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# A BILL FOR AN ACT

RELATING TO THE ECONOMY.

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

1       SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4                               **"CHAPTER**

5                               **CASINO GAMING**

6       §   -1   **Limited casino gaming authorized.** Casino gaming  
7 and a system of wagering incorporated therein, as defined in  
8 this chapter, are authorized only to the extent that casino  
9 gaming and wagering is conducted in accordance with this  
10 chapter. In case of any conflict between this chapter and any  
11 other law regarding casino gambling, this chapter shall prevail.  
12 This chapter and the rules adopted by the commission shall apply  
13 to all persons who are licensed or otherwise participate in  
14 gaming as permitted under this chapter.

15       §   -2   **Definitions.** As used in this chapter:

16       "Affiliate" means a person who, directly or indirectly,  
17 through one or more intermediaries:



1 (1) Controls, is controlled by, or is under common control  
2 with;

3 (2) Is in a partnership or joint venture relationship  
4 with; or

5 (3) Is a co-shareholder of a corporation, a co-member of a  
6 limited liability company, or a co-partner in a  
7 limited liability partnership with;

8 a person who holds or applies for a casino license under this  
9 chapter.

10 "Agent" means any person who is employed by any agency of  
11 the State, other than the commission, who is assigned to perform  
12 full-time services on behalf of or for the benefit of the  
13 commission regardless of the title or position held by that  
14 person.

15 "Applicant" means any person who applies for a license  
16 under this chapter.

17 "Casino facility" means a freestanding, land-based  
18 structure in which casino gaming permitted under this chapter  
19 may be conducted that may include bars, restaurants, showrooms,  
20 theaters, or other facilities, but does not include any



1 structure used for hotel or other transient accommodation  
2 lodging purposes.

3 "Casino gaming", "limited casino gaming", "game", or  
4 "gaming", as the context may require, means the operation of  
5 games conducted pursuant to this chapter in a licensed casino  
6 facility including but not limited to the games commonly known  
7 as "baccarat", "twenty-one", "poker", "craps", "slot machine",  
8 "video gaming of chance", "roulette wheel", "Klondike table",  
9 "punch-board", "faro layout", "numbers ticket", "push car", "jar  
10 ticket", "pull tab", or their common variants, or any other game  
11 of chance that is authorized by the commission as a wagering  
12 device.

13 "Casino license" means a license to operate and maintain a  
14 casino facility for casino gaming permitted under this chapter.

15 "Chairperson" means the chairperson of the Hawaii gaming  
16 control commission.

17 "Commission" means the Hawaii gaming control commission.

18 "Conflict of interest" means a situation in which the  
19 private interest of a member, employee, or agent of the  
20 commission may influence the judgment of the member, employee,  
21 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 the following:

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 commerce and consumer  
17 affairs.

18 "Ex parte communication" means any communication, direct or  
19 indirect, regarding a licensing application, disciplinary  
20 action, or a contested case under this chapter other than  
21 communication that takes place during a meeting or hearing



1 conducted under this chapter or in a manner otherwise authorized  
2 by this chapter.

3 "Executive director" means the executive director of the  
4 commission.

5 "Financial interest" or "financially interested" means any  
6 interest in investments, awarding of contracts, grants, loans,  
7 purchases, leases, sales, or similar matters under consideration  
8 or consummated by the commission or holding a one per cent or  
9 more ownership interest in an applicant or a licensee. For  
10 purposes of this definition, a member, employee, or agent of the  
11 commission shall be considered to have a financial interest in a  
12 matter under consideration if any of the following circumstances  
13 exist:

14 (1) The individual owns one per cent or more of any class  
15 of outstanding securities that are issued by a party  
16 to the matter under consideration or consummated by  
17 the commission; or

18 (2) The individual is employed by or is an independent  
19 contractor for a party to the matter under  
20 consideration or consummated by the commission.

21 "Gross receipts":



1 (1) Means the total of:

2 (A) Cash received or retained as winnings by a  
3 licensee;

4 (B) Cash received in payment for credit extended by a  
5 licensee to a patron for purposes of gaming; and

6 (C) Compensation received for conducting any game in  
7 which a licensee is not party to a wager; and

8 (2) Does not include:

9 (A) Counterfeit money or tokens;

10 (B) Coins of other countries that are received in  
11 gaming devices;

12 (C) Cash taken in fraudulent acts perpetrated against  
13 a licensee for which the licensee is not  
14 reimbursed; and

15 (D) Cash received as entry fees for contests or  
16 tournaments in which patrons compete for prizes.

17 "Individual" means a natural person.

18 "Institutional investor" means:

19 (1) Any retirement fund administered by a public agency  
20 for the exclusive benefit of federal, state, or county  
21 public employees;



1 (2) An employee benefit plan, or pension fund that is  
2 subject to the Employee Retirement Income Security Act  
3 of 1974, as amended;

4 (3) An investment company registered under the Investment  
5 Company Act of 1940 (54 Stat. 789, 15 U.S.C. sections  
6 80a-1 to 80a-3 and 80a-4 to 80a-64);

7 (4) A collective investment trust organized by a bank  
8 under title 12 Code of Federal Regulations section  
9 9.18 of the rules of the United States Comptroller of  
10 the Currency;

11 (5) A closed end investment trust;

12 (6) A chartered or licensed life insurance company or  
13 property and casualty insurance company;

14 (7) A chartered or licensed financial institution;

15 (8) An investment advisor registered under the Investment  
16 Advisers Act of 1940, (54 Stat. 847, 15 U.S.C.  
17 sections 80b-1 to 80b-21 as amended); and

18 (9) Any other person as the commission may determine for  
19 reasons consistent with this chapter.

20 "Investigative hearing" means any hearing conducted by the  
21 commission or its authorized representative to investigate and



1 gather information or evidence regarding pending license  
2 applicants, qualifiers, licensees, or alleged or apparent  
3 violations of this chapter or rules adopted by the commission.  
4 An investigative hearing shall include any matter related to an  
5 apparent deficiency, except for informal conferences requested  
6 under section -11.

7 "Junket enterprise" means any person other than a casino  
8 licensee or applicant who employs or otherwise engages in the  
9 procurement or referral of persons who may participate in a  
10 junket to a casino licensed under this chapter or casino  
11 enterprise whether or not those activities occur within the  
12 State.

13 "Managerial employee" means a person who holds a policy  
14 making position with the commission or any vendor or licensee  
15 under this chapter.

16 "Occupational license" means a license issued by the  
17 commission to a person or entity to perform an occupation  
18 relating to casino gaming in the State that the commission has  
19 identified as an occupation that requires a license.





1 "Person" means an individual, association, partnership,  
2 estate, trust, corporation, limited liability company, or other  
3 legal entity.

4 "Qualifier" means an affiliate, affiliated company,  
5 officer, director, or managerial employee of an applicant, or a  
6 person who holds greater than a five per cent direct or indirect  
7 interest in an applicant. As used in this definition,  
8 "affiliate" and "affiliated company" do not include a  
9 partnership, a joint venture relationship, a co-shareholder of a  
10 corporation, a co-member of a limited liability company, or a  
11 co-partner in a limited liability partnership that has a five  
12 per cent or less direct interest in the applicant and is not  
13 involved in the casino as defined in rules adopted by the  
14 commission.

15 "Supplier" means a person that the commission has  
16 identified under rules adopted by the commission as requiring a  
17 license to provide casino licensees with goods or services  
18 regarding the realty, construction, maintenance, or business of  
19 a proposed or existing casino facility on a regular or  
20 continuing basis, including junket enterprises, security  
21 businesses, manufacturers, distributors, persons who service



1 gaming devices or equipment, garbage haulers, maintenance  
2 companies, food purveyors, and construction companies.

3 "Supplier's license" means a license that authorizes a  
4 supplier to furnish any equipment, devices, supplies, or  
5 services to a licensed casino facility permitted under this  
6 chapter.

7 "Vendor" means a person who is not licensed under this  
8 chapter who supplies any goods or services to a casino licensee  
9 or supplier licensee.

10 "Wagerer" means a person who plays a gambling game  
11 authorized under this chapter.

12 § -3 **Hawaii gaming control commission.** (a) There is  
13 established the Hawaii gaming control commission, which shall be  
14 a body corporate and a public instrumentality of the State for  
15 the purpose of implementing this chapter. The commission shall  
16 be placed within the department of commerce and consumer affairs  
17 for administrative purposes. The commission shall consist of  
18 five members to be appointed by the governor with the advice and  
19 consent of the senate under section 26-34. Of the five members,  
20 one shall be appointed from a list of nominees submitted by the  
21 president of the senate and one shall be appointed from a list



1 of nominees submitted by the speaker of the house of  
2 representatives. Appointments of initial commission members  
3 shall be made within ten days of the effective date of this Act.

4 (b) No person shall be appointed as a member of the  
5 commission or continue to be a member of the commission if the  
6 person:

7 (1) Is an elected state official;

8 (2) Is licensed by the commission pursuant to this  
9 chapter, or is an official of, has a financial  
10 interest in, or has a financial relationship with, any  
11 gaming operation subject to the jurisdiction of this  
12 commission pursuant to this chapter;

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

16 (4) Has been under indictment, convicted, pled guilty or  
17 nolo contendere, or forfeited bail for a felony or a  
18 misdemeanor involving gambling or fraud under the laws  
19 of this State, any other state, or the United States  
20 within the ten years prior to appointment, or a local  
21 ordinance in a state involving gambling or fraud that



1 substantially corresponds to a misdemeanor in that  
2 state within the ten years prior to appointment.

3 (c) The term of office of a commission member shall be  
4 five years. Vacancies in the commission shall be filled for the  
5 unexpired term in like manner as the original appointments;  
6 provided that the governor shall have thirty days following the  
7 occurrence of a vacancy to appoint a successor member to the  
8 commission.

9 (d) After due notice and public hearing, the governor may  
10 remove or suspend for cause any member of the commission.

