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## A BILL FOR AN ACT

RELATING TO CASINO GAMING.

**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, which may include bars, restaurants,  
20 showrooms, theaters, or other facilities. "Casino facility"



1 does not include any structure used for hotel or other transient  
2 accommodation 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, video  
8 gaming of chance, roulette wheel, klondike table, punch-board,  
9 faro layout, numbers ticket, push car, jar ticket, pull tab, or  
10 their common variants, or any other game of chance that is  
11 authorized by the commission as a wagering device.

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

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

16 "Commission" means the Hawaii gaming control commission.

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



1 agent's public duty under this chapter. "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) Means the total of:

- (A) Cash received or retained as winnings by a licensee;
- (B) Cash received in payment for credit extended by a licensee to a patron for purposes of gaming; and
- (C) Compensation received for conducting any game in which a licensee is not party to a wager; and

(2) Does not include:

- (A) Counterfeit money or tokens;
- (B) Coins of other countries that are received in gaming devices;
- (C) Cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed;
- (D) Cash received as entry fees for contests or tournaments in which patrons compete for prizes; and
- (E) The dollar amount of promotional play, including non-cashable vouchers, coupons, and electronic promotions, redeemed by wagerers in the casino,



up to and including an amount not to exceed  
twenty per cent of a licensee's gross receipts.

"Individual" means a natural person.

"Institutional investor" means:

- (1) Any retirement fund administered by a public agency  
for the exclusive benefit of federal, state, or county  
public employees;
- (2) An employee benefit plan, or pension fund that is  
subject to the Employee Retirement Income Security Act  
of 1974, as amended;
- (3) An investment company registered under the Investment  
Company Act of 1940;
- (4) A collective investment trust organized by a bank  
under title 12 Code of Federal Regulations section  
9.18;
- (5) A closed-end investment trust;
- (6) A chartered or licensed life insurance company or  
property and casualty insurance company;
- (7) A chartered or licensed financial institution;
- (8) An investment advisor registered under the Investment  
Advisers Act of 1940; and



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

3           "Investigative hearing" means any hearing conducted by the  
4 commission or its authorized representative to investigate and  
5 gather information or evidence regarding pending license  
6 applicants, qualifiers, licensees, or alleged or apparent  
7 violations of this chapter or rules adopted by the commission.  
8 "Investigative hearing" includes any matter related to an  
9 apparent deficiency, except for informal conferences requested  
10 under section     -11.

11          "Managerial employee" means a person who holds a  
12 policymaking position with the commission or any vendor or  
13 licensee under this chapter.

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

18          "Person" means an individual, association, partnership,  
19 estate, trust, corporation, limited liability company, or other  
20 legal entity.





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

12 "Slot machine" means any mechanical, electrical, or other  
13 device, contrivance, or machine that is authorized by the  
14 commission as a wagering device under this chapter which, upon  
15 insertion of a coin, currency, token, or similar object, or upon  
16 payment of any consideration whatsoever, is available to play or  
17 operate, the play or operation of which may deliver or entitle  
18 the person playing or operating the machine to receive cash,  
19 premiums, merchandise, tokens, or anything of value whatsoever,  
20 whether the payoff is made automatically from the machine or in  
21 any other manner whatsoever. A slot machine:



(1) May utilize spinning reels or video displays, or both;

(2) May or may not dispense coins, tickets, or tokens to winning patrons;

(3) May use an electronic credit system for receiving wagers and making payouts; and

(4) May simulate a table game.

"Slot machine" does not include table games authorized by the commission as a wagering device under this Act.

"Supplier" means a person that the commission has identified under rules adopted by the commission as requiring a license to provide casino licensees with goods or services regarding the realty, construction, maintenance, or business of a proposed or existing casino facility on a regular or continuing basis, including security businesses, manufacturers, distributors, persons who service gaming devices or equipment, garbage haulers, maintenance companies, food purveyors, and construction companies.

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



1 "Table game" means a live gaming apparatus upon which  
2 gaming is conducted or that determines an outcome that is the  
3 object of a wager, including but not limited to baccarat,  
4 twenty-one, blackjack, poker, craps, roulette wheel, electronic  
5 or stadium seating games operated with a live dealer, klondike  
6 table, punchboard, faro layout, keno layout, numbers ticket,  
7 push card, jar ticket, pull tab, or other similar games that are  
8 authorized by the commission as a wagering device under this  
9 chapter. "Table game" does not include slot machines or video  
10 games of chance.

11 "Vendor" means a person who is not licensed under this  
12 chapter and supplies any goods or services to a casino licensee  
13 or supplier licensee.

14 "Wagerer" means a person who plays a gambling game.  
15 authorized under this chapter.

16 § -3 **Hawaii gaming control commission.** (a) There is  
17 established the Hawaii gaming control commission, which shall be  
18 a body corporate and a public instrumentality of the State for  
19 the purpose of implementing this chapter. The commission shall  
20 be placed within the department for administrative purposes.  
21 The commission shall consist of five members to be appointed by



1 the governor with the advice and consent of the senate under  
2 section 26-34. Of the five members, one shall be appointed from  
3 a list of nominees submitted to the governor by the president of  
4 the senate and one shall be appointed from a list of nominees  
5 submitted to the governor by the speaker of the house of  
6 representatives. Appointments of initial commission members  
7 shall be made within ten days of the effective date of this Act.

8 (b) No person shall be appointed as a member of the  
9 commission or continue to be a member of the commission if the  
10 person:

11 (1) Is an elected state official;

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

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

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



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

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

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

15          (e) Members of the commission shall:

16           (1) Be a resident of the State;

17           (2) Serve part-time;

18           (3) Be paid \$300 for each day in the performance of  
19           official duties; and

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



1           (f) Officers of the commission, including the chairperson,  
2 shall be selected by the members. The commission, subject to  
3 chapter 92, shall hold at least one meeting in each quarter of  
4 the State's fiscal year. The commission shall hold its initial  
5 meeting within twenty days of the effective date of this Act.  
6 Special meetings may be called by the chairperson or any three  
7 members upon seventy-two hours' written notice to each member.  
8 Three members shall constitute a quorum, and a majority vote of  
9 the five members present shall be required for any final  
10 determination by the commission. The commission shall keep a  
11 complete and accurate record of all its meetings.

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

20           (h) The commission shall appoint a person to serve as the  
21 executive director of the commission, who shall be subject to



1 the commission's supervision. The commission shall appoint an  
2 interim executive director within ten days of the commission's  
3 initial meeting who shall be exempt from paragraphs (3) and (4)  
4 such that the interim executive director may be a current public  
5 employee or regulatory official from a similar body in another  
6 state who temporarily undertakes the role of interim executive  
7 director. The executive director shall:

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

18 (i) Except as otherwise provided by law, the executive  
19 director may:



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

(2) Appoint committees and consultants necessary for the efficient operation of casino gaming.

(j) No person shall be hired or appointed under subsection (i) who:

(1) Is an elected state official;

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

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

(4) Has been under indictment, convicted, pled guilty or nolo contendere, or forfeited bail for a felony or misdemeanor concerning gambling or fraud under:

(A) The laws of this State, any other state, or the United States within the last ten years; or





1           (B)   A local ordinance in any state involving gambling  
2                   or fraud that substantially corresponds to a  
3                   misdemeanor in that state within the ten years  
4                   prior to employment.

5           (k)   The salaries of employees hired pursuant to subsection  
6   (i) shall be set by the executive director.

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

14          (m)   No person shall be employed by the commission if:

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

18          (A)   A casino licensee under this chapter or in  
19                another jurisdiction; or



1           (B) A potential casino licensee who had an  
2                   application to operate a casino pending before  
3                   the commission or any other jurisdiction;  
4           provided that the person seeking employment may be  
5           employed by the commission if the person's interest in  
6           a casino licensee would not, in the opinion of the  
7           commission, interfere with the objective discharge of  
8           the person's employment obligations; provided further  
9           that a person shall not be employed by the commission  
10          if the person's interest in the casino licensee  
11          constitutes a controlling interest in that casino  
12          licensee; or

13       (2) The person or the person's spouse, parent, child,  
14           child's spouse, or sibling is a member of the  
15           commission, or a director of, or a person financially  
16           interested in, any person licensed as a casino  
17           licensee or casino supplier, or any person who has an  
18           application for a casino or occupational license  
19           pending before the commission.



