

# A BILL FOR AN ACT

RELATING TO SPORTS WAGERING.

**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:

"CHAPTER

## REGULATION OF SPORTS WAGERING

6       §   -1 **Definitions.** As used in this chapter, unless the  
7 context otherwise requires:

8 "Adjusted gross sports wagering receipts" means gross  
9 sports wagering receipts less the total of all sums actually  
10 paid out as winnings to patrons, including the monetary value of  
11 any merchandise or thing of value awarded as a prize, and any  
12 applicable taxes, including federal excise tax.

13 "Amateur sports event" means any sports or athletic event  
14 that is not a professional sports or athletic event, collegiate  
15 sports or athletic event, or youth sports event. "Amateur  
16 sports event" includes domestic, international, and Olympic  
17 sports or athletic events.



1 "Approved mobile application or digital platform" means a  
2 mobile application or digital platform approved by the  
3 department that uses the Internet, at least in part, to accept  
4 wagers originating in the State or in a state or jurisdiction  
5 approved by the department and consistent with federal law.

6 "Cash" means moneys that have value as legal tender.

7 "Collegiate sports or athletic event" means an athletic or  
8 sporting event in which at least one participant is a team or  
9 contestant competing on behalf or under the sponsorship of a  
10 public or private institution of higher education, regardless of  
11 where the institution is located.

12 "Department" means the department of business, economic  
13 development, and tourism.

14 "Fantasy sports contest" means a contest in which:

15 (1) There are no fewer than two participants; provided  
16 that all participants are natural persons and a  
17 fantasy sports contest operator shall not be construed  
18 to be a participant;

19 (2) Participants own, manage, or coach imaginary teams;



(3) All prizes and awards offered to winning participants are established and made known to participants in advance of the game or contest;

(4) The winning outcome of the game or contest reflects the relative skill of the participants and is determined by statistics generated by actual individuals, including athletes in the case of a sporting event; and

(5) No winning outcome is based solely on the performance of an individual athlete or on the score, point spread, or any performance of any single real-world team or any combination of real-world teams.

"Gross sports wagering receipts" means the total of all cash paid by patrons as wagers.

"License" means any license applied for or issued by the department under this chapter, including but not limited to:

(1) A sports wagering operator license under section -5 to permit a sports wagering operator to operate sports wagering through an approved mobile application or digital platform; and



1           (2) A sports wagering supplier license under section       -6  
2           to sell or lease equipment, systems, or services to be  
3           used in connection with sports wagering but not to  
4           directly accept wagers.

5           "National criminal history background check system" means  
6           the criminal history record system maintained by the Federal  
7           Bureau of Investigation based on fingerprint identification or  
8           any other method of positive identification.

9           "Professional sports or athletic event" means an event at  
10          which two or more contestants participate in a sports event or  
11          athletic event and one or more participants receive  
12          compensation. "Professional sports or athletic event" does not  
13          include any youth sports event.

14          "Qualified gaming entity" means an entity that can offer  
15          sports wagering through computers, mobile applications, or  
16          digital platforms pursuant to the requirements under this  
17          chapter.

18          "Sports wagering" means the business of accepting wagers on  
19          wagering events or portions of wagering events, the individual  
20          performance statistics of individuals in wagering events, or any  
21          combination thereof, via a sports wagering operator's approved



1 mobile application or digital platform. "Sports wagering"  
2 includes but is not limited to single-game bets, teaser bets,  
3 parlays, over-under, moneyline bets, pools, exchange wagering,  
4 in-game wagering, in-play bets, proposition bets, and straight  
5 bets. "Sports wagering" does not include fantasy sports  
6 contests.

7 "Sports wagering account" means a financial record  
8 established by a sports wagering operator for an individual  
9 patron in which the patron may deposit and withdraw funds for  
10 sports wagering and other authorized purchases and to which the  
11 licensed sports wagering operator may credit winnings or other  
12 amounts due to that patron or authorized by that patron.

13 "Sports wagering operator" means a sports wagering operator  
14 licensed pursuant to section -5.