11 (e) Members of the commission shall:

12 (1) Be a resident of the State;

13 (2) Serve part-time;

14 (3) Be paid compensation of \$300 for each day in the  
15 performance of official duties; and

16 (4) Be reimbursed for expenses, including travel expenses,  
17 incurred in the performance of official duties.

18 (f) Officers of the commission, including the chairperson,  
19 shall be selected by the members. The commission, subject to  
20 chapter 92, shall hold at least one meeting in each quarter of  
21 the State's fiscal year. The commission shall hold its initial



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

8 (g) Before assuming the duties of office, each member of  
9 the commission shall take an oath that the member shall  
10 faithfully execute the duties of office according to the laws of  
11 the State and shall file and maintain with the director a bond  
12 in the sum of \$25,000 with good and sufficient sureties. The  
13 cost of any bond for any member of the commission under this  
14 section shall be considered a part of the necessary expenses of  
15 the commission.

16 (h) The commission shall appoint a person to serve as the  
17 executive director of the commission and who shall be subject to  
18 the commission's supervision. The commission shall appoint an  
19 interim executive director within ten days of the commission's  
20 initial meeting who shall be exempt from paragraphs (3) and (4)  
21 such that the interim executive director may be a current public



1 employee or regulatory official from a similar body in another  
2 state who temporarily undertakes the role of interim executive  
3 director. The executive director shall:

4 (1) Hold office at the will of the commission;

5 (2) Be exempt from chapters 76 and 89;

6 (3) Devote full time to the duties of the office;

7 (4) Not hold any other office or employment;

8 (5) Perform any and all duties that the commission  
9 assigns; and

10 (6) Receive an annual salary at an amount set by the  
11 commission, and shall be reimbursed for expenses  
12 actually and necessarily incurred in the performance  
13 of the executive director's duties.

14 (i) Except as otherwise provided by law, the executive  
15 director may:

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

19 (2) Appoint committees and consultants necessary for the  
20 efficient operation of casino gaming; provided that no



1 person shall be hired or appointed under this  
2 subsection who:

3 (A) Is an elected state official;

4 (B) Is licensed by the commission pursuant to this  
5 chapter or is an official of, has a financial  
6 interest in, or has a financial relationship  
7 with, any gaming operation subject to the  
8 jurisdiction of this commission pursuant to this  
9 chapter;

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

13 (D) Has been under indictment, convicted, pled guilty  
14 or nolo contendere, or forfeited bail for a  
15 felony or misdemeanor concerning gambling or  
16 fraud under the laws of this State, any other  
17 state, or the United States within the last ten  
18 years, or a local ordinance in any state  
19 involving gambling or fraud that substantially  
20 corresponds to a misdemeanor in that state within  
21 the ten years prior to employment.



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

3 (k) The commission shall adopt rules in accordance with  
4 chapter 91 establishing a code of ethics for its employees that  
5 shall include restrictions on which employees are prohibited  
6 from participating in or wagering on any casino game or casino  
7 gaming operation subject to the jurisdiction of the commission.  
8 The code of ethics shall be separate from and in addition to any  
9 standards of conduct set forth pursuant to chapter 84.

10 (l) No person shall be employed by the commission if:

11 (1) During the three years immediately preceding  
12 appointment or employment, the person held any direct  
13 or indirect interest in, or was employed by:

14 (A) A casino licensee under this chapter or in  
15 another jurisdiction; or

16 (B) A potential casino licensee who had an  
17 application to operate a casino pending before  
18 the commission or any other jurisdiction;  
19 except that the person seeking employment may be  
20 employed by the commission if the person's interest in  
21 a casino licensee would not, in the opinion of the





1 commission, interfere with the objective discharge of  
2 the person's employment obligations. A person shall  
3 not be employed by the commission if the person's  
4 interest in the casino licensee constitutes a  
5 controlling interest in that casino licensee; or

6 (2) The person or the person's spouse, parent, child,  
7 child's spouse, or sibling, is a member of the  
8 commission, or a director of, or a person financially  
9 interested in, any person licensed as a casino  
10 licensee or casino supplier, or any person who has an  
11 application for a casino or occupational license  
12 pending before the commission.

13 (m) Each member of the commission, the executive director,  
14 and each key employee, as determined by the commission, shall  
15 file with the governor a financial disclosure statement:

16 (1) Listing all assets, liabilities, and property and  
17 business interests of the member, executive director,  
18 key employee, and any of their spouses; and

19 (2) Affirming that the member, executive director, and key  
20 employee are in compliance with this chapter.



1 The financial disclosure statement shall be made under oath and  
2 filed at the time of employment and annually thereafter.

3 (n) Each employee of the commission, except the executive  
4 director or a key employee, shall file with the commission at  
5 the time of employment a financial disclosure statement listing  
6 all assets, liabilities, property and business interests, and  
7 sources of income of the employee and the employee's spouse.

8 (o) A member of the commission, executive director, or key  
9 employee shall not hold direct or indirect interest in, be  
10 employed by, or enter into a contract for service with, any  
11 applicant or person licensed by the commission for a period of  
12 five years after the date of termination of the person's  
13 membership on or employment with the commission.

14 (p) An employee of the commission shall not acquire any  
15 direct or indirect interest in, be employed by, or enter into a  
16 contract for services with any applicant or person licensed by  
17 the commission for a period of three years after the date of  
18 termination of the person's employment with the commission.

19 (q) A commission member or a person employed by the  
20 commission shall not represent a person or party other than the  
21 State before or against the commission for a period of three



1 years after the date of termination of the member's term of  
2 office or the employee's period of employment with the  
3 commission.

4 (r) A business entity in which a former commission member  
5 or employee or agent has an interest, or any partner, officer,  
6 or employee of the business entity, shall not make any  
7 appearance or representation before the commission that is  
8 prohibited to that former member, employee, or agent. As used  
9 in this subsection, "business entity" means a corporation,  
10 limited liability company, partnership, limited liability  
11 partnership association, trust, or other form of legal entity.

12 § -4 **Staff.** (a) The executive director shall keep  
13 records of all proceedings of the commission and shall preserve  
14 all records, books, documents, and other papers belonging to the  
15 commission or entrusted to its care relating to casino gaming.

16 (b) In addition to persons hired under section -3(i),  
17 the commission may employ any personnel that may be necessary to  
18 carry out its duties related to casino gaming.

19 § -5 **Powers of the commission.** (a) The commission  
20 shall have all powers necessary to fully and effectively  
21 supervise all casino gaming operations, including the power to:



- 1 (1) Administer, regulate, and enforce the system of casino  
2 gaming established by this chapter. The commission's  
3 jurisdiction shall extend to every person,  
4 association, corporation, partnership, trust, and any  
5 other entity with a financial interest in or holding a  
6 license under this chapter, or required under this  
7 chapter to hold a license in casino gaming operations  
8 in the city and county of Honolulu;
- 9 (2) Issue a twenty-year casino license to operate a casino  
10 facility pursuant to this chapter;
- 11 (3) Determine the types and numbers of occupational and  
12 supplier's licenses to be permitted under this  
13 chapter;
- 14 (4) Adopt standards for the licensing of all persons under  
15 this chapter subject to the qualifications and  
16 standards set forth herein, to issue licenses, and to  
17 establish and collect fees for these licenses;
- 18 (5) Provide for the collection of all taxes imposed  
19 pursuant to this chapter, and to collect, receive,  
20 expend, and account for all revenues derived from  
21 casino gaming within the city and county of Honolulu;



1           (6) Enter at any time without a warrant and without notice  
2           to a licensee, the premises, offices, casino facility,  
3           or other places of business of a casino licensee, or  
4           casino supplier licensee, where evidence of the  
5           compliance or noncompliance with this chapter or rules  
6           is likely to be found. Entry is authorized to:

7           (A) Inspect and examine all premises wherein casino  
8           gaming or the business of gaming or the business  
9           of a supplier is conducted, or where any records  
10          of the activities are prepared;

11          (B) Inspect, examine, audit, impound, seize, or  
12          assume physical control of, or summarily remove  
13          from the premises all books, ledgers, documents,  
14          writings, photocopies of correspondence records,  
15          videotapes, including electronically or digitally  
16          stored records, money receptacles, other  
17          containers and their contents, equipment in which  
18          the records are stored, or other gaming related  
19          equipment and supplies on or around the premises,  
20          including counting rooms;



(C) Inspect the person, and inspect, examine, and seize personal effects present in a casino facility licensed under this chapter, of any holder of a licensed casino facility; and

(D) Investigate and deter alleged violations of this chapter or rules;

(7) Investigate alleged violations of this chapter and to take appropriate disciplinary action against a casino licensee or a holder of an occupational or supplier license for a violation, or institute appropriate legal action for enforcement, or both;

(8) Be present, through its inspectors and agents, any time casino gaming operations are conducted in a casino for the purpose of certifying the casino's revenue, receiving complaints from the public, and conducting other investigations into the conduct of the casino gaming and the maintenance of the equipment as from time to time the commission may deem necessary and proper;

(9) Adopt appropriate standards for a casino facility as well as for electronic or mechanical gaming devices;



1       (10) Require that records including financial or other  
2       statements of a casino licensee under this chapter be  
3       kept in the manner prescribed by the commission and  
4       that a licensee involved in the ownership or  
5       management of casino gaming operations submit to the  
6       commission an annual balance sheet and profit and loss  
7       statement, a list of the stockholders or other persons  
8       having a five per cent or greater beneficial interest  
9       in the gaming activities of the licensee, and any  
10      other information the commission deems necessary to  
11      effectively administer this chapter;

12      (11) Conduct hearings, issue subpoenas for the attendance  
13      of witnesses and subpoenas duces tecum for the  
14      production of books, records, and other pertinent  
15      documents, and to administer oaths and affirmations to  
16      the witnesses, when, in the judgment of the  
17      commission, it is necessary to administer or enforce  
18      this chapter. The executive director or the executive  
19      director's designee is also authorized to issue  
20      subpoenas and to administer oaths and affirmations to  
21      witnesses;