1           (n) Each member of the commission, the executive director,  
2 and each key employee, as determined by the commission, shall  
3 file with the governor a financial disclosure statement:

4           (1) Listing all assets, liabilities, and property and  
5 business interests of the member, executive director,  
6 key employee, and any of their spouses; and

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

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

11          (o) Each employee of the commission, except the executive  
12 director or a key employee, shall file with the commission at  
13 the time of employment a financial disclosure statement listing  
14 all assets, liabilities, property and business interests, and  
15 sources of income of the employee and the employee's spouse.

16          (p) A member of the commission, executive director, or key  
17 employee shall not hold direct or indirect interest in, be  
18 employed by, or enter into a contract for service with, any  
19 applicant or person licensed by the commission for a period of  
20 five years after the date of termination of the person's  
21 membership on or employment with the commission.



1           (q) An employee of the commission shall not acquire any  
2 direct or indirect interest in, be employed by, or enter into a  
3 contract for services with any applicant or person licensed by  
4 the commission for a period of three years after the date of  
5 termination of the person's employment with the commission.

6           (r) A commission member or a person employed by the  
7 commission shall not represent a person or party other than the  
8 State before or against the commission for a period of three  
9 years after the date of termination of the member's term of  
10 office or the employee's period of employment with the  
11 commission.

12          (s) A business entity in which a former commission member  
13 or employee or agent has an interest, or any partner, officer,  
14 or employee of the business entity, shall not make any  
15 appearance or representation before the commission that is  
16 prohibited to that former member, employee, or agent.

17          As used in this subsection, "business entity" means a  
18 corporation, limited liability company, partnership, limited  
19 liability partnership, association, trust, or other form of  
20 legal entity.



1       §   -4   **Staff.**   (a)   The executive director shall keep  
2 records of all proceedings of the commission and shall preserve  
3 all records, books, documents, and other papers belonging to the  
4 commission or entrusted to its care relating to casino gaming.

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

8       §   -5   **Powers of the commission.**   (a)   The commission  
9 shall have all powers necessary to fully and effectively  
10 supervise all casino gaming operations, including the power to:

11       (1)   Administer, regulate, and enforce the system of casino  
12 gaming established by this chapter; provided that the  
13 commission's jurisdiction shall extend to every  
14 person, association, corporation, partnership, trust,  
15 and any other entity with a financial interest in or  
16 holding a license under this chapter, or required  
17 under this chapter to hold a license in casino gaming  
18 operations in the city and county of Honolulu;

19       (2)   Issue a twenty-year casino license to operate a casino  
20 facility pursuant to this chapter;



- 1           (3) Determine the types and numbers of occupational and  
2           supplier's licenses to be permitted under this  
3           chapter;
- 4           (4) Adopt standards for the licensing of all persons under  
5           this chapter subject to the qualifications and  
6           standards set forth in this chapter, issue licenses,  
7           and establish and collect fees for these licenses;
- 8           (5) Provide for the collection of all taxes imposed  
9           pursuant to this chapter and collect, receive, expend,  
10          and account for all revenues derived from casino  
11          gaming within the city and county of Honolulu;
- 12          (6) Enter at any time, without a warrant and without  
13          notice to a licensee, the premises, offices, casino  
14          facility, or other places of business of a casino  
15          licensee, or casino supplier licensee, where evidence  
16          of the compliance or noncompliance with this chapter  
17          or rules is likely to be found. Entry is authorized  
18          to:
- 19               (A) Inspect and examine all premises wherein casino  
20               gaming or the business of gaming or the business



1 of a supplier is conducted, or where any records  
2 of the activities are prepared;

3 (B) Inspect, examine, audit, impound, seize, or  
4 assume physical control of, or summarily remove  
5 from the premises all books, ledgers, documents,  
6 writings, photocopies of correspondence records,  
7 videotapes, including electronically or digitally  
8 stored records, money receptacles, other  
9 containers and their contents, equipment in which  
10 the records are stored, or other gaming-related  
11 equipment and supplies on or around the premises,  
12 including counting rooms;

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

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

19 (7) Investigate alleged violations of this chapter and  
20 take appropriate disciplinary action against a casino  
21 licensee or a holder of an occupational or supplier's



1 license for a violation or institute appropriate legal  
2 action for enforcement, or both;

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

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

13 (10) Require that records, including financial or other  
14 statements, of a casino licensee be kept in the manner  
15 prescribed by the commission and that a licensee  
16 involved in the ownership or management of casino  
17 gaming operations submit to the commission:

18 (A) An annual balance sheet and profit and loss  
19 statement;

20 (B) A list of the stockholders or other persons  
21 having a five per cent or greater beneficial





1 interest in the gaming activities of the  
2 licensee; and  
3 (C) Any other information the commission deems  
4 necessary to effectively administer this chapter;  
5 (11) Conduct hearings; issue subpoenas for the attendance  
6 of witnesses and subpoenas duces tecum for the  
7 production of books, records, and other pertinent  
8 documents; and administer oaths and affirmations to  
9 the witnesses when, in the judgment of the commission,  
10 it is necessary to administer or enforce this chapter;  
11 provided that the executive director or the executive  
12 director's designee shall also be authorized to issue  
13 subpoenas and administer oaths and affirmations to  
14 witnesses;  
15 (12) Eject or exclude, or authorize the ejection or  
16 exclusion of, any person from casino facilities where  
17 the person is in violation of this chapter or where  
18 the person's conduct or reputation is such that the  
19 person's presence within a casino facility, in the  
20 opinion of the commission, may call into question the  
21 honesty and integrity of the casino gaming operation



1 or interfere with the orderly conduct thereof or any  
2 other action that, in the opinion of the commission,  
3 is a detriment or impediment to the casino gaming  
4 operations; provided that the propriety of the  
5 ejection or exclusion shall be subject to subsequent  
6 hearing by the commission;

7 (13) Permit a casino licensee of casino gaming operations  
8 to use a wagering system whereby wagerers' money may  
9 be converted to tokens, electronic cards, or chips,  
10 which shall be used only for wagering within the  
11 casino facility;

12 (14) Suspend, revoke, or restrict licenses, to require the  
13 removal of a licensee or an employee of a licensee for  
14 a violation of this chapter or a commission rule, or  
15 for engaging in a fraudulent practice;

16 (15) Impose and collect fines of up to \$5,000 against  
17 individuals and up to \$10,000 against a licensee for  
18 each violation of this chapter, any rules adopted by  
19 the commission, or for any other action that, in the  
20 commission's discretion, is a detriment or impediment  
21 to casino gaming operations;



1       (16) Establish minimum levels of insurance to be maintained  
2           by a licensee;

3       (17) Delegate the execution of any of its powers for the  
4           purpose of administering and enforcing this chapter;  
5           and

6       (18) Adopt rules pursuant to chapter 91 to implement this  
7           chapter; provided that the regulations of the Nevada  
8           gaming commission and the Nevada gaming control board,  
9           that are in effect on the effective date of this Act  
10          shall be the emergency interim rules of the  
11          commission. As adopted under this chapter, all  
12          references in the Nevada regulations to "Nevada" shall  
13          mean "Hawaii" and all references to any Nevada state  
14          department, agency, commission, statute, or rule shall  
15          mean the equivalent or similar department, agency,  
16          commission, statute, or rule of the State. To the  
17          extent the Nevada regulations are inconsistent with  
18          this chapter, this chapter shall supersede the Nevada  
19          regulations. Due to the imminent peril to public  
20          health, safety, or morals absent valid rules related  
21          to gaming authorized by this chapter, the commission,



1 under chapter 91, may amend the emergency interim  
2 rules to correct inconsistencies between the Nevada  
3 regulations and this chapter, but the commission shall  
4 retain as much of the emergency interim rules as  
5 possible until at least the date on which the casino  
6 licensee authorized by this chapter begins operating  
7 the gaming facility authorized under this chapter.