15 "Wager" means a sum of money or thing of value risked on an  
16 uncertain occurrence.

17 "Wagering event" means any professional sports or athletic  
18 event, collegiate sports or athletic event, or amateur sports  
19 event, including but not limited to an Olympic or international  
20 sports or athletic event; a motor vehicle race; electronic



1 sports event, also known as e-sports; and any other event as  
2 permitted by the department; provided that the event is not:

3 (1) A youth sports event; or

4 (2) Any collegiate sports or athletic event in which one  
5 of the participants is a team or contestant competing  
6 on behalf of or under the sponsorship of a public or  
7 private institution of higher education that is  
8 primarily located in the State, unless the collegiate  
9 sports or athletic event is a tournament, in which  
10 case only the individual games or events of the  
11 tournament that directly include a team or contestant  
12 competing on behalf of or under the sponsorship of a  
13 public or private institution of higher education that  
14 is primarily located in the State are excluded.

15 "Winnings" means the total of all sums actually paid out,  
16 including the monetary value of anything of value awarded as a  
17 prize.

18 "Youth sports event" means an athletic event:

19 (1) Involving a majority of participants under eighteen  
20 years of age; or



(2) In which at least one participant is a team from a public or private elementary, middle, or secondary school, regardless of where the school is located; provided that if an athletic event meets the definition of "collegiate sports or athletic event" or "professional sports or athletic event", the event shall not be considered a youth sports event regardless of the age of the participants.

"Youth sports event" does not include an international athletic event organized by the International Olympic Committee, regardless of the age of the participants.

**§ -2 Authorization of sports wagering; license required; rules; emergency rules.** (a) Notwithstanding any law to the contrary, sports wagering and ancillary activities shall be lawful when conducted under this chapter and rules adopted under this chapter.

(b) No person or entity shall engage in any activities in the State that require a license under this chapter unless all necessary licenses have been obtained under this chapter and rules adopted under this chapter.

(c) The department may conduct periodic verifications to determine whether licensed sports betting operators are properly



1 calculating taxes and have adequate reserves to pay out any  
2 winnings.

3 (d) Any information that is submitted, collected, or  
4 gathered from an applicant, licensee, or certificate holder  
5 pursuant to this chapter that constitutes proprietary,  
6 confidential, sensitive, or business information, including but  
7 not limited to application materials, background investigations,  
8 and information submitted in the regular course of operations,  
9 shall be confidential and shall not be subject to disclosure to  
10 any third party, unless the request for the information is made  
11 by a duly authorized law enforcement agency for legitimate law  
12 enforcement purposes, or pursuant to a court order.

13 (e) The department shall submit the following reports to  
14 the legislature, which shall be available to the public:

- 15 (1) Twenty days prior to the issuance of sports betting  
16 operator licenses, regarding the planning,  
17 implementation, and operation of sports wagering; and  
18 (2) Annual reports no later than twenty days prior to the  
19 convening of each regular session that contain a  
20 summary of its activities during the preceding year,  
21 including:





(A) Actions taken by the department to ensure compliance by operators;

(B) Actions taken against any illegal sports betting operations, including unlicensed sports betting operators;

(C) Funds received from license fees, tax revenues, fines or other sources;

(D) The department's engagement with the community; and

(E) Any other findings or recommendations, including any proposed legislation.

(f) The department shall adopt rules pursuant to chapter 91 to effectuate the purposes of this chapter, including rules regarding:

(1) Geolocation, identity-verification, and age-verification controls to ensure wagers are accepted only from a person who is of legal age to place a sports wager and who is physically within an authorized jurisdiction at the time the person places the wager;