- 1       (12) Eject or exclude, or authorize the ejection or  
2       exclusion of, any person from casino facilities where  
3       the person is in violation of this chapter or where  
4       the person's conduct or reputation is such that the  
5       person's presence within a casino facility, in the  
6       opinion of the commission, may call into question the  
7       honesty and integrity of the casino gaming operation  
8       or interfere with the orderly conduct thereof or any  
9       other action that, in the opinion of the commission,  
10      is a detriment or impediment to the casino gaming  
11      operations; provided that the propriety of that  
12      ejection or exclusion shall be subject to subsequent  
13      hearing by the commission;
- 14      (13) Permit a casino licensee of casino gaming operations  
15      to use a wagering system whereby wagerers' money may  
16      be converted to tokens, electronic cards, or chips,  
17      which shall be used only for wagering within the  
18      casino facility;
- 19      (14) Suspend, revoke, or restrict licenses, to require the  
20      removal of a licensee or an employee of a licensee for





1 a violation of this chapter or a commission rule, or  
2 for engaging in a fraudulent practice;

3 (15) Impose and collect fines of up to \$5,000 against  
4 individuals and up to \$10,000 or an amount equal to  
5 the daily gross receipts, whichever is larger, against  
6 a licensee for each violation of this chapter, any  
7 rules adopted by the commission, or for any other  
8 action which, in the commission's discretion, is a  
9 detriment or impediment to casino gaming operations;

10 (16) Establish minimum levels of insurance to be maintained  
11 by a licensee;

12 (17) Delegate the execution of any of its powers for the  
13 purpose of administering and enforcing this chapter;  
14 and

15 (18) Adopt rules pursuant to chapter 91 to implement this  
16 chapter; provided that the regulations of the Nevada  
17 gaming commission and Nevada state gaming control  
18 board ("the Nevada regulations") that are in effect on  
19 the effective date of this Act shall be the emergency  
20 interim rules of the commission. As adopted under  
21 this chapter, all references in the Nevada regulations



1 to "Nevada" shall mean "Hawaii" and all references to  
2 any Nevada state department, agency, commission,  
3 statute, or rule shall mean the equivalent or similar  
4 department, agency, commission, statute, or rule of  
5 the State. To the extent the Nevada regulations are  
6 inconsistent with this chapter, this chapter shall  
7 supersede the Nevada regulations. Due to the imminent  
8 peril to public health, safety, or morals absent valid  
9 rules related to gaming authorized by this chapter,  
10 the commission, under chapter 91, may amend the  
11 emergency interim rules to correct inconsistencies  
12 between the Nevada regulations and this chapter, but  
13 the commission shall retain as much of the emergency  
14 interim rules as possible until at least the date on  
15 which the casino licensee authorized by this chapter  
16 begins operating the gaming facility authorized under  
17 this chapter.

18 (b) Rules adopted under this chapter shall not be  
19 arbitrary, capricious, or contradictory to the provisions of  
20 chapter 91. Rules may include but need not be limited to rules  
21 that:



- 1           (1) Govern, restrict, approve, or regulate the casino  
2           gaming authorized in this chapter;
- 3           (2) Promote the safety, security, and integrity of casino  
4           gaming authorized in this chapter;
- 5           (3) License and regulate, consistent with the  
6           qualifications and standards set forth in this  
7           chapter, persons participating in or involved with  
8           casino gaming authorized in this chapter; and
- 9           (4) Authorize any other action that may be reasonable or  
10          appropriate to enforce this chapter and rules adopted  
11          under this chapter.

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

14       §   -6 **Member, employee, or agent of commission; conduct**  
15 **generally.** (a) By January 31 of each year, each member of the  
16 commission shall prepare and file with the commission a  
17 disclosure form in which the member shall:

- 18          (1) Affirm that the member or the member's spouse, parent,  
19          child, or child's spouse is not a member of the board  
20          of directors of, financially interested in, or  
21          employed by, a licensee or applicant;



(2) Affirm that the member continues to meet all other criteria for commission membership under this chapter or the rules adopted by the commission;

(3) Disclose any legal or beneficial interest in any real property that is or may be directly or indirectly involved with gaming operations authorized by this chapter; and

(4) Disclose any other information that may be required to ensure that the integrity of the commission and its work is maintained.

(b) By January 31 of each year, each employee of the commission shall prepare and file with the commission a disclosure form in which the employee shall:

(1) Affirm the absence of financial interests prohibited by this chapter;

(2) Disclose any legal or beneficial interests in any real property that is or that may be directly or indirectly involved with gaming or gaming operations authorized by this chapter;

(3) Disclose whether the employee or the employee's spouse, parent, child, or child's spouse is



1 financially interested in or employed by a supplier  
2 licensee, or an applicant for a supplier's license,  
3 under this chapter; and

4 (4) Disclose any other information that may be required to  
5 ensure that the integrity of the commission and its  
6 work is maintained.

7 (c) A member, employee, or agent of the commission who  
8 becomes aware that the member, employee, or agent of the  
9 commission or their spouse, parent, or child is a member of the  
10 board of directors of, financially interested in, or employed by  
11 a licensee or an applicant shall immediately provide detailed  
12 written notice to the chairperson.

13 (d) A member, employee, or agent of the commission who has  
14 been indicted, charged with, convicted of, pled guilty or nolo  
15 contendere to, or forfeited bail for:

16 (1) A misdemeanor involving gambling, dishonesty, theft,  
17 or fraud;

18 (2) A local ordinance in any state involving gambling,  
19 dishonesty, theft, or fraud that substantially  
20 corresponds to a misdemeanor in that state; or



1           (3) A felony under Hawaii law, the laws of any other  
2                   state, or the laws of the United States, or any other  
3                   jurisdiction,

4 shall immediately provide detailed written notice of the  
5 conviction or charge to the chairperson.

6           (e) Any member, employee, or agent of the commission who  
7 is negotiating for, or acquires by any means, any interest in  
8 any person who is a licensee or an applicant, or is affiliated  
9 with a person who is a licensee or an applicant, shall

10 immediately provide written notice of the details of the  
11 interest to the chairperson. The member, employee, or agent of  
12 the commission shall not act on behalf of the commission with  
13 respect to that person.

14           (f) A member, employee, or agent of the commission shall  
15 not enter into any negotiations for employment with any person  
16 or affiliate of any person who is a licensee or an affiliate and  
17 shall immediately provide written notice of the details of any  
18 negotiations or discussions to the chairperson. The member,  
19 employee, or agent of the commission shall not take any action  
20 on behalf of the commission with respect to that person.



1 (g) Any member, employee, or agent of the commission who  
2 receives an invitation, written or oral, to initiate a  
3 discussion concerning employment or the possibility of  
4 employment with a person, or affiliate of a person, who is a  
5 licensee or an applicant shall immediately report the invitation  
6 to the chairperson. The member, employee, or agent of the  
7 commission shall not take action on behalf of the commission  
8 with respect to that person.

9 (h) A licensee or applicant shall not knowingly initiate a  
10 negotiation for, or discussion of, employment with a member,  
11 employee, or agent of the commission. A licensee or applicant  
12 who initiates a negotiation or discussion about employment shall  
13 immediately provide written notice of the details of the  
14 negotiation or discussion to the chairperson as soon as that  
15 person becomes aware that the negotiation or discussion has been  
16 initiated with a member, employee, or agent of the commission.

17 (i) A member, employee, or agent of the commission, or  
18 former member, employee, or agent of the commission, shall not  
19 disseminate or otherwise disclose any material or information in  
20 the possession of the commission that the commission considers



1 confidential, unless specifically authorized to do so by the  
2 chairperson or the commission.

3 (j) A member, employee, or agent of the commission or a  
4 parent, spouse, sibling, or child of a member, employee, or  
5 agent of the commission shall not accept any gift, gratuity,  
6 compensation, travel, lodging, or anything of value, directly or  
7 indirectly from any licensee, applicant, or any affiliate or  
8 representative of an applicant or licensee, unless the  
9 acceptance conforms to a written policy or directive issued by  
10 the chairperson or the commission. Any member, employee, or  
11 agent of the commission who is offered or receives any gift,  
12 gratuity, compensation, travel, lodging, or anything of value,  
13 directly or indirectly, from any licensee or any applicant or  
14 affiliate or representative of an applicant or licensee shall  
15 immediately provide written notification of the details to the  
16 chairperson.

17 (k) A licensee or applicant, or affiliate or  
18 representative of an applicant or licensee, shall not, directly  
19 or indirectly, knowingly give or offer to give any gift,  
20 gratuity, compensation, travel, lodging, or anything of value to  
21 any member, employee, or agent of the commission that the





1 member, employee, or agent of the commission is prohibited from  
2 accepting under subsection (j).

3 (l) A member, employee, or agent of the commission shall  
4 not engage in any conduct that constitutes a conflict of  
5 interest, and shall immediately advise the chairperson in  
6 writing of the details of any incident or circumstances that  
7 would present the existence of a conflict of interest with  
8 respect to the performance of commission-related work or duty of  
9 the member, employee, or agent of the commission.

10 (m) A member, employee, or agent of the commission who is  
11 approached and offered a bribe in violation of this chapter  
12 shall immediately provide a written account of the details of  
13 the incident to the chairperson and to a law enforcement officer  
14 of a law enforcement agency having jurisdiction.

15 (n) A member, employee, or agent of the commission shall  
16 disclose past involvement with any casino interest in the past  
17 five years and shall not engage in political activity or  
18 politically-related activity during the duration of the person's  
19 appointment or employment.

20 (o) A former member, employee, or agent of the commission  
21 may appear before the commission as a witness testifying as to



1 factual matters or actions handled by the member, employee, or  
2 agent during the person's tenure as a member, employee, or agent  
3 of the commission. The member, employee, or agent of the  
4 commission shall not receive compensation for appearance other  
5 than a standard witness fee and reimbursement for travel  
6 expenses as established by statute or court rule.

7 (p) A licensee or applicant or any affiliate or  
8 representative of an applicant or licensee shall not engage in  
9 ex parte communications concerning a pending application,  
10 license, or enforcement action with members of the commission.  
11 A member of the commission shall not engage in any ex parte  
12 communications with a licensee or an applicant, or with any  
13 affiliate or representative of an applicant or licensee,  
14 concerning a pending application, license, or enforcement  
15 action.