8 (b) Rules adopted under this chapter shall not be  
9 arbitrary, capricious, or contradictory to the provisions of  
10 chapter 91. Rules may include but need not be limited to rules  
11 that:

- 12 (1) Govern, restrict, approve, or regulate the casino  
13 gaming authorized in this chapter;
- 14 (2) Promote the safety, security, and integrity of casino  
15 gaming authorized in this chapter;
- 16 (3) License and regulate, consistent with the  
17 qualifications and standards set forth in this  
18 chapter, persons participating in or involved with  
19 casino gaming authorized in this chapter; and



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

(c) This section is not intended to limit warrantless inspections except in accordance with constitutional requirements.

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

(1) Affirm that the member or the member's spouse, parent, child, or child's spouse is not a member of the board of directors of, financially interested in, or 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 financially interested in or employed by a supplier licensee, or an applicant for a supplier's license, under 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.



1 (c) A member, employee, or agent of the commission who  
2 becomes aware that the member, employee, or agent of the  
3 commission or their spouse, parent, or child is a member of the  
4 board of directors of, financially interested in, or employed by  
5 a licensee or an applicant shall immediately provide detailed  
6 written notice to the chairperson.

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

10 (1) A misdemeanor involving gambling, dishonesty, theft,  
11 or fraud;

12 (2) A local ordinance in any state involving gambling,  
13 dishonesty, theft, or fraud that substantially  
14 corresponds to a misdemeanor in that state; or

15 (3) A felony under Hawaii law, the laws of any other  
16 state, or the laws of the United States, or any other  
17 jurisdiction,

18 shall immediately provide detailed written notice of the  
19 conviction or charge to the chairperson.

20 (e) Any member, employee, or agent of the commission who  
21 is negotiating for, or acquires by any means, any interest in



1 any person who is a licensee or an applicant or is affiliated  
2 with a person who is a licensee or an applicant, shall  
3 immediately provide written notice of the details of the  
4 interest to the chairperson. The member, employee, or agent of  
5 the commission shall not act on behalf of the commission with  
6 respect to that person.

7 (f) A member, employee, or agent of the commission shall  
8 not enter into any negotiations for employment with any person  
9 or affiliate of any person who is a licensee or an affiliate and  
10 shall immediately provide written notice of the details of any  
11 negotiations or discussions to the chairperson. The member,  
12 employee, or agent of the commission shall not take any action  
13 on behalf of the commission with respect to that person.

14 (g) Any member, employee, or agent of the commission who  
15 receives an invitation, written or oral, to initiate a  
16 discussion concerning employment or the possibility of  
17 employment with a person, or affiliate of a person, who is a  
18 licensee or an applicant shall immediately report the invitation  
19 to the chairperson. The member, employee, or agent of the  
20 commission shall not take action on behalf of the commission  
21 with respect to that person.





1           (h) A licensee or an applicant shall not knowingly  
2 initiate a negotiation for, or discussion of, employment with a  
3 member, employee, or agent of the commission. A licensee or an  
4 applicant who initiates a negotiation or discussion about  
5 employment shall immediately provide written notice of the  
6 details of the negotiation or discussion to the chairperson as  
7 soon as that person becomes aware that the negotiation or  
8 discussion has been initiated with a member, employee, or agent  
9 of the commission.

10           (i) A member, employee, or agent of the commission, or  
11 former member, employee, or agent of the commission, shall not  
12 disseminate or otherwise disclose any material or information in  
13 the possession of the commission that the commission considers  
14 confidential, unless specifically authorized to do so by the  
15 chairperson or the commission.

16           (j) A member, employee, or agent of the commission or a  
17 parent, spouse, sibling, or child of a member, employee, or  
18 agent of the commission shall not accept any gift, gratuity,  
19 compensation, travel, lodging, or anything of value, directly or  
20 indirectly, from any licensee, applicant, or any affiliate or  
21 representative of a licensee or an applicant, unless the



1 acceptance conforms to a written policy or directive issued by  
2 the chairperson or the commission. Any member, employee, or  
3 agent of the commission who is offered or receives any gift,  
4 gratuity, compensation, travel, lodging, or anything of value,  
5 directly or indirectly, from any licensee or any applicant or  
6 affiliate or representative of a licensee or an applicant shall  
7 immediately provide written notification of the details to the  
8 chairperson.

9 (k) A licensee or an applicant, or affiliate or  
10 representative of a licensee or an applicant, shall not,  
11 directly or indirectly, knowingly give or offer to give any  
12 gift, gratuity, compensation, travel, lodging, or anything of  
13 value to any member, employee, or agent of the commission that  
14 the member, employee, or agent of the commission is prohibited  
15 from accepting under subsection (j).

16 (l) A member, employee, or agent of the commission shall  
17 not engage in any conduct that constitutes a conflict of  
18 interest, and shall immediately advise the chairperson in  
19 writing of the details of any incident or circumstances that  
20 would present the existence of a conflict of interest with



1 respect to the performance of commission-related work or duty of  
2 the member, employee, or agent of the commission.

3 (m) A member, employee, or agent of the commission who is  
4 approached and offered a bribe in violation of this chapter  
5 shall immediately provide a written account of the details of  
6 the incident to the chairperson and to a law enforcement officer  
7 of a law enforcement agency having jurisdiction.

8 (n) A member, employee, or agent of the commission shall  
9 disclose past involvement with any casino interest in the past  
10 five years and shall not engage in political activity or  
11 politically related activity during the duration of the person's  
12 appointment or employment.

13 (o) A former member, employee, or agent of the commission  
14 may appear before the commission as a witness testifying as to  
15 factual matters or actions handled by the member, employee, or  
16 agent during the person's tenure as a member, employee, or agent  
17 of the commission. The member, employee, or agent of the  
18 commission shall not receive compensation for appearance other  
19 than a standard witness fee and reimbursement for travel  
20 expenses as established by statute or court rule.



1           (p) A licensee or an applicant or any affiliate or  
2 representative of a licensee or an applicant shall not engage in  
3 ex parte communications concerning a pending application,  
4 license, or enforcement action with members of the commission.

5 A member of the commission shall not engage in any ex parte  
6 communications with a licensee or an applicant, or with any  
7 affiliate or representative of a licensee or an applicant,  
8 concerning a pending application, license, or enforcement  
9 action.

10          (q) Any commission member, licensee, or applicant or  
11 affiliate or representative of a commission member, licensee, or  
12 applicant who receives any ex parte communication in violation  
13 of subsection (p), or who is aware of an attempted communication  
14 in violation of subsection (p), shall immediately report details  
15 of the communication or attempted communication in writing to  
16 the chairperson.

17          (r) Any member of the commission who receives an ex parte  
18 communication that attempts to influence that member's official  
19 action shall disclose the source and content of the  
20 communication to the chairperson. The chairperson may  
21 investigate or initiate an investigation of the matter with the



1 assistance of the attorney general and law enforcement to  
2 determine if the communication violates subsection (p) or (q) or  
3 other state law. The disclosure under this section and the  
4 investigation shall remain confidential. Following an  
5 investigation, the chairperson shall advise the governor or the  
6 commission, or both, of the results of the investigation and may  
7 recommend action, as the chairperson considers appropriate.

8 (s) A new or current employee or agent of the commission  
9 shall obtain written permission from the executive director  
10 before continuing outside employment held at the time the  
11 employee begins to work for the commission. Permission shall be  
12 denied, or permission previously granted shall be revoked, if  
13 the nature of the work is considered to, or does create, a  
14 possible conflict of interest or otherwise interferes with the  
15 duties of the employee or agent for the commission.

16 (t) An employee or agent of the commission granted  
17 permission for outside employment shall not conduct any business  
18 or perform any activities, including solicitation, related to  
19 outside employment on premises used by the commission or during  
20 the employee's working hours for the commission.



1 (u) Whenever the chairperson is required to file  
2 disclosure forms or report in writing the details of any  
3 incident or circumstance pursuant to this section, the  
4 chairperson shall file the forms or reports to the commission.

