
A BILL FOR AN ACT

RELATING TO PREDICTION MARKETS.

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

1 SECTION 1. The legislature finds that recent developments
2 in the consumer-focused sector of the financial market have
3 allowed for individuals to create financial incentives and
4 motivations for the occurrence of events involving athletics,
5 politics, catastrophe, and death. The legislature also finds
6 that not only do some or all of these types of contracts violate
7 moral and ethical standards, but they also prey upon a gap in
8 Hawaii's gambling laws that permit contracts for the purchase
9 and sale at a future date of securities or commodities.

10 Accordingly, the purpose of this Act is to update Hawaii's
11 gambling laws to expressly prohibit prediction event contracts
12 relating to sports, contests, people, politics, catastrophe, and
13 death.

14 SECTION 2. Section 712-1220, Hawaii Revised Statutes, is
15 amended by amending the definition of "gambling" to read as
16 follows:



1 ""Gambling". A person engages in gambling if he stakes or
2 risks something of value upon the outcome of a contest of chance
3 or a future contingent event not under his control or influence,
4 upon an agreement or understanding that he or someone else will
5 receive something of value in the event of a certain outcome.
6 Gambling does not include bona fide business transactions valid
7 under the law of contracts, including but not limited to
8 contracts for the purchase or sale at a future date of
9 securities or commodities, and agreements to compensate for loss
10 caused by the happening of chance, including but not limited to
11 contracts of indemnity or guaranty and life, health, or accident
12 insurance[–]; provided that gambling does include the purchase,
13 sale, or financial speculation upon securities, commodities, or
14 other similar financial products where the outcome or future
15 contingent event relates to the following:

16 (1) Sports, including an outcome that relates to a
17 specific athletic event or non-athletic sporting event
18 or events within an athletic event or non-athletic
19 sporting event or events;
20 (2) Contests, including an outcome that relates to a game,
21 scheme, or promotion where a prize or something of



1 value is awarded based on skill, merit, performance,
2 or chance, regardless of whether an entry fee is
3 required;

4 (3) People, including an outcome that relates to an event
5 or events happening to a natural person or persons;

6 (4) Politics, including an outcome that relates to a
7 federal, state, or county, election, or the actions or
8 conduct of the federal, state, or county government
9 and its agencies, employees, and officers;

10 (5) Catastrophe, including an outcome that relates to war,
11 national or state emergencies, natural or human-made
12 disasters, acts of terrorism or violence, or public
13 health crises; and

14 (6) Death, including an outcome that relates to death,
15 assassination, or mass casualty events."

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2026.

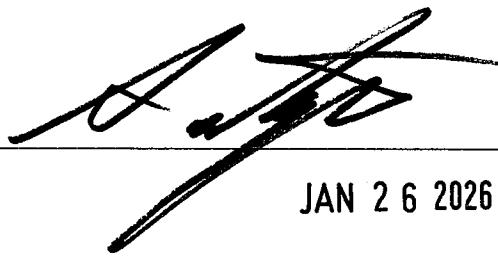
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H.B. NO. 2198

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INTRODUCED BY:



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JAN 26 2026



H.B. NO. 2198

Report Title:

Gambling; Prediction Markets

Description:

Includes prediction markets in the definition of gambling by specifying that the purchase, sale, or financial speculation of securities or commodities on the outcome or future contingent events related to sports, contests, people, politics, catastrophe, and death.

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