16 (q) Any commission member, licensee, or applicant or  
17 affiliate or representative of a commission member, licensee, or  
18 applicant who receives any ex parte communication in violation  
19 of subsection (p), or who is aware of an attempted communication  
20 in violation of subsection (p), shall immediately report details



1 of the communication or attempted communication in writing to  
2 the chairperson.

3 (r) Any member of the commission who receives an ex parte  
4 communication that attempts to influence that member's official  
5 action shall disclose the source and content of the  
6 communication to the chairperson. The chairperson may  
7 investigate or initiate an investigation of the matter with the  
8 assistance of the attorney general and law enforcement to  
9 determine if the communication violates subsection (p) or (q) or  
10 other state law. The disclosure under this section and the  
11 investigation shall remain confidential. Following an  
12 investigation, the chairperson shall advise the governor or the  
13 commission, or both, of the results of the investigation and may  
14 recommend action, as the chairperson considers appropriate.

15 (s) A new or current employee or agent of the commission  
16 shall obtain written permission from the executive director  
17 before continuing outside employment held at the time the  
18 employee begins to work for the commission. Permission shall be  
19 denied, or permission previously granted shall be revoked, if  
20 the nature of the work is considered to, or does create, a



1 possible conflict of interest or otherwise interferes with the  
2 duties of the employee or agent for the commission.

3 (t) An employee or agent of the commission granted  
4 permission for outside employment shall not conduct any business  
5 or perform any activities, including solicitation, related to  
6 outside employment on premises used by the commission or during  
7 the employee's working hours for the commission.

8 (u) Whenever the chairperson is required to file  
9 disclosure forms or report in writing the details of any  
10 incident or circumstance pursuant to this section, the  
11 chairperson shall file the forms or reports to the commission.

12 (v) The chairperson shall report any action the  
13 chairperson has taken or contemplates taking under this section,  
14 with respect to an employee or agent or former employee or  
15 former agent, to the commission at the next meeting of the  
16 commission. The commission may direct the executive director to  
17 take additional or different action.

18 (w) No member, employee, or agent of the commission may  
19 participate in or wager on any gambling game conducted by a  
20 licensee or applicant or any affiliate of an applicant or



1 licensee in the State or in any other jurisdiction, except as  
2 follows:

3 (1) A member, employee, or agent of the commission may  
4 participate in and wager on a gambling game conducted  
5 by a licensee under this chapter, to the extent  
6 authorized by the chairperson or commission as part of  
7 the person's surveillance, security, or other official  
8 duties for the commission; and

9 (2) A member, employee, or agent of the commission shall  
10 advise the chairperson at least twenty-four hours in  
11 advance if the person plans to be present in a casino  
12 in this State, or in another jurisdiction, operated by  
13 a licensee, applicant, or affiliate of a licensee or  
14 applicant, outside the scope of their official duties  
15 for the commission.

16 (x) Violation of this section by a licensee, applicant, or  
17 affiliate or representative of a licensee or applicant, may  
18 result in denial of the application of licensure or revocation  
19 or suspension of license or other disciplinary action by the  
20 commission.



(y) Violation of this section by a member of the commission may result in disqualification or constitute cause for removal under section -3(d) or other disciplinary action as determined by the commission.

(z) A violation of this section by an employee or agent of the commission shall not result in termination of employment or require other disciplinary action if the commission determines that the conduct involved does not violate the purpose of this chapter. Employment shall be terminated:

(1) If the employee or agent is a spouse, parent, child, or spouse of a child of a commission member; or

(2) If, after being offered employment or having begun employment with the commission, the employee or agent intentionally acquires a financial interest in a licensee or an applicant, or affiliate or representative of a licensee or applicant.

(aa) If a financial interest in a licensee or an applicant, or affiliate or representative of a licensee or applicant, is acquired by:

(1) An employee or agent that has been offered employment with the commission;



(2) An employee of the commission; or

(3) The employee's or agent's spouse, parent, or child; through no intentional action of the employee or agent, the employee or agent shall have up to thirty days to divest or terminate the financial interest. Employment may be terminated if the interest has not been divested after thirty days.

(bb) Violation of this section does not create a civil cause of action.

(cc) As used in this section:

"Outside employment" includes the following:

- (1) Operation of a proprietorship;
- (2) Participation in a partnership or group business enterprise; or
- (3) Performance as a director or corporate officer of any for-profit corporation, or banking or credit institution.

"Political activity" or "politically-related activity" includes any of the following:

- (1) Using the person's official authority or influence for the purpose of interfering with or affecting the result of an election;



(2) Knowingly soliciting, accepting, or receiving  
political contributions from any person;

(3) Running for nomination or as a candidate for election  
to a partisan political office; or

(4) Knowingly soliciting or discouraging the participation  
in any political activity of any person who is:

(A) Applying for any compensation, grant, contract,  
ruling, license, permit, or certificate pending  
before the commission; or

(B) The subject of or a participant in an ongoing  
audit, investigation, or enforcement action being  
carried out by the commission.

§ -7 **Authorization of limited gaming.** (a) Casino  
gaming shall be permitted only in the Hawaii Convention Center  
and in one casino facility in the New Aloha Stadium  
Entertainment District. Any application for a casino license to  
operate the casino facility shall include a casino facility  
development plan for the casino facility.

(b) The commission's application for a casino license to  
operate a casino facility shall be the applications and forms  
required for an applicant for a non-restricted Nevada gaming





1 license that have been adopted by the Nevada gaming commission  
2 and Nevada state gaming control board ("Nevada application") and  
3 are in effect on the effective date of this Act. In addition to  
4 the Nevada application, as part of an applicant's application  
5 for a casino license to operate a casino facility, an applicant  
6 shall submit all additional information required by  
7 section -8. Applications for a casino license shall be  
8 submitted to the commission no later than thirty days after the  
9 date of the commission's initial meeting. The commission shall  
10 select one applicant who in the commission's judgment best meets  
11 all of the criteria pursuant to section -9 no later than  
12 ninety days after the final date applications shall be submitted  
13 to the commission. If the applicant selected by the commission  
14 meets all the requirements of this chapter, the commission shall  
15 issue a casino license to that applicant within thirty days  
16 after the date the applicant is selected.

17 § -8 **Application for casino license.** (a) A person may  
18 apply to the commission for a casino license to conduct a casino  
19 gaming operation in the New Aloha Stadium Entertainment District  
20 or Hawaii Convention Center. The application shall be made



1 under oath on forms required by this chapter and shall include  
2 all of the following:

3 (1) The name, business address, telephone number, social  
4 security number and, where applicable, the federal tax  
5 identification number of the applicant and every  
6 qualifier;

7 (2) The identity of any business, including, if  
8 applicable, the state of incorporation or  
9 registration, in which the applicant or qualifier has  
10 an equity interest of more than five per cent. If the  
11 applicant or qualifier is a corporation, partnership  
12 or other business entity, the applicant or qualifier  
13 shall identify any other corporation, partnership, or  
14 other business entity in which it has an equity  
15 interest of more than five per cent, including, if  
16 applicable, the state of incorporation or  
17 registration;

18 (3) An explanation whether the applicant or qualifier has  
19 developed and opened a new land-based casino in an  
20 urban area within a jurisdiction in the United States  
21 that previously did not allow gaming, including a



1 description of the casino, the casino's gross revenue,  
2 and the amount of revenue the casino has generated for  
3 state and local governments within that jurisdiction;

4 (4) A statement whether the applicant or a qualifier has  
5 been indicted, convicted, pled guilty or nolo  
6 contendere, or forfeited bail for any felony or for a  
7 misdemeanor involving gambling, theft, or fraud. The  
8 statement shall include the date, the name and  
9 location of the court, arresting agency, prosecuting  
10 agency, the case caption, the docket number, the  
11 offense, the disposition, and the location and length  
12 of incarceration;

13 (5) A statement whether the applicant or a qualifier has  
14 ever been granted any license or certificate issued by  
15 a licensing authority in the State, or any other  
16 jurisdiction that has been restricted, revoked, or not  
17 renewed. The statement shall describe the facts and  
18 circumstances concerning that restriction, revocation,  
19 or nonrenewal, including the licensing authority, the  
20 date each action was taken, and the reason for each  
21 action;



1 (6) A statement whether the applicant or a qualifier,  
2 within the last ten years, has filed or had filed  
3 against it a civil or administrative action or  
4 proceeding in bankruptcy;

5 (7) A statement whether the applicant or a qualifier,  
6 within the last five tax years, has been adjudicated  
7 by a court or tribunal to have failed to pay any final  
8 amount of any income, sales, or gross receipts tax due  
9 and payable under federal, state, or local law, after  
10 exhaustion of all inter-agency appeals processes.

11 This statement shall identify the amount of the tax,  
12 type of tax, time periods involved, and resolution;

13 (8) A statement listing the names and titles of all public  
14 officials or officers of any unit of state government  
15 or county government in the jurisdiction in which the  
16 casino facility is to be located, and the spouses,  
17 parents, and children of those public officials or  
18 officers who, directly or indirectly, own any  
19 financial interest in, have any beneficial interest  
20 in, are the creditors of or hold any debt instrument  
21 issued by, or hold or have an interest in any



1 contractual or service relationship with, the  
2 applicant or a qualifier. As used in this paragraph,  
3 "public official" or "officer" does not include a  
4 person who would be listed solely because of the  
5 person's state or federal military service;

6 (9) The name and business telephone number of any  
7 attorney, counsel, or any other person representing an  
8 applicant or a qualifier in matters before the  
9 commission;

10 (10) A description of the applicant or its qualifiers'  
11 history of, or plan for, community involvement or  
12 investment in the area where the casino facility will  
13 be located; and

14 (11) For the applicant only, a description of any proposed  
15 or approved casino gaming facility, including the  
16 economic benefit to the community, anticipated or  
17 actual number of employees, any statement from an  
18 applicant regarding compliance with federal and state  
19 affirmative action guidelines, projected or actual  
20 admissions, projected or actual gross receipts, and  
21 scientific market research, if any.