5 (v) The chairperson shall report any action the  
6 chairperson has taken or contemplates taking under this section,  
7 with respect to an employee or agent or former employee or  
8 former agent, to the commission at the next meeting of the  
9 commission. The commission may direct the executive director to  
10 take additional or different action.

11 (w) No member, employee, or agent of the commission may  
12 participate in or wager on any gambling game conducted by a  
13 licensee or an applicant or any affiliate of a licensee or an  
14 applicant in the State or in any other jurisdiction, except as  
15 follows:

16 (1) A member, employee, or agent of the commission may  
17 participate in and wager on a gambling game conducted  
18 by a licensee under this chapter, to the extent  
19 authorized by the chairperson or commission as part of  
20 the person's surveillance, security, or other official  
21 duties for the commission; and



1           (2) A member, employee, or agent of the commission shall  
2           advise the chairperson at least twenty-four hours in  
3           advance if the person plans to be present in a casino  
4           in this State, or in another jurisdiction, operated by  
5           a licensee, applicant, or affiliate of a licensee or  
6           an applicant, outside the scope of their official  
7           duties for the commission.

8           (x) Violation of this section by a licensee, applicant, or  
9           affiliate or representative of a licensee or an applicant may  
10          result in denial of the application of licensure or revocation  
11          or suspension of license or other disciplinary action by the  
12          commission.

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

17          (z) A violation of this section by an employee or agent of  
18          the commission shall not result in termination of employment or  
19          require other disciplinary action if the commission determines  
20          that the conduct involved does not violate the purpose of this  
21          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 an applicant.

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

- (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



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

4           **§   -7   Authorization of limited gaming; application and**  
5 **selection process.**   (a)   Casino gaming shall be permitted only a  
6   single location in the city and county of Honolulu.   Any  
7   application for a casino license shall include a casino facility  
8   development plan.

9           (b)   The commission's applications and forms for a casino  
10   license shall be in the same form and substance as the  
11   applications and forms required for an applicant for a non-  
12   restricted Nevada gaming license that have been adopted by the  
13   Nevada gaming commission and Nevada gaming control board and are  
14   in effect on the effective date of this Act.

15          (c)   As part of an applicant's application for a casino  
16   license, an applicant shall submit all additional information  
17   required by section   -8.

18          (d)   Applications for a casino license shall be submitted  
19   to the commission no later than ninety days after the date of  
20   the commission's initial meeting.   The commission shall select  
21   one applicant who, in the commission's judgment, best meets all



1 of the criteria pursuant to section -9 no later than ninety  
2 days after the final date applications are submitted to the  
3 commission. If the applicant selected by the commission meets  
4 all the requirements of this chapter, the commission shall issue  
5 a casino license to that applicant within thirty days after the  
6 date the applicant is selected.

7       **§ -8 Application for casino license.** (a) A person may  
8 apply to the commission for a casino license to conduct a casino  
9 gaming operation in the city and county of Honolulu. The  
10 application shall be made under oath on forms used in Nevada  
11 until the commission adopts forms pursuant to section -7 and  
12 such forms shall include all of the following:

13       (1) The name, business address, telephone number, social  
14 security number, and, where applicable, the federal  
15 tax identification number of the applicant and every  
16 qualifier;

17       (2) The identity of any business, including, if  
18 applicable, the state of incorporation or  
19 registration, in which the applicant or qualifier has  
20 an equity interest of more than five per cent;  
21 provided that if the applicant or qualifier is a



1 corporation, partnership, or other business entity,  
2 the applicant or qualifier shall identify any other  
3 corporation, partnership, or other business entity in  
4 which it has an equity interest of more than five per  
5 cent, including, if applicable, the state of  
6 incorporation or registration;

7 (3) An explanation of whether the applicant or qualifier  
8 has developed and opened a new land-based casino in an  
9 urban area within a jurisdiction in the United States  
10 that previously did not allow gaming, including a  
11 description of the casino, the casino's gross revenue,  
12 and the amount of revenue the casino has generated for  
13 state and local governments within that jurisdiction;

14 (4) A statement of whether the applicant or qualifier has  
15 been indicted, convicted, pled guilty or nolo  
16 contendere, or forfeited bail for any felony or for a  
17 misdemeanor involving gambling, theft, or fraud;  
18 provided that the statement shall include the date,  
19 the name and location of the court, arresting agency,  
20 prosecuting agency, the case caption, the docket



1           number, the offense, the disposition, and the location  
2           and length of incarceration;

3           (5) A statement of whether the applicant or qualifier has  
4           ever been granted any license or certificate issued by  
5           a licensing authority in the State or any other  
6           jurisdiction that has been restricted, revoked, or not  
7           renewed; provided that the statement shall describe  
8           the facts and circumstances concerning that  
9           restriction, revocation, or nonrenewal, including the  
10          licensing authority, the date each action was taken,  
11          and the reason for each action;

12          (6) A statement of whether the applicant or qualifier,  
13          within the last ten years, has filed or had filed  
14          against it a civil or administrative action or  
15          proceeding in bankruptcy;

16          (7) A statement of whether the applicant or qualifier,  
17          within the last five tax years, has been adjudicated  
18          by a court or tribunal to have failed to pay any final  
19          amount of any income, sales, or gross receipts tax due  
20          and payable under federal, state, or local law, after  
21          exhaustion of all inter-agency appeals processes;



1 provided that this statement shall identify the amount  
2 of the tax, type of tax, time periods involved, and  
3 resolution;

4 (8) A statement listing the names and titles of all public  
5 officials or officers of any unit of state or county  
6 government and the spouses, parents, and children of  
7 those public officials or officers who, directly or  
8 indirectly, own any financial interest in, have any  
9 beneficial interest in, are the creditors of or hold  
10 any debt instrument issued by, or hold or have an  
11 interest in any contractual or service relationship  
12 with, the applicant or qualifier. As used in this  
13 paragraph, "public official" or "officer" does not  
14 include a person who would be listed solely because of  
15 the person's state or federal military service;

16 (9) The name and business telephone number of any  
17 attorney, counsel, or any other person representing an  
18 applicant or qualifier in matters before the  
19 commission;



1 (10) A description of the applicant's or its qualifiers'  
2 plan for community involvement or investment in the  
3 area where the casino facility will be located; and

4 (11) For the applicant only, a description of any proposed  
5 or approved casino gaming facility, including the  
6 economic benefit to the community, anticipated or  
7 actual number of employees, any statement from an  
8 applicant regarding compliance with federal and state  
9 affirmative action guidelines, projected or actual  
10 admissions, projected or actual gross receipts, and  
11 scientific market research, if any.

12 (b) Information provided on the application shall be used  
13 as the basis for a thorough background investigation that the  
14 commission shall conduct with respect to each applicant and  
15 qualifier; provided that any financial information submitted by  
16 each applicant and qualifier shall be kept confidential by the  
17 commission. An incomplete application shall be cause for denial  
18 of a license by the commission.

19 (c) Applicants shall submit with their application a plan  
20 for training residents of the State for jobs that are available  
21 at the casino facility. The plan shall take into consideration



1 the need to provide training to low-income persons to enable  
2 those persons to qualify for jobs that will be created in the  
3 casino facility.

4 (d) Each applicant and qualifier shall disclose the  
5 identity of every person, association, trust, or corporation  
6 having a greater than five per cent direct or indirect financial  
7 interest in the casino gaming operation for which the license is  
8 sought. If the disclosed entity is a:

9 (1) Trust, the application shall disclose the names and  
10 addresses of the beneficiaries;

11 (2) Corporation, the application shall disclose the names  
12 and addresses of all stockholders and directors; and

13 (3) Partnership, the application shall disclose the names  
14 and addresses of all partners, both general and  
15 limited.

16 (e) A nonrefundable application fee of \$1,000,000 shall be  
17 paid to the commission by an applicant at the time of filing to  
18 defray the costs associated with an applicant and qualifier's  
19 background investigation conducted by the commission. If the  
20 costs of the investigation exceed \$1,000,000, the applicant  
21 shall pay the additional amount to the commission.





