
A BILL FOR AN ACT

RELATING TO GAMBLING.

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

1 SECTION 1. The legislature finds that gambling is now
2 legal in forty-eight out of fifty states. For the people of
3 Hawaii, gambling is as popular as it is in the rest of the
4 country, but it remains illegal within the State. With no local
5 economic impact from gambling, Hawaii is a ripe target market
6 for legal gaming. Hawaii residents regularly generate hundreds
7 of millions, perhaps billions, of tax revenue dollars for other
8 states while traveling to gamble, and in return, Hawaii receives
9 little to no benefit.

10 Hawaii residents typically take a total of about five
11 hundred thousand trips to Las Vegas and other gambling
12 destinations each year, with many taking multiple trips per
13 year. In 2011, it was reported that Boyd Gaming, a Nevada-based
14 gaming corporation, earns about \$600,000,000 from Hawaii
15 annually. In 2021, the chief executive officer of Boyd Gaming
16 disclosed on an investor call that the company relies heavily on
17 gamblers coming from Hawaii. Gaming revenues for Boyd Gaming



1 from downtown Las Vegas, where locals often visit, declined
2 sixty-three per cent to \$257,700,000 as a result of travel
3 restrictions related to the COVID-19 pandemic. A longtime
4 lobbyist for gambling interests in Hawaii testified to the house
5 standing committee on tourism in 2012 that the "prohibition of
6 that which is legal nearly everywhere else costs Hawaii
7 \$1,000,000,000 each year in outgoing dollars and returns none."

8 Even with the prohibition, Hawaii carries an economic
9 burden from gambling. A 2009 study by the National Council on
10 Problem Gambling estimated that the social costs of gambling
11 addiction in Hawaii from twenty thousand problem gamblers and
12 ten thousand pathological gamblers was \$26,300,000; however, no
13 public funding was provided for gambling treatment and
14 prevention. The Honolulu police department reported fifty-one
15 arrests in 2020 and thirty-four arrests in 2019 for gambling
16 offenses, and there are approximately seventy to one hundred
17 illegal gambling rooms on Oahu alone.

18 Legislation introduced in the regular session of 2021
19 proposed to authorize limited casino gaming in the form of a
20 single integrated resort property on Hawaiian home lands
21 designated for commercial use on the island of Oahu, excluding



1 lands west of Ko Olina, to address historic funding shortfalls
2 to the department of Hawaiian home lands.

3 With over twenty-eight thousand native Hawaiians awaiting
4 homestead leases, the department of Hawaiian home lands
5 struggles to develop land and lots. Current costs for
6 infrastructure development, borne by the department, are in
7 excess of \$150,000 per lot. To fulfill the needs of the current
8 waitlist, the department of Hawaiian home lands requires over
9 \$6,000,000,000 for infrastructure costs alone to serve its
10 beneficiaries. This significant sum is separate and apart from
11 costs for maintenance of existing lessee communities housing
12 nearly ten thousand beneficiaries, upkeep of several utility
13 systems, and other costs.

14 Over the last decade, the legislature has funded the
15 department of Hawaiian home lands at higher levels than in
16 previous years, which has provided increased opportunity for the
17 department to increase its reach. However, even by conservative
18 estimates, it will take the department at least another one
19 hundred years to meet the needs of its beneficiaries at current
20 funding levels.



1 In response to the 2021 draft legislative proposal, the
2 Hawaii state commission on the status of women released a gender
3 impact statement in February 2021 titled, "Gambling With Women's
4 Safety: A Feminist Assessment of Proposed Resort-Casino," which
5 essentially concluded that gambling is a public health issue
6 that is tied to significant community harm and linked to sex
7 trafficking and other gender-based violence.

8 The purpose of this Act is to require the department of
9 Hawaiian home lands to:

- 10 (1) Study the feasibility of and revenue generation from
11 limited casino gaming; and
12 (2) Address the potential public health and safety
13 concerns arising from limited casino gaming.

14 SECTION 2. (a) The department of Hawaiian home lands
15 shall conduct a study on the feasibility of, and revenue
16 generation from, limited casino gaming and address the potential
17 public health and safety concerns arising from limited casino
18 gaming.

19 (b) The department of Hawaiian home lands shall submit a
20 report of its findings and recommendations, including any



1 proposed legislation, to the legislature no later than twenty
2 days prior to the convening of the regular session of 2023.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$500,000 or so much
5 thereof as may be necessary for fiscal year 2022-2023 for the
6 purpose of funding a study on the feasibility of, and revenue
7 generation from, limited casino gaming and to address the
8 potential public health and safety concerns arising from limited
9 casino gaming.

10 The sum appropriated shall be expended by the department of
11 Hawaiian home lands for the purposes of this Act.

12 SECTION 4. This Act shall take effect on July 1, 2022.



H.B. NO. 1962 H.D. 1

Report Title:

Gambling; DHHL; Study; Appropriation

Description:

Requires the department of Hawaiian home lands to study the feasibility of, and revenue generation from, limited casino gaming and address the potential public health and safety concerns arising from limited casino gaming. Requires a report to the legislature prior to the regular session of 2023. Appropriates funds. (HD1)

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