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 and  
4 qualifier, but any financial information submitted by each  
5 applicant and qualifier shall be kept confidential by the  
6 commission. An incomplete application shall be cause for denial  
7 of a license by the commission.

8 (c) Applicants shall submit with their application a plan  
9 for training residents of the State for jobs that are available  
10 at the casino facility. The plan shall take into consideration  
11 the need to provide training to low-income persons to enable  
12 such persons to qualify for jobs that will be created in the  
13 casino facility.

14 (d) Each applicant and qualifier shall disclose the  
15 identity of every person, association, trust, or corporation  
16 having a greater than five per cent direct or indirect financial  
17 interest in the casino gaming operation for which the license is  
18 sought. If the disclosed entity is a trust, the application  
19 shall disclose the names and addresses of the beneficiaries; if  
20 a corporation, the names and addresses of all stockholders and



1 directors; if a partnership, the names and addresses of all  
2 partners, both general and limited.

3 (e) A nonrefundable application fee of \$1,000,000 shall be  
4 paid to the commission by an applicant at the time of filing to  
5 defray the costs associated with an applicant and qualifier's  
6 background investigation conducted by the commission. If the  
7 costs of the investigation exceed \$1,000,000, the applicant  
8 shall pay the additional amount to the commission.

9 § -9 **Criteria for award of a casino license.** (a) The  
10 commission shall issue two casino licenses to operate a casino  
11 facility; provided that one license shall be for a casino in the  
12 New Aloha Stadium Entertainment District and one license shall  
13 be for a casino in the Hawaii Convention Center; provided  
14 further that the applicants that have paid the application fee  
15 required under section -8 are eligible and suitable to  
16 receive a casino license under this chapter and the rules  
17 adopted by the commission, and best satisfy all of the following  
18 criteria:

19 (1) The applicant has submitted a casino facility  
20 development plan for the casino facility that provides  
21 the greatest likelihood that the applicant's casino



1 facility will increase tourism, generate jobs, provide  
2 revenue to the local economy, and provide revenue to  
3 the general fund;

4 (2) The applicant or its qualifiers have a history of, or  
5 a bona fide plan for, community involvement or  
6 investment in the area where the casino facility will  
7 be located;

8 (3) The applicant has the financial ability to purchase  
9 and maintain adequate liability and casualty insurance  
10 and to provide an adequate surety bond;

11 (4) The applicant has provided data identifying the  
12 applicant's sources of capital and demonstrating that  
13 the applicant has adequate capital to develop,  
14 construct, maintain, and operate the proposed casino  
15 facility;

16 (5) The applicant has adequate capitalization to develop,  
17 construct, maintain, and operate, for the duration of  
18 the license, the proposed casino facility in  
19 accordance with the requirements of this chapter and  
20 rules adopted by the commission and to responsibly pay  
21 off its secured and unsecured debts in accordance with





1 its financing agreement and other contractual  
2 obligations;

3 (6) The extent to which the applicant or any of its  
4 qualifiers demonstrate that they have at least ten  
5 years of experience within the past twenty years in  
6 helping to revitalize an urban area by successfully  
7 planning, developing, and opening and currently owning  
8 and operating a non-governmentally owned, commercial  
9 land-based casino in an urban area in any jurisdiction  
10 in the United States that previously did not permit  
11 casino gaming. For purposes of this paragraph:

12 "Casino" means a lawfully operating gaming  
13 facility with at least fifty thousand contiguous  
14 square feet of gaming space that includes at least one  
15 thousand five hundred slot machines that are  
16 controlled by random number generators; and

17 "Urban area" means a county with a population of  
18 at least seven hundred fifty thousand residents;

19 (7) Neither the applicant nor any of its qualifiers have  
20 been indicted, convicted, pled guilty or nolo



1           contendere, or forfeited bail for any felony or for a  
2           misdemeanor involving gambling, theft, or fraud;

3       (8) Neither the applicant nor any of its qualifiers,  
4           within the last ten years, have filed, or had filed  
5           against them a proceeding for bankruptcy;

6       (9) The extent to which an applicant or any of its  
7           qualifiers have, within the last five tax years, been  
8           adjudicated by a court or tribunal to have failed to  
9           pay any final amount of income, sales, or gross  
10          receipts tax due and payable under federal, state, or  
11          local law, after exhaustion of all inter-agency  
12          appeals processes;

13      (10) The extent to which the applicant meets other  
14          standards for the issuance of a casino license that  
15          the commission may have adopted by rule;

16      (11) To insure the continued integrity of Hawaii collegiate  
17          athletics, neither the applicant, nor any parent or  
18          subsidiary of the applicant, are licensed in a  
19          jurisdiction that permits wagering on Hawaii  
20          collegiate athletics;



1       (12) The adequacy of the applicant's plan for training  
2           residents of the State for jobs that are available at  
3           the casino facility and the extent to which the plan  
4           considers the need to provide training to low-income  
5           persons to enable those persons to qualify for jobs  
6           that will be created in the casino facility; and

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

13       (b) Any rules adopted pursuant to chapter 91 shall not be  
14       arbitrary, capricious, or contradictory to the expressed  
15       provisions of this chapter and shall further define and clarify  
16       the criteria listed in subsection (a) rather than create new  
17       conditions for licensure.

18       (c) An applicant shall be ineligible to receive a casino  
19       license if the applicant or any employee or qualifier of the  
20       applicant:



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

3 (2) Has been convicted of any violation under part III of  
4 chapter 712, or substantially similar laws of another  
5 jurisdiction;

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

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

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

11 (d) To demonstrate financial ability, the applicant may  
12 include the economic resources available directly or indirectly  
13 to the casino license applicant and its qualifiers.

14 (e) Simultaneous with an applicant's submission of an  
15 application, each applicant and qualifier that is a natural  
16 person shall submit to the commission on fingerprint cards  
17 issued by the Federal Bureau of Investigation or in digital  
18 format two sets of fingerprints for each applicant and  
19 qualifier.

20 (f) The commission may revoke the casino license if the  
21 licensee fails to begin regular casino gaming operations within



1 twelve months of receipt of the commission's approval of the  
2 application or twelve months after a certificate of occupancy  
3 for the casino facility is first issued, whichever is later,  
4 upon a finding by the commission that the casino license  
5 revocation is in the best interest of the State.

6 (g) The commission shall establish a process to facilitate  
7 and expedite the approval of the necessary licenses and permits.  
8 The commission may establish its own procedures for the issuance  
9 of liquor licenses for any holder of a casino license under this  
10 chapter and the holder of a casino license shall not be subject  
11 to any requirement of the Honolulu liquor commission as to the  
12 approval of forms of live or professional music, dancing, and  
13 entertainment; provided that all other state laws and county  
14 ordinances relating to liquor are met. The commission shall be  
15 the receiving agency for any environmental assessment required  
16 under chapter 343.

17 (h) Nothing in this chapter shall be interpreted to  
18 prohibit a casino licensee from operating a school to train  
19 occupational licensees.

20 § -10 **Bond of licensee.** Before a casino license is  
21 issued, the licensee shall file a bond in the sum of \$200,000



1 with the department. The bond shall be used to guarantee that  
2 the licensee faithfully makes the payments, keeps books and  
3 records, makes reports, and conducts games of chance in  
4 conformity with this chapter and rules adopted by the  
5 commission. The bond shall not be canceled by a surety on less  
6 than thirty days' notice in writing to the commission. If a  
7 bond is canceled and the licensee fails to file a new bond with  
8 the commission in the required amount on or before the effective  
9 date of cancellation, the licensee's license shall be revoked.

10 The total and aggregate liability of the surety on the bond  
11 shall be limited to the amount specified in the bond.

12       §   -11 **Application deficiency.** (a) If, in the review of  
13 an application submitted under this chapter, the executive  
14 director identifies an apparent deficiency that, if true, would  
15 require denial of the license or the disqualification of a  
16 qualifier, the executive director shall immediately notify the  
17 affected applicant or qualifier in writing of the apparent  
18 deficiency. The applicant or qualifier may then request a  
19 confidential informal conference with the executive director to  
20 discuss the factual basis of the apparent deficiency.



1 (b) The executive director shall provide the applicant or  
2 qualifier a reasonable period of time to correct the apparent  
3 deficiency and, if the apparent deficiency is not corrected  
4 within the reasonable time period, the executive director shall  
5 find that the apparent deficiency has not been corrected.  
6 Following this finding, the affected applicant or qualifier  
7 shall have an opportunity to appeal the executive director's  
8 finding to the commission. The commission shall conduct an  
9 investigative hearing, pursuant to section -17 and in  
10 accordance with rules adopted under this chapter, to determine  
11 whether there is sufficient evidence to support an apparent  
12 deficiency finding. At the hearing, the burden of proof shall  
13 be on the executive director to demonstrate that the finding of  
14 an apparent deficiency is supported by law and facts. Any  
15 finding by the commission regarding an applicant or a  
16 qualifier's apparent deficiency shall not constitute a final  
17 determination by the commission as to the suitability of the  
18 applicant to hold a license, or the suitability of a qualifier  
19 to hold an ownership interest in a casino applicant.

20 (c) At any time prior to a finding by the commission that  
21 a qualifier is unsuitable to hold an ownership interest in a



1 casino applicant, a qualifier shall have the ability to sell its  
2 ownership interest in the casino applicant to the casino  
3 applicant, another qualifier, or a third party.