1           §   -9   Criteria for award of a casino license.   (a)   The  
2   commission shall issue one casino license to operate a casino  
3   facility located in the city and county of Honolulu; provided  
4   that the applicant has paid the application fee required under  
5   section     -8 and is eligible and suitable to receive a casino  
6   license under this chapter and the rules adopted by the  
7   commission, and best satisfy all of the following criteria:

8           (1)   The applicant has submitted a casino facility  
9                 development plan for the casino facility that provides  
10                the likelihood that the applicant's casino facility  
11                will increase tourism, generate jobs, provide revenue  
12                and economic benefit to the local economy, and provide  
13                revenue to the general fund;

14          (2)   The applicant or its qualifiers shall have a bona fide  
15                 plan for community involvement or investment in the  
16                 area where the casino facility will be located;

17          (3)   The applicant or its qualifiers has the financial  
18                 ability to purchase and maintain adequate liability  
19                 and casualty insurance and to provide an adequate  
20                 surety bond;



1           (4) The applicant or its qualifiers has provided data  
2           identifying the applicant's sources of capital and  
3           demonstrating that the applicant has adequate capital  
4           to develop, construct, maintain, and operate the  
5           proposed casino facility;

6           (5) The applicant or its qualifiers has adequate  
7           capitalization to develop, construct, maintain, and  
8           operate, for the duration of the license, the proposed  
9           casino facility in accordance with the requirements of  
10          this chapter and rules adopted by the commission and  
11          to responsibly pay off its secured and unsecured debts  
12          in accordance with its financing agreement and other  
13          contractual obligations;

14          (6) As of July 1, 2026, the applicant or any of its  
15          qualifiers demonstrate that they have successfully  
16          developed and opened, as opposed to acquired, and  
17          currently operate at least four permanent casinos in  
18          any jurisdiction in the United States. As used in  
19          this paragraph, "permanent casino" means a lawfully  
20          operating gaming facility with a minimum of one



1           thousand slot machines and, if table games were  
2           authorized by law, forty table games;

3           (7) Neither the applicant nor any of its qualifiers have  
4           been indicted, convicted, pled guilty or nolo  
5           contendere, or forfeited bail for any felony or for a  
6           misdemeanor involving gambling, theft, or fraud;

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

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

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

20          (11) To ensure the continued integrity of Hawaii collegiate  
21          athletics, neither the applicant, nor any parent or



1 subsidiary of the applicant, shall permit wagering  
2 within the State on Hawaii collegiate athletics;

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

9 (13) The caliber of the proposed casino gaming facility,  
10 including the proposed casino facility's aesthetic  
11 appearance, location, amount of economic benefit to  
12 the community, lack of a business conflict of interest  
13 of the qualifier, anticipated or actual number of  
14 employees, compliance with federal and state  
15 affirmative action guidelines, and projected or actual  
16 gross receipts.

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



1 (c) An applicant shall be ineligible to receive a casino  
2 license if the applicant or any employee or qualifier of the  
3 applicant:

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

6 (2) Has been convicted of any violation under part III of  
7 chapter 712, or substantially similar laws of another  
8 jurisdiction;

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

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

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

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

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



1 format two sets of fingerprints for each applicant and  
2 qualifier.

3 (f) The commission may revoke the casino license if the  
4 licensee fails to begin regular casino gaming operations within  
5 twelve months of receipt of the commission's approval of the  
6 application or twelve months after a certificate of occupancy  
7 for the casino facility is first issued, whichever is later,  
8 upon a finding by the commission that the casino license  
9 revocation is in the best interest of the State.

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



1 (h) Nothing in this chapter shall be interpreted to  
2 prohibit a casino licensee from operating a school to train  
3 occupational licensees.

4 § -10 **Bond of licensee.** Before a casino license is  
5 issued, the licensee shall file a bond in the sum of \$200,000  
6 with the department. The bond shall be used to guarantee that  
7 the licensee faithfully makes the payments, keeps books and  
8 records, makes reports, and conducts games of chance in  
9 conformity with this chapter and rules adopted by the  
10 commission. The bond shall not be canceled by a surety on less  
11 than thirty days' notice in writing to the commission. If a  
12 bond is canceled and the licensee fails to file a new bond with  
13 the commission in the required amount on or before the effective  
14 date of cancellation, the licensee's license shall be revoked.  
15 The total and aggregate liability of the surety on the bond  
16 shall be limited to the amount specified in the bond.

17 § -11 **Application deficiency.** (a) If, in the review of  
18 an application submitted under this chapter, the executive  
19 director identifies an apparent deficiency that, if true, would  
20 require denial of the license or the disqualification of a  
21 qualifier, the executive director shall immediately notify the



1 affected applicant or qualifier in writing of the apparent  
2 deficiency. The applicant or qualifier may then request a  
3 confidential informal conference with the executive director to  
4 discuss the factual basis of the apparent deficiency.

5 (b) The executive director shall provide the applicant or  
6 qualifier a reasonable period of time to correct the apparent  
7 deficiency and, if the apparent deficiency is not corrected  
8 within the reasonable time period, the executive director shall  
9 find that the apparent deficiency has not been corrected.

10 Following this finding, the affected applicant or qualifier  
11 shall have an opportunity to appeal the executive director's  
12 finding to the commission. The commission shall conduct an  
13 investigative hearing, pursuant to section -17 and in  
14 accordance with rules adopted under this chapter, to determine  
15 whether there is sufficient evidence to support an apparent  
16 deficiency finding. At the hearing, the burden of proof shall  
17 be on the executive director to demonstrate that the finding of  
18 an apparent deficiency is supported by law and facts. Any  
19 finding by the commission regarding an applicant's or a  
20 qualifier's apparent deficiency shall not constitute a final  
21 determination by the commission as to the suitability of the





1 applicant to hold a license or the suitability of a qualifier to  
2 hold an ownership interest in a casino applicant.

3 (c) At any time prior to a finding by the commission that  
4 a qualifier is unsuitable to hold an ownership interest in a  
5 casino applicant, a qualifier shall have the ability to sell its  
6 ownership interest in the casino applicant to the casino  
7 applicant, another qualifier, or a third party.

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



(1) Make any direct or indirect payments or distributions of revenue or other benefits to the qualifier that are related in any way to the qualifier's interest in the applicant; and

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

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

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

(2) Upon request by the commission, the institutional investor files with the commission a certified statement that it has no intention of influencing or



1 affecting the affairs of the issuer, the casino

2 licensee, or its affiliate or affiliated company.

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

7 (c) An institutional investor granted a waiver under this  
8 section that subsequently intends to influence or affect the  
9 affairs of the issuer shall provide notice to the commission and  
10 file an application for a determination of eligibility and  
11 suitability before taking any action that may influence or  
12 affect the affairs of the issuer.

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

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



1 (f) The casino licensee or an affiliate or affiliated  
2 company of the casino licensee shall immediately notify the  
3 commission of any information concerning an institutional  
4 investor holding its equity securities that may affect the  
5 eligibility and suitability of the institutional investor for a  
6 waiver under this section.

7 (g) If the commission finds that an institutional  
8 investor, holding any security of an affiliate or affiliated  
9 company of a casino licensee that is related in any way to the  
10 financing of the casino licensee, fails to comply with the  
11 requirements of this section, or if at any time the commission  
12 finds that, by reason of the extent or nature of its holdings,  
13 an institutional investor is in a position to exercise a  
14 substantial impact upon the controlling interests of a casino  
15 licensee, the commission may take any necessary action to  
16 protect the public interest, including requiring the  
17 institutional investor to satisfy the eligibility and  
18 suitability requirements under sections -8, -9,  
19 and -10.