- 1 (2) Protocols to ensure game integrity and anti-money
- 2 laundering compliance;
- 3 (3) Auditing, tax reporting, and revenue reconciliation;
- 4 (4) Sports wagering equipment testing and other technical
- 5 standards;
- 6 (5) Data privacy and cybersecurity;
- 7 (6) Implementation of a state-wide voluntary exclusion
- 8 program established by the department;
- 9 (7) A requirement on a sports wagering operator to allow a
- 10 patron to set limits on their wagers, deposits, and
- 11 time spent on the operator's sports wagering platform;
- 12 (8) Advertising and marketing standards that prohibit the
- 13 targeting of minors and individuals participating in
- 14 the voluntary exclusion program; and
- 15 (9) Prohibiting bets on injuries, penalties, the outcome
- 16 of player discipline rulings or replay reviews, and
- 17 any other type or form of betting under this chapter
- 18 that is harmful to an athlete or patron.
- 19 (g) The department shall adopt rules pursuant to chapter
- 20 91, which shall be consistent, to the extent commercially
- 21 reasonable and practicable, with sports betting rules adopted in



1 other jurisdictions, to effectuate the purposes of this chapter.

2 The rules shall include but not be limited to:

3 (1) The department's determination that there is imminent  
4 peril and the reasons therefor shall be stated in, and  
5 as a part of, the emergency rule; and

6 (2) The department shall make the emergency rule known to  
7 the public by publishing the rule, at least once, in a  
8 newspaper of general circulation in the State, within  
9 five days from the date the rule is filed with the  
10 lieutenant governor.

11 **§ -3 Application; criminal history record check. (a)**

12 An application for a license or renewal of a license required  
13 under this chapter shall be submitted on an application form as  
14 prescribed by the department. An application submitted to the  
15 department shall include the following:

16 (1) The full name, current address, and contact  
17 information of the applicant;

18 (2) Disclosure of each person that has control of the  
19 applicant as described in subsection (b);

20 (3) Consent to permit the department to conduct a criminal  
21 history record check under subsection (c) of the



applicant and each person disclosed under subsection

(b) (2);

(4) For the applicant and each person disclosed under paragraph (2) who is considered to have control over the applicant pursuant to subsection (b) (2), a record of previous issuances and denials of a gambling-related license or application in the State or in any other jurisdiction;

(5) For a sports wagering operator applicant, proof that the sports wagering system has been tested and certified for use in Hawaii or another United States jurisdiction by an independent testing laboratory within the last six months; and

(6) Any other information that the department may require by rule.

(b) The following persons shall be considered to have control of an applicant or a licensee:

(1) Each corporate holding company, parent company, or subsidiary company of a corporate applicant or licensee and each person who owns fifteen per cent or more of the corporate applicant or licensee and who



1 has the ability to control the activities of the  
2 corporate applicant or licensee or elect a majority of  
3 the board of directors of that corporate applicant or  
4 licensee, except for a bank or other licensed lending  
5 institution that holds a mortgage or other lien  
6 acquired in the ordinary course of business;

7 (2) Each person associated with a noncorporate applicant  
8 or licensee that directly or indirectly holds a  
9 beneficial or proprietary interest in the noncorporate  
10 applicant's or licensee's business operation or that  
11 the department otherwise determines has the ability to  
12 control the noncorporate applicant or licensee; and

13 (3) Any executive, employee, or agent of an applicant or a  
14 licensee who has ultimate decision-making authority  
15 over the conduct of the applicant's or licensee's  
16 sports wagering operations in the State.

17 (c) The department shall request a criminal history record  
18 check in the form prescribed by the department and submit  
19 fingerprints for a national criminal records check against the  
20 national criminal history background check system. The  
21 fingerprints shall be furnished by all persons required to be



1 named in the application and shall be accompanied by a signed  
2 authorization for the release of information by a law  
3 enforcement agency in the State and the Federal Bureau of  
4 Investigation; provided that an individual who has submitted to  
5 a criminal history record check in the State or any other state  
6 within the previous twelve months shall not be required to  
7 submit to another criminal history record check; provided  
8 further that the individual shall submit the results of the  
9 previous criminal history record check to the department and  
10 affirm that there has been no material change in the  
11 individual's criminal history since the time of the previous  
12 criminal history record check.

13 (d) A person licensed under this chapter shall give the  
14 department written notice within thirty days of any material  
15 change to any information provided in the licensee's application  
16 for a license or renewal, including any change in the identity  
17 of persons considered to have control of the licensee under  
18 subsection (b).