4 (d) A qualifier who has been issued a finding of an  
5 apparent deficiency shall have the right to request that the  
6 commission expand the apparent deficiency hearing under this  
7 section to include a determination of the qualifier's  
8 suitability to hold an ownership interest in the casino license  
9 applicant. If such a request is made, the commission shall  
10 determine the suitability of the affected qualifier separate  
11 from the suitability of the casino applicant and any of its  
12 other qualifiers. A request by a qualifier for an extended  
13 hearing pursuant to this section shall not prevent the  
14 commission from issuing a license to the applicant. Until the  
15 commission determines that a qualifier under this section is  
16 suitable to hold an ownership interest in the casino applicant,  
17 the casino applicant or licensee shall not do any of the  
18 following:

- 19 (1) Make any direct or indirect payments or distributions  
20 of revenue or other benefits to the qualifier that are





1 related in any way to the qualifier's interest in the  
2 applicant; and

3 (2) Pay any direct or indirect compensation to the  
4 qualifier for services rendered to the applicant,  
5 unless specifically approved and authorized by the  
6 commission.

7 § -12 Institutional investor. (a) Unless the  
8 commission determines that an institutional investor is  
9 unqualified, an institutional investor holding less than ten per  
10 cent of the equity securities or ten per cent of the debt  
11 securities of a casino licensee's affiliate or affiliated  
12 company that is related in any way to the financing of the  
13 casino licensee, shall be granted a waiver of the eligibility  
14 and suitability requirements if:

15 (1) The securities represent a percentage of the  
16 outstanding debt of the affiliate or affiliated  
17 company not exceeding twenty per cent, or a percentage  
18 of any issue of the outstanding debt of the affiliate  
19 or affiliated company not exceeding fifty per cent;



1 (2) The securities are those of a publicly traded  
2 corporation and its holdings of those securities were  
3 purchased for investment purposes only; and

4 (3) Upon request by the commission, the institutional  
5 investor files with the commission a certified  
6 statement that it has no intention of influencing or  
7 affecting the affairs of the issuer, the casino  
8 licensee, or its affiliate or affiliated company.

9 (b) The commission may grant a waiver under this section  
10 to an institutional investor holding a higher percentage of  
11 securities than allowed in subsection (a) upon a showing of good  
12 cause and if the conditions specified in subsection (a) are met.

13 (c) An institutional investor granted a waiver under this  
14 section that subsequently intends to influence or affect the  
15 affairs of the issuer shall provide notice to the commission and  
16 file an application for a determination of eligibility and  
17 suitability before taking any action that may influence or  
18 affect the affairs of the issuer.

19 (d) Notwithstanding any provisions of this chapter, an  
20 institutional investor may vote on all matters that are put to  
21 the vote of the outstanding security holders of the issuer.



1 (e) If an institutional investor changes its investment  
2 intent or if the commission finds that the institutional  
3 investor is unqualified, no action other than divestiture of the  
4 security holdings shall be taken until there has been compliance  
5 with this chapter.

6 (f) The casino licensee or an affiliate or affiliated  
7 company of the casino licensee shall immediately notify the  
8 commission of any information concerning an institutional  
9 investor holding its equity or debt securities that may affect  
10 the eligibility and suitability of the institutional investor  
11 for a waiver under this section.

12 (g) If the commission finds that an institutional  
13 investor, holding any security of an affiliate or affiliated  
14 company of a casino licensee that is related in any way to the  
15 financing of the casino licensee, fails to comply with the  
16 requirements of this section, or if at any time the commission  
17 finds that, by reason of the extent or nature of its holdings,  
18 an institutional investor is in a position to exercise a  
19 substantial impact upon the controlling interests of a casino  
20 licensee, the commission may take any necessary action to  
21 protect the public interest, including requiring the



1 institutional investor to satisfy the eligibility and  
2 suitability requirements under sections -8, -9,  
3 and -10.

4 § -13 **Supplier's licenses.** (a) No person shall furnish  
5 in excess of \$500,000 worth of equipment, devices, or supplies  
6 to a licensed casino gaming operation under this chapter unless  
7 the person has first obtained a supplier's license pursuant to  
8 this section. The commission may issue a supplier's license to  
9 any person, firm, or corporation who pays a nonrefundable  
10 application fee as set by the commission upon a determination by  
11 the commission that the applicant is eligible for a supplier's  
12 license and upon payment by the applicant of a \$5,000 license  
13 fee. Supplier's licenses shall be renewable annually upon  
14 payment of the \$5,000 annual license fee and a determination by  
15 the commission that the licensee continues to meet all of the  
16 requirements of this chapter.

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



1 (c) Casino gaming supplies and equipment shall not be  
2 distributed unless supplies and equipment conform to standards  
3 adopted by rules of the commission.

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

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

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

12 (3) The person has knowingly submitted an application for  
13 a license under this chapter that contains false  
14 information;

15 (4) The person is a member of the commission;

16 (5) The firm or corporation is one in which a person  
17 identified in paragraph (1), (2), (3), or (4) is an  
18 officer, director, or managerial employee;

19 (6) The firm or corporation employs a person, identified  
20 in paragraph (1), (2), (3), or (4), that participates



1 in the management or operation of casino gaming  
2 authorized under this chapter; or

3 (7) The license of the person, firm, or corporation issued  
4 under this chapter, or a license to own or operate  
5 casino gaming facilities in any other jurisdiction,  
6 has been revoked.

7 (e) A supplier shall:

8 (1) Furnish to the commission a list of all equipment,  
9 devices, and supplies offered for sale or lease in  
10 connection with casino games authorized under this  
11 chapter;

12 (2) Keep books and records for the furnishing of  
13 equipment, devices, and supplies to casino gaming  
14 operations separate and distinct from any other  
15 business that the supplier might operate;

16 (3) File quarterly returns with the commission listing all  
17 sales and leases;

18 (4) Permanently affix its name to all its equipment,  
19 devices, and supplies, used for casino gaming  
20 operations; and



(5) File an annual report listing its inventories of  
casino gaming equipment, devices, and supplies.

(f) Any person who knowingly makes a false statement on an  
application is guilty of a petty misdemeanor.

(g) Any casino gaming equipment, devices, or supplies  
provided by any licensed supplier may either be repaired in the  
casino facility or be removed from the casino facility to a  
facility owned by the holder of a casino license for repair.

Any supplier's equipment, devices, and supplies that are used by  
any person in an unauthorized gaming operation shall be  
forfeited to the county.

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

(1) The payment of a nonrefundable application fee set by  
the commission;

(2) A determination by the commission that the applicant  
is eligible for an occupational license; and

(3) Payment of an annual license fee in an amount set by  
the commission.

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



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

6 (2) Not have been convicted of a felony offense in any  
7 jurisdiction or a crime involving dishonesty or moral  
8 turpitude; and

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

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

17 (1) Has been issued prior gaming-related licenses in any  
18 jurisdiction;

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





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

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

9           (e) The commission may refuse to grant an occupational  
10          license to any person:

11          (1) Who is unqualified to perform the duties required of  
12          the applicant;

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

15          (3) Who has been found guilty of a violation of this  
16          chapter or whose prior casino gaming related license  
17          or application has been suspended, restricted,  
18          revoked, or denied for just cause in any other  
19          jurisdiction; or

20          (4) For any other just cause.



1 (f) The commission may suspend, revoke, or restrict any  
2 occupational licensee:

3 (1) For any violation of this chapter;

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

5 (3) For any cause which, if known to the commission, would  
6 have disqualified the applicant from receiving a  
7 license;

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

10 (5) For any other just cause.

11 (g) A person who knowingly makes a false statement on an  
12 application is guilty of a petty misdemeanor.

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

18 (i) Any training provided for an occupational licensee may  
19 be conducted either in a licensed casino facility or at a school  
20 with which a casino licensee has entered into an agreement.



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, casino  
7   licensees, casino license applicants, and holders of  
8   certificates of suitability; provided that all of the following  
9   provisions are 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 and the  
16                commission staff does not reveal that the applicant or  
17                the applicant's affiliates, key persons, local and  
18                regional 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



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

(3) There is no other apparent deficiency in the  
application that may require denial of the  
application; and

(4) The applicant has an offer of employment from, or  
agreement to begin providing goods and services to, a  
casino licensee, casino license applicant, or holder  
of a certificate of suitability upon receipt of the  
temporary license or the applicant shows good cause  
for being granted a temporary license.

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

(c) An applicant who receives a temporary license under  
this section may undertake employment with or supply a casino  
licensee, casino license applicants, and holders of certificates  
of suitability with goods and services subject to this chapter  
until a license is issued by the commission pursuant to the  
applicant's application or until the temporary license expires  
or is suspended or revoked. During the period of the temporary



1 license, the applicant shall comply with this chapter and rules  
2 adopted by the commission.

3 (d) If the temporary license expires, is not renewed, or  
4 is suspended or revoked, the executive director shall  
5 immediately forward the applicant's application to the  
6 commission for action after first providing a reasonable time  
7 for the applicant to correct any apparent deficiency in its  
8 application.

9 § -16 **Annual report.** The commission shall file a  
10 written annual report with the governor and the legislature at  
11 least sixty days prior to the close of each fiscal year and  
12 shall file any additional reports that the governor or the  
13 legislature requests. The annual report shall include:

14 (1) A statement of receipts and disbursements related to  
15 casino gaming pursuant to this chapter;

16 (2) Actions taken by the commission; and

17 (3) Any additional information and recommendations that  
18 the commission may deem valuable or which the governor  
19 or the legislature may request.

20 § -17 **Hearings by the commission.** (a) Upon order of  
21 the commission, one of the commission members or a hearings



1 officer designated by the commission may conduct any hearing  
2 provided for under this chapter related to casino gaming or by  
3 commission rule, and may recommend findings and decisions to the  
4 commission. The record made at the time of the hearing shall be  
5 reviewed by the commission, or a majority thereof, and the  
6 findings and decisions of the majority of the commission shall  
7 constitute the order of the commission in that case.