20 § -13 **Supplier's licenses.** (a) No person shall furnish  
21 in excess of \$500,000 worth of equipment, devices, or supplies



1 to a licensed casino gaming operation under this chapter unless  
2 the person has first obtained a supplier's license pursuant to  
3 this section. The commission may issue a supplier's license to  
4 any person, firm, or corporation that pays a nonrefundable  
5 application fee as set by the commission upon a determination by  
6 the commission that the applicant is eligible for a supplier's  
7 license and upon payment by the applicant of a \$5,000 license  
8 fee. Supplier's licenses shall be renewable annually upon  
9 payment of the \$5,000 annual license fee and a determination by  
10 the commission that the supplier licensee continues to meet all  
11 of the requirements of this chapter.

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

16 (c) Casino gaming supplies and equipment shall not be  
17 distributed unless supplies and equipment conform to standards  
18 adopted by rules of the commission.

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



- 1           (1) The person has been convicted of a felony under the  
2           laws of this State, any other state, or the United  
3           States;
- 4           (2) The person has been convicted of any violation under  
5           part III of chapter 712, or substantially similar laws  
6           of another jurisdiction;
- 7           (3) The person has knowingly submitted an application for  
8           a license under this chapter that contains false  
9           information;
- 10          (4) The person is a member of the commission;
- 11          (5) The firm or corporation is one in which a person  
12          identified in paragraph (1), (2), (3), or (4) is an  
13          officer, director, or managerial employee;
- 14          (6) The firm or corporation employs a person, identified  
15          in paragraph (1), (2), (3), or (4), that participates  
16          in the management or operation of casino gaming  
17          authorized under this chapter; or
- 18          (7) The license of the person, firm, or corporation issued  
19          under this chapter, or a license to own or operate  
20          casino gaming facilities in any other jurisdiction,  
21          has been revoked.



(e) A supplier shall:

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

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

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

(4) Permanently affix its name to all its equipment, devices, and supplies used for casino gaming 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



1 facility owned by the holder of a casino license for repair.

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

5       **§ -14 Occupational licenses.** (a) The commission may  
6 issue an occupational license to an applicant upon:

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

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

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

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

15       (1) Be:

16           (A) At least twenty-one years of age if the applicant  
17           performs any function involved in casino gaming  
18           by patrons; or

19           (B) At least eighteen years of age if the applicant  
20           is seeking an occupational license for a non-  
21           gaming function;





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

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

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

(1) Been issued prior gaming-related licenses in any jurisdiction;

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

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

(d) Each applicant shall submit two sets of the applicant's fingerprints with the application. The commission



1 shall charge each applicant a fee to defray the costs associated  
2 with the search and classification of fingerprints obtained by  
3 the commission with respect to the application.

4 (e) The commission may refuse to grant an occupational  
5 license to any person:

6 (1) Who is unqualified to perform the duties required of  
7 the applicant;

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

10 (3) Who has been found guilty of a violation of this  
11 chapter or whose prior casino gaming-related license  
12 or application has been suspended, restricted,  
13 revoked, or denied for just cause in any other  
14 jurisdiction; or

15 (4) For any other just cause.

16 (f) The commission may suspend, revoke, or restrict any  
17 occupational licensee:

18 (1) For any violation of this chapter;

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



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

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

(5) For any other just cause.

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

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

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

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

Upon written request of a person applying for a supplier or occupational license under this chapter, the executive director shall issue a temporary license to the applicant and permit the applicant to undertake employment with, conduct business



1 transactions with, and provide goods and services to, casino  
2 licensees, casino license applicants, and holders of  
3 certificates of suitability; provided that all of the following  
4 provisions are met:

5 (1) The applicant has submitted to the commission a  
6 completed application, an application fee, and all  
7 required disclosure forms and other required written  
8 documentation and materials;

9 (2) Preliminary review of the application and a criminal  
10 history check by the executive director and the  
11 commission staff does not reveal that the applicant or  
12 the applicant's affiliates, key persons, local and  
13 regional managerial employees or sales and service  
14 representatives, or substantial owners have been  
15 convicted of a felony or misdemeanor that would  
16 require denial of the application or may otherwise be  
17 ineligible, unqualified, or unsuitable to permit  
18 licensure under this chapter;

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



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

7           (b) A temporary license issued under this section shall be  
8           valid for no more than one hundred and eighty days but may be  
9           renewed upon expiration by the executive director.

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

19          (d) If the temporary license expires, is not renewed, or  
20          is suspended or revoked, the executive director shall  
21          immediately forward the applicant's application to the



1 commission for action after first providing a reasonable time  
2 for the applicant to correct any apparent deficiency in its  
3 application.

4       **§ -16 Annual report.** The commission shall submit an  
5 annual report to the governor and the legislature no later than  
6 sixty days before the close of each fiscal year and shall submit  
7 any additional reports that the governor or the legislature  
8 requests. The annual report shall include:

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

15       **§ -17 Hearings by the commission.** (a) Upon order of  
16 the commission, one of the commission members or a hearings  
17 officer designated by the commission may conduct any hearing  
18 provided for under this chapter related to casino gaming or by  
19 commission rule and may recommend findings and decisions to the  
20 commission. The record made at the time of the hearing shall be  
21 reviewed by the commission, or a majority thereof, and the



1 findings and decisions of the majority of the commission shall  
2 constitute the order of the commission in that case.

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

14 § -18 **Conduct of casino gaming.** Casino gaming may be  
15 conducted by the holder of a casino license, subject to the  
16 following:

17 (1) The site of the casino facility shall be restricted to  
18 the city and county of Honolulu;

19 (2) The term of the casino license shall be twenty years  
20 and shall be renewable for additional twenty-year  
21 terms; provided that:



- 1           (A) The casino facility has demonstrated an effort to  
2           increase tourism, generate jobs, provide revenue  
3           to the local economy, and provide revenue to the  
4           general fund;
- 5           (B) The casino licensee's actions have not caused the  
6           casino license under this chapter to be suspended  
7           or revoked; and
- 8           (C) The applicant and its qualifiers remain eligible  
9           and suitable for a casino license;
- 10       (3) The casino facility may operate twenty-four hours per  
11       day, every day of the year;
- 12       (4) Minimum and maximum wagers on games shall be set by  
13       the casino licensee;
- 14       (5) The commission's agents may enter and inspect the  
15       casino facility at any time for the purpose of  
16       determining whether the casino licensee is in  
17       compliance with this chapter;
- 18       (6) Commission employees shall have the right to be  
19       present in a casino facility or on adjacent facilities  
20       under the control of the casino licensee;





1       (7) Gaming equipment and supplies customarily used in  
2       conducting casino gaming shall be purchased or leased  
3       only from suppliers licensed under this chapter;

4       (8) Persons licensed under this chapter shall permit no  
5       form of wagering on games except as permitted by this  
6       chapter;

7       (9) Wagers may be received only from a person present in a  
8       licensed casino facility; provided that no person  
9       present in a licensed casino facility shall place or  
10      attempt to place a wager on behalf of another person  
11      who is not present in the casino facility;

12      (10) Wagering shall not be conducted with money or other  
13      negotiable currency, except for wagering on slot  
14      machines;

15      (11) No person under age twenty-one shall be permitted in  
16      an area of a casino facility where casino gaming is  
17      being conducted, except for a person at least eighteen  
18      years of age who is an employee of the casino  
19      facility. No employee under age twenty-one shall  
20      perform any function involved in casino gaming by



1 patrons. No person under age twenty-one shall be  
2 permitted to make a wager under this chapter;

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

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

16 (A) The casino licensee agrees to invest at least  
17 \$500,000,000 to develop and construct a casino  
18 facility, including land, and soft and hard  
19 costs;



1 (B) The casino licensee agrees to use best efforts to  
2 train residents of the State for jobs that are  
3 available at the casino facility;

4 (C) The casino licensee agrees that neither the  
5 casino licensee, nor any parent or subsidiary of  
6 the casino licensee, will permit wagering within  
7 the State on Hawaii collegiate athletics;

8 (D) The casino licensee shall use best efforts to  
9 increase tourism, generate jobs, provide revenue  
10 to the local economy and the State; and

11 (E) The casino licensee and the State agree that,  
12 other than the one casino facility licensed under  
13 this chapter, the State shall not authorize any  
14 additional gaming in the State without the prior  
15 written consent of the casino licensee and the  
16 State; and

17 (14) All casino gaming shall be conducted in accordance  
18 with all rules adopted by the commission.