19 (e) The department shall keep information, records,  
20 interviews, reports, statements, memoranda, or other data  
21 supplied to or used by the department in the course of its



1 review or investigation of an applicant for a sports wagering  
2 operator license confidential to the extent the information,  
3 records, interviews, reports, statements, memoranda, or other  
4 data falls within an exception to public disclosure under  
5 chapter 92F. The department shall also keep confidential  
6 information pertaining to any applicant or licensee to the  
7 extent the information falls within an exception to public  
8 disclosure under chapter 92F.

9       **§ -4 Denial of license; reprimand, suspension, and**  
10 **revocation.** The department may deny a license to any applicant,  
11 reprimand any licensee, or suspend or revoke a license if:

12       (1) The applicant or licensee has knowingly made a false  
13 statement of material fact to the department;

14       (2) The applicant or licensee has intentionally not  
15 disclosed the existence or identity of other persons  
16 that have control of the applicant or licensee as  
17 required by section -3;

18       (3) The applicant or licensee has had a license revoked by  
19 any government authority responsible for the  
20 regulation of gambling or gaming activities;



(4) The applicant or licensee has been convicted of a crime of moral turpitude, gambling-related offense, theft or fraud offense, or has otherwise demonstrated, either by a police record or other satisfactory evidence, a lack of respect for law and order;

(5) The applicant or licensee has not demonstrated, to the satisfaction of the department, financial responsibility sufficient to adequately meet the requirements of the licensed business or proposed business; or

(6) An applicant or licensee has not met the requirements of this section or any other provision of this chapter.

**§ -5 Sports wagering operator license; issuance; fees; term of license; temporary license.** (a) The department shall issue a minimum of six sports wagering operator licenses to applicants that meet all requirements of this section, section -3, and rules adopted under this chapter and that have not violated any provision of this chapter; provided that this section shall not be interpreted to direct the department to issue a license to an unqualified applicant. The department





1 shall establish a universal start date for sports wagering  
2 operators that is no later than one hundred eighty days after  
3 the effective date of this Act. No person shall offer sports  
4 wagering in the State before the universal start date. All  
5 qualified gaming entities that submit an application within  
6 thirty days of the date on which the department first begins to  
7 accept that type of application shall be given an equal  
8 opportunity to commence offering, conducting, or operating  
9 sports wagering on the same day.

10 (b) Only a qualified gaming entity shall be eligible to  
11 apply for a sports wagering operator license.

12 (c) A sports wagering operator license granted by the  
13 department pursuant to this section shall grant a licensee the  
14 lawful authority to conduct sports wagering through a mobile  
15 application or digital platform approved by the department and  
16 any rules adopted under this chapter.

17 (d) The fee for an initial or a renewal sports wagering  
18 operator license shall be \$500,000; provided that the fee shall  
19 be retained by the department for the costs of administering  
20 this chapter. In addition to the license fee, the department  
21 may charge a processing fee for an initial or renewal sports



1   wagering operator license in an amount equal to the projected  
2   cost of processing the application and performing any background  
3   investigations. If the actual cost exceeds the projected cost,  
4   an additional fee may be charged to meet the actual cost;  
5   provided that if the projected cost exceeds the actual cost, the  
6   difference may be refunded to the applicant or licensee.

7       (e) Except as provided in subsection (f), a license  
8   granted or renewed under this section shall be valid for five  
9   years, unless sooner revoked by the department pursuant to  
10   section     -4.