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

19 § -18 **Conduct of casino gaming.** Casino gaming may be  
20 conducted by the holder of a casino license, subject to the  
21 following:



1 (1) The site of the casino facility shall be restricted to  
2 the New Aloha Stadium Entertainment District and the  
3 Hawaii Convention Center;

4 (2) The casino facility shall be a stand-alone facility  
5 and shall not be located within a hotel;

6 (3) The term of the casino license shall be twenty years  
7 and shall be renewable for additional twenty-year  
8 terms; provided that:

9 (A) The casino facility has demonstrated an effort to  
10 increase tourism, generate jobs, provide revenue  
11 to the local economy, and provide revenue to the  
12 general fund;

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

16 (C) The applicant and its qualifiers remain eligible  
17 and suitable for a casino license;

18 (4) The casino facility may operate twenty-four hours per  
19 day, each and every day of the year;

20 (5) Minimum and maximum wagers on games shall be set by  
21 the casino licensee;



- 1       (6) The commission's agents may enter and inspect the  
2       casino facility at any time for the purpose of  
3       determining whether the casino licensee is in  
4       compliance with this chapter;
- 5       (7) Commission employees shall have the right to be  
6       present in a casino facility or on adjacent facilities  
7       under the control of the casino licensee;
- 8       (8) Gaming equipment and supplies customarily used in  
9       conducting casino gaming shall be purchased or leased  
10      only from suppliers licensed under this chapter;
- 11      (9) Persons licensed under this chapter shall permit no  
12      form of wagering on games except as permitted by this  
13      chapter;
- 14      (10) Wagers may be received only from a person present in a  
15      licensed casino facility. No person present in a  
16      licensed casino facility shall place or attempt to  
17      place a wager on behalf of another person who is not  
18      present in the casino facility;
- 19      (11) Wagering shall not be conducted with money or other  
20      negotiable currency, except for wagering on slot  
21      machines;





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

9       (13) All tokens, chips, or electronic cards used to make  
10      wagers shall only be purchased from the casino  
11      licensee within the casino facility. The tokens,  
12      chips, or electronic cards may be purchased by means  
13      of an agreement under which the casino licensee  
14      extends credit to the wagerer. The tokens, chips, or  
15      electronic cards shall be used while within a casino  
16      facility only for the purpose of making wagers on  
17      authorized games;

18      (14) Prior to commencing gaming operations at the casino  
19      facility, the casino licensee shall enter into a  
20      development agreement with the State that includes at  
21      least the following terms:



- 1 (A) The casino licensee agrees to invest at least  
2 \$50,000,000 to develop and construct a casino  
3 facility;
- 4 (B) The casino licensee agrees to use best efforts to  
5 train residents of the State for jobs that are  
6 available at the casino facility;
- 7 (C) The casino licensee agrees that neither the  
8 casino licensee, nor any parent or subsidiary of  
9 the casino licensee, will operate in a  
10 jurisdiction that permits wagering on Hawaii  
11 collegiate athletics;
- 12 (D) The casino licensee shall use best efforts to  
13 increase tourism, generate jobs, provide revenue  
14 to the local economy, and provide revenue to the  
15 State; and
- 16 (E) The casino licensee and the State agree that,  
17 other than the one casino facility licensed under  
18 this chapter, the State shall not authorize any  
19 additional gaming in the State without the prior  
20 written consent of the casino licensee and the  
21 State; and



(15) In addition to the above, casino gaming shall be conducted in accordance with all rules adopted by the commission.

**§ -19 Collection of amounts owing under credit**

**agreements.** Notwithstanding any other law to the contrary, a casino licensee who extends credit to a wagerer shall be expressly authorized to institute a cause of action to collect any amounts due and owing under the extension of credit, as well as the licensee's costs, expenses, and reasonable attorney's fees incurred in collection.

**§ -20 Wagering tax; rate; disposition.** A wagering tax

shall be imposed on the monthly gross receipts received from casino gaming authorized under this chapter at the rate of fifteen per cent. The wagering tax imposed by this section shall be in lieu of all other state taxes on gross or adjusted gross receipts, including taxes levied under chapters 237 and 239, except income taxes. All other income received by the casino licensee that are not from casino gaming are not subject to the wagering tax, but are subject to any other state taxes on gross or adjusted gross receipts levied under chapters 237 and 239. Tax revenues collected under this section shall be



1 deposited into the state general fund; provided that the  
2 following amounts shall be retained by the commission and  
3 deposited into the state gaming fund for use by the commission  
4 as follows:

5 (1) One per cent of the tax revenues to fund a compulsive  
6 gamblers program and for public security at the casino  
7 facility; and

8 (2) Not more than one per cent of the tax revenues to fund  
9 administrative expenses of the commission.

10 **§ -21 State gaming fund; disposition of taxes collected.**

11 There is established within the state treasury the state gaming  
12 fund to be administered by the Hawaii gaming control commission  
13 into which shall be deposited all fees, taxes, and fines  
14 collected under this chapter other than the wagering tax  
15 collected pursuant to section -20. Moneys from the state  
16 gaming fund shall be allocated as follows:

17 (1) Department of education: fifteen per cent;

18 (2) A compulsive gamblers program and for public security  
19 at the casino facility: per cent; and

20 (3) Administrative expenses of the commission: per  
21 cent.



1       §    **-22 Legislative oversight.** After the first full  
2 fiscal year of operation, the auditor shall conduct a program  
3 and financial audit of the Hawaii gaming commission.

4 Thereafter, the auditor shall conduct a program and financial  
5 audit every four years after the initial audit is completed.

6       §    **-23 Compulsive gamblers program.** The commission shall  
7 create and implement a program to assist individuals who are  
8 identified as compulsive gamblers.

9       §    **-24 Disclosure of information.** (a) The commission,  
10 upon written request from any person, shall provide the  
11 following information concerning the applicant or licensee, the  
12 applicant's or licensee's products, services or gambling  
13 enterprises, and the applicant's or licensee's business holdings  
14 if the commission has the information in its possession:

15       (1) The name, business address, and business telephone  
16           number;

17       (2) An identification of any applicant or licensee  
18           including, if an applicant or licensee is not an  
19           individual, its state of incorporation or  
20           registration, its corporate officers, and the identity  
21           of its qualifiers;



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

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

§ -25 **License issuance fee.** In addition to any other fee or payment required under this chapter, there shall be a one-time fee of \$150,000,000, in cash or cash equivalent, to be paid as follows:

(1) \$75,000,000 as a condition precedent to the issuance of the casino license; and

(2) \$75,000,000 one year after the casino license is issued.

Upon payment of the \$75,000,000 payment due one year after the casino license is issued, the casino licensee shall be credited with this payment against the wagering tax imposed upon the casino licensee under section -20, to be amortized over a period of ten years after that payment is made. The fee shall be deposited into the general fund. Once issued, the license shall be non-transferable and shall be valid only for the person



1 or entity in whose name it was issued and for the operation of  
2 the casino facility at the designated place."

3 SECTION 2. Chapter 712, Hawaii Revised Statutes, is  
4 amended by adding a new section to part III to be appropriately  
5 designated and to read as follows:

6 "§712- Casino gaming; exempted. This part shall not  
7 apply to casino gaming as authorized by chapter ."

8 SECTION 3. Section 46-80.5, Hawaii Revised Statutes, is  
9 amended by amending subsection (e) to read as follows:

10 "(e) Exemptions.

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

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

17 (3) If a public body owning property, including property  
18 held in trust for any beneficiary, which is exempt  
19 from an assessment pursuant to paragraphs (1) and (2),  
20 grants a leasehold or other possessory interest in the  
21 property to a nonexempt person or entity, the



1 assessment, notwithstanding paragraphs (1) and (2),  
2 shall be levied on the leasehold or possessory  
3 interest and shall be payable by the lessee;

4 (4) The construction of any casino facility in the New  
5 Aloha Stadium Entertainment District or in the Hawaii  
6 Convention Center authorized under chapter shall  
7 be exempt from the assessment and any special  
8 improvement district requirements regarding  
9 redevelopment authorized by subsection (a);

10 ~~[(4)]~~ (5) The redevelopment of the Ala Wai boat harbor  
11 shall be exempt from the assessment and any special  
12 improvement district requirements authorized by  
13 subsection (a); and

14 ~~[(5)]~~ (6) No other properties or owners shall be exempt  
15 from the assessment unless the properties or owners  
16 are expressly exempted in the ordinance establishing a  
17 district adopted pursuant to this section or amending  
18 the rate or method of assessment of an existing  
19 district."

20 SECTION 4. Section 76-16, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:





1       "(b) The civil service to which this chapter applies shall  
2       comprise all positions in the State now existing or hereafter  
3       established and embrace all personal services performed for the  
4       State, except the following:

5       (1) Commissioned and enlisted personnel of the Hawaii  
6       National Guard and positions in the Hawaii National  
7       Guard that are required by state or federal laws or  
8       regulations or orders of the National Guard to be  
9       filled from those commissioned or enlisted personnel;

10      (2) Positions filled by persons employed by contract where  
11      the director of human resources development has  
12      certified that the service is special or unique or is  
13      essential to the public interest and that, because of  
14      circumstances surrounding its fulfillment, personnel  
15      to perform the service cannot be obtained through  
16      normal civil service recruitment procedures. Any  
17      contract may be for any period not exceeding one year;

18      (3) Positions that must be filled without delay to comply  
19      with a court order or decree if the director  
20      determines that recruitment through normal recruitment  
21      civil service procedures would result in delay or



1 noncompliance, such as the Felix-Cayetano consent  
2 decree;

3 (4) Positions filled by the legislature or by either house  
4 or any committee thereof;

5 (5) Employees in the office of the governor and office of  
6 the lieutenant governor, and household employees at  
7 Washington Place;

8 (6) Positions filled by popular vote;

9 (7) Department heads, officers, and members of any board,  
10 commission, or other state agency whose appointments  
11 are made by the governor or are required by law to be  
12 confirmed by the senate;

13 (8) Judges, referees, receivers, masters, jurors, notaries  
14 public, land court examiners, court commissioners, and  
15 attorneys appointed by a state court for a special  
16 temporary service;

17 (9) One bailiff for the chief justice of the supreme court  
18 who shall have the powers and duties of a court  
19 officer and bailiff under section 606-14; one  
20 secretary or clerk for each justice of the supreme  
21 court, each judge of the intermediate appellate court,