19 § -19 Collection of amounts owing under credit

20 agreements. Notwithstanding any other law to the contrary, a  
21 casino licensee who extends credit to a wagerer shall be



1 expressly authorized to institute a cause of action to collect  
2 any amounts due and owing under the extension of credit, as well  
3 as the licensee's costs, expenses, and reasonable attorney's  
4 fees incurred in collection.

5       **§ -20 Wagering tax; rate; disposition.** (a) A wagering  
6 tax shall be imposed on the monthly gross receipts received from  
7 casino gaming authorized under this chapter. The tax imposed on  
8 table games shall be at the rate of fifteen per cent and the tax  
9 for all gambling games other than table games, including but not  
10 limited to slot machines, video game of chance gambling, and  
11 electronic gambling games shall be at the rate of twenty  
12 percent. The wagering tax imposed by this section shall be in  
13 lieu of all other state taxes on gross or adjusted gross  
14 receipts, including taxes levied under chapters 237 and 239,  
15 except income taxes. All other income received by the casino  
16 licensee that is not from casino gaming shall not be subject to  
17 the wagering tax but shall be subject to any other state taxes  
18 on gross or adjusted gross receipts levied under chapters 237  
19 and 239.

20       (b) Tax revenue collected under this section shall be  
21 divided as follows:



(1) Eighty-five per cent shall be deposited into the state general fund; provided that from these revenues, the following amounts shall be retained by the commission and deposited into the state gaming fund established under section -21 for use by the commission as follows:

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

(B) Not more than one per cent of the tax revenues to fund administrative expenses of the commission;

(2) Ten per cent transferred to the city and county of Honolulu; and

(3) Five per cent deposited into a fund to support the new aloha stadium entertainment district.

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

There is established within the state treasury the state gaming fund to be administered by the Hawaii gaming control commission into which shall be deposited all fees, taxes, and fines collected under this chapter other than the wagering tax



1 collected pursuant to section -20. Moneys from the state  
2 gaming fund shall be allocated as follows:

- 3 (1) Twenty-five per cent to the department of education;  
4 (2) Forty per cent to the compulsive gamblers program  
5 established under section -23 and for public  
6 security at the casino facility; and  
7 (3) Thirty-five per cent to fund administrative expenses  
8 of the commission.

9 § -22 **Program and financial audit.** After the first full  
10 fiscal year of operation, the auditor shall conduct a program  
11 and financial audit of the commission. Thereafter, the auditor  
12 shall conduct a program and financial audit every four years  
13 after the initial audit is completed.

14 § -23 **Compulsive gamblers program.** The commission shall  
15 create and implement a program to assist individuals who are  
16 identified as compulsive gamblers.

17 § -24 **Disclosure of information.** The commission, upon  
18 written request from any person, shall provide the following  
19 information concerning the applicant or licensee, the  
20 applicant's or licensee's products, services, or gambling



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

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

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

(3) The name and business telephone number of any  
attorney, counsel, lobbyist, or any other person  
representing an applicant or a 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 . The credit shall be applied to the percentage of tax that is deposited in the general fund 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 or entity in whose name it was issued and for the operation of the casino facility at the designated place."

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

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

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

"(e) Exemptions.





- 1 (1) Property owned by the state or county governments or  
2 entities, may be exempt from the assessment except as  
3 provided in paragraph (3);
- 4 (2) Property owned by the federal government or entities,  
5 shall be exempt from the assessment except as provided  
6 in paragraph (3);
- 7 (3) If a public body owning property, including property  
8 held in trust for any beneficiary, which is exempt  
9 from an assessment pursuant to paragraphs (1) and (2),  
10 grants a leasehold or other possessory interest in the  
11 property to a nonexempt person or entity, the  
12 assessment, notwithstanding paragraphs (1) and (2),  
13 shall be levied on the leasehold or possessory  
14 interest and shall be payable by the lessee;
- 15 (4) The construction of any casino facility authorized  
16 under chapter shall be exempt from the assessment  
17 and any special improvement district requirements  
18 regarding redevelopment authorized by subsection (a);
- 19 [-(+)] (5) The redevelopment of the Ala Wai boat harbor  
20 shall be exempt from the assessment and any special



1 improvement district requirements authorized by  
2 subsection (a); and  
3 ~~[(+5)]~~ (6) No other properties or owners shall be exempt  
4 from the assessment unless the properties or owners  
5 are expressly exempted in the ordinance establishing a  
6 district adopted pursuant to this section or amending  
7 the rate or method of assessment of an existing  
8 district."

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

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

- 15 (1) Commissioned and enlisted personnel of the Hawaii  
16 National Guard and positions in the Hawaii National  
17 Guard that are required by state or federal laws or  
18 regulations or orders of the National Guard to be  
19 filled from those commissioned or enlisted personnel;  
20 (2) Positions filled by persons employed by contract where  
21 the director of human resources development has



1 certified that the service is special or unique or is  
2 essential to the public interest and that, because of  
3 circumstances surrounding its fulfillment, personnel  
4 to perform the service cannot be obtained through  
5 normal civil service recruitment procedures. Any  
6 contract may be for any period not exceeding one year;

7 (3) Positions that must be filled without delay to comply  
8 with a court order or decree if the director  
9 determines that recruitment through normal recruitment  
10 civil service procedures would result in delay or  
11 noncompliance, such as the Felix-Cayetano consent  
12 decree;

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

15 (5) Employees in the office of the governor and office of  
16 the lieutenant governor, and household employees at  
17 Washington Place;

18 (6) Positions filled by popular vote;

19 (7) Department heads, officers, and members of any board,  
20 commission, or other state agency whose appointments



1 are made by the governor or are required by law to be  
2 confirmed by the senate;

3 (8) Judges, referees, receivers, masters, jurors, notaries  
4 public, land court examiners, court commissioners, and  
5 attorneys appointed by a state court for a special  
6 temporary service;

7 (9) One bailiff for the chief justice of the supreme court  
8 who shall have the powers and duties of a court  
9 officer and bailiff under section 606-14; one  
10 secretary or clerk for each justice of the supreme  
11 court, each judge of the intermediate appellate court,  
12 and each judge of the circuit court; one secretary for  
13 the judicial council; one deputy administrative  
14 director of the courts; three law clerks for the chief  
15 justice of the supreme court, two law clerks for each  
16 associate justice of the supreme court and each judge  
17 of the intermediate appellate court, one law clerk for  
18 each judge of the circuit court, two additional law  
19 clerks for the civil administrative judge of the  
20 circuit court of the first circuit, two additional law  
21 clerks for the criminal administrative judge of the



1 circuit court of the first circuit, one additional law  
2 clerk for the senior judge of the family court of the  
3 first circuit, two additional law clerks for the civil  
4 motions judge of the circuit court of the first  
5 circuit, two additional law clerks for the criminal  
6 motions judge of the circuit court of the first  
7 circuit, and two law clerks for the administrative  
8 judge of the district court of the first circuit; and  
9 one private secretary for the administrative director  
10 of the courts, the deputy administrative director of  
11 the courts, each department head, each deputy or first  
12 assistant, and each additional deputy, or assistant  
13 deputy, or assistant defined in paragraph (16);

14 (10) First deputy and deputy attorneys general, the  
15 administrative services manager of the department of  
16 the attorney general, one secretary for the  
17 administrative services manager, an administrator and  
18 any support staff for the criminal and juvenile  
19 justice resources coordination functions, and law  
20 clerks;



- 1           (11)   (A)   Teachers, principals, vice-principals, complex  
2                           area superintendents, deputy and assistant  
3                           superintendents, other certificated personnel,  
4                           and no more than twenty noncertificated  
5                           administrative, professional, and technical  
6                           personnel not engaged in instructional work;  
7                   (B)   Effective July 1, 2003, teaching assistants,  
8                           educational assistants, bilingual or bicultural  
9                           school-home assistants, school psychologists,  
10                          psychological examiners, speech pathologists,  
11                          athletic health care trainers, alternative school  
12                          work study assistants, alternative school  
13                          educational or supportive services specialists,  
14                          alternative school project coordinators, and  
15                          communications aides in the department of  
16                          education;  
17                   (C)   The special assistant to the state librarian and  
18                           one secretary for the special assistant to the  
19                           state librarian; and  
20                   (D)   Members of the faculty of the university of  
21                           Hawaii, including research workers, extension



