

JAN 21 2022

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 its borders. With no
5 local venues or tax for gambling, Hawaii remains a target market
6 for a growing number of jurisdictions where gambling is legal.
7 Hawaii residents generate hundreds of millions of dollars,
8 perhaps billions, in economic activity in other jurisdictions
9 related to gambling and in return, Hawaii receives no benefit.

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



1 Vegas, where locals often visit, declined sixty-three per cent
2 to \$257,700,000 as a result of coronavirus disease 2019 travel
3 restrictions. A longtime lobbyist for gambling interests in
4 Hawaii testified to the house of representatives committee on
5 tourism in 2012 that the "prohibition of that which is legal
6 nearly everywhere else costs Hawaii \$1,000,000,000 each year in
7 outgoing dollars and returns none".

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

18 Legislation introduced in the 2021 legislative session
19 proposed to authorize limited casino gambling 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 to
2 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 of Hawaiian
7 home lands, are in excess of \$150,000 per lot. To fulfill the
8 needs of the current waitlist, the department of Hawaiian home
9 lands requires over \$6,000,000,000 for infrastructure costs
10 alone to serve its beneficiaries. This significant sum is
11 separate and apart from costs for maintenance of existing lessee
12 community housing for nearly ten thousand beneficiaries, upkeep
13 of several utility systems, and other costs.

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



1 In response to this legislative proposal, the Hawaii state
2 commission on the status of women released a gender impact
3 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 study the feasibility and revenue to be
10 generated by limited gaming and assessing the potential public
11 health and safety concerns.

12 SECTION 2. The department of Hawaiian home lands shall
13 conduct a feasibility study on the potential revenue to be
14 generated by limited gaming in the State and the potential
15 public health and safety impacts of casino gambling.

16 The department shall submit a report of its findings and
17 recommendations, including any proposed legislation, to the
18 legislature no later than twenty days prior to the convening of
19 the regular session of 2023.

20 SECTION 3. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$500,000 or so much



1 thereof as may be necessary for fiscal year 2022-2023 for the
2 feasibility study on the potential revenue to be generated by
3 limited gaming in the State and the potential public health and
4 safety impacts of casino gambling.

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

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

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INTRODUCED BY:

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S.B. NO. 2608

Report Title:

Department of Hawaiian Home Lands; Gambling; Feasibility Study; Appropriation

Description:

Requires the Department of Hawaiian Home Lands to conduct a feasibility study of the potential revenue to be generated by limited gaming in the State and the potential public health and safety impacts of casino gambling. Makes an appropriation.

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