1 and each judge of the circuit court; one secretary for  
2 the judicial council; one deputy administrative  
3 director of the courts; three law clerks for the chief  
4 justice of the supreme court, two law clerks for each  
5 associate justice of the supreme court and each judge  
6 of the intermediate appellate court, one law clerk for  
7 each judge of the circuit court, two additional law  
8 clerks for the civil administrative judge of the  
9 circuit court of the first circuit, two additional law  
10 clerks for the criminal administrative judge of the  
11 circuit court of the first circuit, one additional law  
12 clerk for the senior judge of the family court of the  
13 first circuit, two additional law clerks for the civil  
14 motions judge of the circuit court of the first  
15 circuit, two additional law clerks for the criminal  
16 motions judge of the circuit court of the first  
17 circuit, and two law clerks for the administrative  
18 judge of the district court of the first circuit; and  
19 one private secretary for the administrative director  
20 of the courts, the deputy administrative director of  
21 the courts, each department head, each deputy or first



1 assistant, and each additional deputy, or assistant  
2 deputy, or assistant defined in paragraph (16);

3 (10) First deputy and deputy attorneys general, the  
4 administrative services manager of the department of  
5 the attorney general, one secretary for the  
6 administrative services manager, an administrator and  
7 any support staff for the criminal and juvenile  
8 justice resources coordination functions, and law  
9 clerks;

10 (11) (A) Teachers, principals, vice-principals, complex  
11 area superintendents, deputy and assistant  
12 superintendents, other certificated personnel,  
13 and no more than twenty noncertificated  
14 administrative, professional, and technical  
15 personnel not engaged in instructional work;  
16 (B) Effective July 1, 2003, teaching assistants,  
17 educational assistants, bilingual or bicultural  
18 school-home assistants, school psychologists,  
19 psychological examiners, speech pathologists,  
20 athletic health care trainers, alternative school  
21 work study assistants, alternative school



1 educational or supportive services specialists,  
2 alternative school project coordinators, and  
3 communications aides in the department of  
4 education;

5 (C) The special assistant to the state librarian and  
6 one secretary for the special assistant to the  
7 state librarian; and

8 (D) Members of the faculty of the University of  
9 Hawaii, including research workers, extension  
10 agents, personnel engaged in instructional work,  
11 and administrative, professional, and technical  
12 personnel of the university;

13 (12) Employees engaged in special, research, or  
14 demonstration projects approved by the governor;

15 (13) (A) Positions filled by inmates, patients of state  
16 institutions, and persons with severe physical or  
17 mental disabilities participating in the work  
18 experience training programs;

19 (B) Positions filled with students in accordance with  
20 guidelines for established state employment  
21 programs; and



1 (C) Positions that provide work experience training  
2 or temporary public service employment that are  
3 filled by persons entering the workforce or  
4 persons transitioning into other careers under  
5 programs such as the federal Workforce Investment  
6 Act of 1998, as amended, or the Senior Community  
7 Service Employment Program of the Employment and  
8 Training Administration of the United States  
9 Department of Labor, or under other similar state  
10 programs;

11 (14) A custodian or guide at Iolani Palace, the Royal  
12 Mausoleum, and Hulihee Palace;

13 (15) Positions filled by persons employed on a fee,  
14 contract, or piecework basis, who may lawfully perform  
15 their duties concurrently with their private business  
16 or profession or other private employment and whose  
17 duties require only a portion of their time, if it is  
18 impracticable to ascertain or anticipate the portion  
19 of time to be devoted to the service of the State;

20 (16) Positions of first deputies or first assistants of  
21 each department head appointed under or in the manner



1 provided in section 6, article V, of the Hawaii State  
2 Constitution; three additional deputies or assistants  
3 either in charge of the highways, harbors, and  
4 airports divisions or other functions within the  
5 department of transportation as may be assigned by the  
6 director of transportation, with the approval of the  
7 governor; one additional deputy in the department of  
8 human services either in charge of welfare or other  
9 functions within the department as may be assigned by  
10 the director of human services; four additional  
11 deputies in the department of health, each in charge  
12 of one of the following: behavioral health,  
13 environmental health, hospitals, and health resources  
14 administration, including other functions within the  
15 department as may be assigned by the director of  
16 health, with the approval of the governor; two  
17 additional deputies in charge of the law enforcement  
18 programs, administration, or other functions within  
19 the department of law enforcement as may be assigned  
20 by the director of law enforcement, with the approval  
21 of the governor; three additional deputies each in



1 charge of the correctional institutions,  
2 rehabilitation services and programs, and  
3 administration or other functions within the  
4 department of corrections and rehabilitation as may be  
5 assigned by the director of corrections and  
6 rehabilitation, with the approval of the governor; two  
7 administrative assistants to the state librarian; and  
8 an administrative assistant to the superintendent of  
9 education;

10 (17) Positions specifically exempted from this part by any  
11 other law; provided that:

12 (A) Any exemption created after July 1, 2014, shall  
13 expire three years after its enactment unless  
14 affirmatively extended by an act of the  
15 legislature; and

16 (B) All of the positions defined by paragraph (9)  
17 shall be included in the position classification  
18 plan;

19 (18) Positions in the state foster grandparent program and  
20 positions for temporary employment of senior citizens





1 in occupations in which there is a severe personnel  
2 shortage or in special projects;

3 (19) Household employees at the official residence of the  
4 president of the University of Hawaii;

5 (20) Employees in the department of education engaged in  
6 the supervision of students during meal periods in the  
7 distribution, collection, and counting of meal  
8 tickets, and in the cleaning of classrooms after  
9 school hours on a less than half-time basis;

10 (21) Employees hired under the tenant hire program of the  
11 Hawaii public housing authority; provided that no more  
12 than twenty-six per cent of the authority's workforce  
13 in any housing project maintained or operated by the  
14 authority shall be hired under the tenant hire  
15 program;

16 (22) Positions of the federally funded expanded food and  
17 nutrition program of the University of Hawaii that  
18 require the hiring of nutrition program assistants who  
19 live in the areas they serve;

20 (23) Positions filled by persons with severe disabilities  
21 who are certified by the state vocational



1 rehabilitation office that they are able to perform  
2 safely the duties of the positions;

3 (24) The sheriff;

4 (25) A gender and other fairness coordinator hired by the  
5 judiciary;

6 (26) Positions in the Hawaii National Guard youth and adult  
7 education programs;

8 (27) In the Hawaii state energy office in the department of  
9 business, economic development, and tourism, all  
10 energy program managers, energy program specialists,  
11 energy program assistants, and energy analysts;

12 (28) Administrative appeals hearing officers in the  
13 department of human services;

14 (29) In the Med-QUEST division of the department of human  
15 services, the division administrator, finance officer,  
16 health care services branch administrator, medical  
17 director, and clinical standards administrator;

18 (30) In the director's office of the department of human  
19 services, the enterprise officer, information security  
20 and privacy compliance officer, security and privacy  
21 compliance engineer, security and privacy compliance



1 analyst, information technology implementation  
2 manager, assistant information technology  
3 implementation manager, resource manager, community or  
4 project development director, policy director, special  
5 assistant to the director, and limited English  
6 proficiency project manager or coordinator;

7 (31) The Alzheimer's disease and related dementia services  
8 coordinator in the executive office on aging;

9 (32) In the Hawaii emergency management agency, the  
10 executive officer, public information officer, civil  
11 defense administrative officer, branch chiefs, and  
12 emergency operations center state warning point  
13 personnel; provided that for state warning point  
14 personnel, the director shall determine that  
15 recruitment through normal civil service recruitment  
16 procedures would result in delay or noncompliance;

17 (33) The executive director and seven full-time  
18 administrative positions of the school facilities  
19 authority;

20 (34) Positions in the Mauna Kea stewardship and oversight  
21 authority;



1 (35) In the office of homeland security of the department  
2 of law enforcement, the statewide interoperable  
3 communications coordinator;

4 (36) In the social services division of the department of  
5 human services, the business technology analyst;

6 (37) The executive director and staff of the 911 board;

7 [+] (38) [+] Senior software developers in the department of  
8 taxation;

9 [+] (39) [+] In the department of law enforcement, five Commission  
10 on Accreditation for Law Enforcement Agencies, Inc.,  
11 coordinator positions;

12 [+] (40) [+] The state fire marshal; ~~and~~

13 [+] (41) [+] The administrator for the law enforcement standards  
14 board[-]; and

15 (42) The executive director and any assistants, officers,  
16 or employees of the Hawaii gaming control commission.

17 The director shall determine the applicability of this  
18 section to specific positions.

19 Nothing in this section shall be deemed to affect the civil  
20 service status of any incumbent as it existed on July 1, 1955."



1       SECTION 5. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$5,000,000 or so much  
3 thereof as may be necessary for fiscal year 2025-2026 and the  
4 same sum or so much thereof as may be necessary for fiscal year  
5 2026-2027 for the purpose of funding the operations of the  
6 Hawaii gaming control commission; provided that the:

7       (1) Casino licensee shall reimburse the amount  
8       appropriated by remitting \$5,000,000 to the director  
9       of finance no later than the first day on which the  
10      casino opens for operation;

11      (2) Casino licensee's application fee under  
12      section     -8(e), Hawaii Revised Statutes, shall be  
13      applied as a credit against the \$5,000,000 amount due  
14      under this section; and

15      (3) Amount the casino licensee reimburses the State under  
16      this section shall also be credited against the  
17      wagering tax imposed under section     -20, Hawaii  
18      Revised Statutes.

19      The sums appropriated shall be expended by the department  
20 of commerce and consumer affairs for the purposes of this Act.



1       SECTION 6. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3       SECTION 7. This Act shall take effect on July 1, 2025.



# S.B. NO. 893 S.D. 1

**Report Title:**

Casino Gaming; New Aloha Stadium Entertainment District; Hawaii Convention Center; State Gaming Fund; Compulsive Gamblers Program; Appropriations

**Description:**

Grants twenty-year licenses for casinos in the New Aloha Stadium Entertainment District and Hawaii Convention Center. Establishes the Hawaii Gaming Control Commission. Imposes fifteen per cent wagering tax on gross receipts. Establishes the State Gaming Fund and Compulsive Gambler Program. Appropriates funds. (SD1)

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