1 agents, personnel engaged in instructional work,  
2 and administrative, professional, and technical  
3 personnel of the university;

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

6 (13) (A) Positions filled by inmates, patients of state  
7 institutions, and persons with severe physical or  
8 mental disabilities participating in the work  
9 experience training programs;

10 (B) Positions filled with students in accordance with  
11 guidelines for established state employment  
12 programs; and

13 (C) Positions that provide work experience training  
14 or temporary public service employment that are  
15 filled by persons entering the workforce or  
16 persons transitioning into other careers under  
17 programs such as the federal Workforce Investment  
18 Act of 1998, as amended, or the Senior Community  
19 Service Employment Program of the Employment and  
20 Training Administration of the United States



1 Department of Labor, or under other similar state  
2 programs;

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

5 (15) Positions filled by persons employed on a fee,  
6 contract, or piecework basis, who may lawfully perform  
7 their duties concurrently with their private business  
8 or profession or other private employment and whose  
9 duties require only a portion of their time, if it is  
10 impracticable to ascertain or anticipate the portion  
11 of time to be devoted to the service of the State;

12 (16) Positions of first deputies or first assistants of  
13 each department head appointed under or in the manner  
14 provided in section 6, article V, of the Hawaii State  
15 Constitution; three additional deputies or assistants  
16 either in charge of the highways, harbors, and  
17 airports divisions or other functions within the  
18 department of transportation as may be assigned by the  
19 director of transportation, with the approval of the  
20 governor; one additional deputy in the department of  
21 human services either in charge of welfare or other





1 functions within the department as may be assigned by  
2 the director of human services; four additional  
3 deputies in the department of health, each in charge  
4 of one of the following: behavioral health,  
5 environmental health, hospitals, and health resources  
6 administration, including other functions within the  
7 department as may be assigned by the director of  
8 health, with the approval of the governor; two  
9 additional deputies in charge of the law enforcement  
10 programs, administration, or other functions within  
11 the department of law enforcement as may be assigned  
12 by the director of law enforcement, with the approval  
13 of the governor; three additional deputies each in  
14 charge of the correctional institutions,  
15 rehabilitation services and programs, and  
16 administration or other functions within the  
17 department of corrections and rehabilitation as may be  
18 assigned by the director of corrections and  
19 rehabilitation, with the approval of the governor; two  
20 administrative assistants to the state librarian; and



1 an administrative assistant to the superintendent of  
2 education;

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

5 (A) Any exemption created after July 1, 2014, shall  
6 expire three years after its enactment unless  
7 affirmatively extended by an act of the  
8 legislature; and

9 (B) All of the positions defined by paragraph (9)  
10 shall be included in the position classification  
11 plan;

12 (18) Positions in the state foster grandparent program and  
13 positions for temporary employment of senior citizens  
14 in occupations in which there is a severe personnel  
15 shortage or in special projects;

16 (19) Household employees at the official residence of the  
17 president of the university of Hawaii;

18 (20) Employees in the department of education engaged in  
19 the supervision of students during meal periods in the  
20 distribution, collection, and counting of meal



- 1 tickets, and in the cleaning of classrooms after  
2 school hours on a less than half-time basis;
- 3 (21) Employees hired under the tenant hire program of the  
4 Hawaii public housing authority; provided that no more  
5 than twenty-six per cent of the authority's workforce  
6 in any housing project maintained or operated by the  
7 authority shall be hired under the tenant hire  
8 program;
- 9 (22) Positions of the federally funded expanded food and  
10 nutrition program of the university of Hawaii that  
11 require the hiring of nutrition program assistants who  
12 live in the areas they serve;
- 13 (23) Positions filled by persons with severe disabilities  
14 who are certified by the state vocational  
15 rehabilitation office that they are able to perform  
16 safely the duties of the positions;
- 17 (24) The sheriff;
- 18 (25) A gender and other fairness coordinator hired by the  
19 judiciary;
- 20 (26) Positions in the Hawaii National Guard youth and adult  
21 education programs;



1 (27) In the Hawaii state energy office in the department of  
2 business, economic development, and tourism, all  
3 energy program managers, energy program specialists,  
4 energy program assistants, and energy analysts;

5 (28) Administrative appeals hearing officers in the  
6 department of human services;

7 (29) In the Med-QUEST division of the department of human  
8 services, the division administrator, finance officer,  
9 health care services branch administrator, medical  
10 director, and clinical standards administrator;

11 (30) In the director's office of the department of human  
12 services, the enterprise officer, information security  
13 and privacy compliance officer, security and privacy  
14 compliance engineer, security and privacy compliance  
15 analyst, information technology implementation  
16 manager, assistant information technology  
17 implementation manager, resource manager, community or  
18 project development director, policy director, special  
19 assistant to the director, and limited English  
20 proficiency project manager or coordinator;



- 1       (31)   The Alzheimer's disease and related dementia services  
2            coordinator in the executive office on aging;
- 3       (32)   In the Hawaii emergency management agency, the  
4            executive officer, public information officer, civil  
5            defense administrative officer, branch chiefs, and  
6            emergency operations center state warning point  
7            personnel; provided that for state warning point  
8            personnel, the director shall determine that  
9            recruitment through normal civil service recruitment  
10          procedures would result in delay or noncompliance;
- 11      (33)   The executive director and seven full-time  
12          administrative positions of the school facilities  
13          authority;
- 14      (34)   Positions in the Mauna Kea stewardship and oversight  
15          authority;
- 16      (35)   In the office of homeland security of the department  
17          of law enforcement, the statewide interoperable  
18          communications coordinator;
- 19      (36)   In the social services division of the department of  
20          human services, the business technology analyst;
- 21      (37)   The executive director and staff of the 911 board;



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- 1       (38)   The software developer supervisor and senior software
- 2            developers in the department of taxation;
- 3       (39)   In the department of law enforcement, five Commission
- 4            on Accreditation for Law Enforcement Agencies, Inc.,
- 5            coordinator positions;
- 6       (40)   The state fire marshal and deputy state fire marshal
- 7            in the office of the state fire marshal;
- 8       (41)   The administrator for the law enforcement standards
- 9            board;
- 10       (42)   In the office of the director of taxation, the data
- 11            privacy officer and tax business analysts; ~~[and]~~
- 12    [+] (43) [+]       All positions filled by the Hawaii tourism
- 13            authority within the department of business, economic
- 14            development, and tourism~~[+]~~; and
- 15       (44)   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 2026-2027 for the  
4 purpose of funding the operations of the Hawaii gaming control  
5 commission; provided that the:

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

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

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

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



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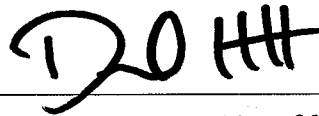
1       SECTION 6. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4       SECTION 7. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6       SECTION 8. This Act shall take effect on July 1, 2026.

7

INTRODUCED BY:



JAN 26 2026





# H.B. NO. 2222

**Report Title:**

DCCA; Casino Gaming; Hawaii Gaming Control Commission; Wagering Tax; State Gaming Fund; Compulsive Gamblers Program; Counties; Special Assessment Exemption; Civil Service Exemption; Appropriation

**Description:**

Authorizes limited casino gaming in a single location in the City and County of Honolulu. Establishes the Hawaii Gaming Control Commission. Imposes a wagering tax on the monthly gross receipts received from casino gaming. Establishes the State Gaming Fund. Requires the Hawaii Gaming Commission to create and implement a Compulsive Gamblers Program. Exempts the construction of any casino facility from county special assessments and certain special improvement district requirements. Establishes certain civil service exemptions. Appropriates funds with certain conditions.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

