians as defined in the
6 Hawaiian Homes Commission Act for jobs that are
7 available in the integrated resort provided by local
8 educational institutions;
- 9 (3) Road or other improvements to address any traffic
10 issues as a result of the integrated resort; and
- 11 (4) Administrative expenses of the commission.

12 § -21 **Legislative oversight.** After the first full
13 fiscal year of operation, the auditor shall conduct a program
14 and financial audit of the commission. Thereafter, the auditor
15 shall conduct a program and financial audit every four years
16 after the initial audit is completed.

17 § -22 **Disclosure of information.** The commission, upon
18 written request from any person, shall provide the following
19 information concerning the applicant or licensee, the
20 applicant's or licensee's products, services or gambling



1 enterprises, and the applicant's or licensee's business holdings
2 if the commission has the information in its possession:

3 (1) The name, business address, and business telephone
4 number;

5 (2) An identification of any applicant or licensee
6 including, if an applicant or licensee is not an
7 individual, its state of incorporation or
8 registration, and its corporate officers;

9 (3) The name and business telephone number of any
10 attorney, counsel, lobbyist, or any other person
11 representing an applicant or licensee in matters
12 before the commission; and

13 (4) A description of the product or service to be
14 supplied by, or occupation to be engaged in by, a
15 licensee."

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

19 "§712- Casino gaming; exempted. This part shall not
20 apply to casino gaming as authorized under chapter ."



1 SECTION 4. Section 46-80.5, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) Exemptions.

4 (1) Property owned by the state or county governments or
5 entities, may be exempt from the assessment except as
6 provided in paragraph (3);

7 (2) Property owned by the federal government or entities,
8 shall be exempt from the assessment except as provided
9 in paragraph (3);

10 (3) If a public body owning property, including property
11 held in trust for any beneficiary, which is exempt
12 from an assessment pursuant to paragraphs (1) and (2),
13 grants a leasehold or other possessory interest in the
14 property to a nonexempt person or entity, the
15 assessment, notwithstanding paragraphs (1) and (2),
16 shall be levied on the leasehold or possessory
17 interest and shall be payable by the lessee;

18 (4) The construction of any integrated resort or gaming
19 facility on Hawaiian home lands designated for
20 commercial use on the island of Oahu excluding lands
21 west of Ko Olina authorized under chapter shall



1 be exempt from the assessment and any special
2 improvement district requirements regarding
3 redevelopment authorized by subsection (a);

4 ~~[(4)]~~ (5) The redevelopment of the Ala Wai boat harbor
5 shall be exempt from the assessment and any special
6 improvement district requirements authorized by
7 subsection (a); and

8 ~~[(5)]~~ (6) No other properties or owners shall be exempt
9 from the assessment unless the properties or owners
10 are expressly exempted in the ordinance establishing a
11 district adopted pursuant to this section or amending
12 the rate or method of assessment of an existing
13 district."

14 SECTION 5. There is appropriated out of the Hawaiian home
15 lands trust fund the sum of \$5,000,000 or so much thereof as may
16 be necessary for fiscal year 2021-2022 and the same sum or so
17 much thereof as may be necessary for fiscal year 2022-2023 for
18 the purpose of funding the operations of the Hawaii gaming
19 commission; provided that:

20 (1) The gaming licensee shall reimburse the amount
21 appropriated by remitting \$5,000,000 to the department



S.B. NO. 1321

1 of Hawaiian home lands no later than the first day on
2 which the casino opens for operation; and

3 (2) The gaming licensee's application fee under section
4 -8(e), Hawaii Revised Statutes, shall be applied as
5 a credit against the \$5,000,000 amount due under this
6 section.

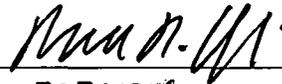
7 The sums appropriated shall be expended by the department
8 of Hawaiian home lands for the purposes of this Act.

9 SECTION 6. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 7. This Act shall take effect on July 1, 2021.

12

INTRODUCED BY: _____



By Request



S.B. NO. 1321

Report Title:

Limited Casino Gaming; Single Integrated Resort; Appropriation

Description:

Grants forty-year gaming license for a single integrated resort property on Hawaiian home lands designated for commercial use on the island of Oahu excluding lands west of Ko Olina.

Establishes Hawaii Gaming Commission. Imposes wagering tax on gross gaming revenue. Creates State Gaming Fund. 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.