11       (f) An applicant for a sports wagering operator license  
12   may submit with the application a request to the department to  
13   commence sports wagering through a temporary license subject to  
14   the universal start date in subsection (a); provided that this  
15   request shall include the initial license fee of \$500,000  
16   payable to the department. Upon receiving a request for a  
17   temporary license, the department shall review the request. If  
18   the department determines that the entity requesting the  
19   temporary license is a qualified gaming entity, meets the  
20   requirements established by rule for a temporary license, has  
21   paid the initial license fee, and has submitted an application



1 for a sports wagering operator license and the department is not  
2 aware of any reason the applicant is ineligible for a license  
3 under this section, the department shall, subject to the  
4 limitations and requirements of subsection (a), issue a  
5 temporary sports wagering operator license to the qualified  
6 gaming entity. A temporary sports wagering operator license  
7 issued under this subsection shall be valid for three years or  
8 until a final determination on the sports wagering operator  
9 license application is made, whichever is sooner. If after  
10 investigation the department determines that the applicant is  
11 eligible for a sports wagering operator license under this  
12 chapter, the department shall issue the initial sports wagering  
13 operator license, at which time the temporary license shall be  
14 terminated. No additional fee shall be required for the  
15 issuance of the initial sports wagering operator license for a  
16 temporary license; however, the initial license expiration date  
17 shall be five years from the date on which the temporary license  
18 was issued, and regular renewal periods shall run from that  
19 date. If after investigation the department determines that the  
20 applicant is not eligible for a sports wagering operator license  
21 under this chapter, the department shall revoke the temporary



1 license, refund the initial license fee on a pro rata basis for  
2 the unused portion of the initial five-year license term, and  
3 shall not issue a sports wagering operator license. Sports  
4 wagering conducted under the authority of a temporary license  
5 shall comply with the sports wagering operator's house rules  
6 adopted pursuant to section -7.

7       §   -6 Sports wagering supplier license; issuance; fees;  
8 term of license; temporary license. (a) The department shall  
9 issue a sports wagering supplier license upon finding that the  
10 applicant meets all the requirements of this section,  
11 section -3, and rules adopted under this chapter.

12       (b) An applicant for a sports wagering supplier license  
13 shall demonstrate that the equipment, systems, or services that  
14 the applicant plans to offer to a sports wagering operator  
15 conform to standards established by the department by rule. The  
16 department may accept approval by another jurisdiction that is  
17 specifically determined by the department to have similar  
18 standards for equipment, systems, or services as evidence that  
19 the applicant meets the standards established by the department.

20       (c) A sports wagering supplier license granted by the  
21 department pursuant to this section shall grant a licensee the



1 lawful authority to sell or lease sports wagering equipment,  
2 systems, or services to sports wagering operators in the State  
3 within the terms and conditions of the license and any rules  
4 adopted under this chapter.

5 (d) The fee for an initial or a renewal sports wagering  
6 supplier license shall be \$10,000; provided that the fee shall  
7 be retained by the department for the costs of administering  
8 this chapter. In addition to the license fee, the department  
9 may charge a processing fee for an initial or a renewal license  
10 in an amount equal to the projected cost of processing the  
11 application and performing any background investigations. If  
12 the actual cost exceeds the projected cost, an additional fee  
13 may be charged to meet the actual cost; provided that if the  
14 projected cost exceeds the actual cost, the difference may be  
15 refunded to the applicant or licensee.

16 (e) Except as provided in subsection (f), a license  
17 granted or renewed under this section shall be valid for five  
18 years unless sooner revoked by the department under  
19 section -4.

20 (f) An applicant for a sports wagering supplier license  
21 may submit with the application a request for a temporary



1 license, which shall include the initial license fee of \$10,000.  
2 If the department determines that the applicant is qualified  
3 under subsection (b), meets the requirements established by rule  
4 for a temporary license, and has paid the initial license fee  
5 for a temporary license and the department is not aware of any  
6 reason the applicant is ineligible for a license under this  
7 section, the department shall issue a temporary sports wagering  
8 supplier license. A temporary sports wagering supplier license  
9 issued under this subsection shall be valid for three years or  
10 until a final determination on the sports wagering supplier  
11 license application is made, whichever is sooner. If after  
12 investigation the department determines that the applicant is  
13 eligible for a sports wagering supplier license under this  
14 chapter, the department shall issue the initial sports wagering  
15 supplier license, at which time the temporary license shall be  
16 terminated. If after investigation the department determines  
17 that the applicant is not eligible for a sports wagering  
18 supplier license under this chapter, the department shall revoke  
19 the temporary license and shall not issue a sports wagering  
20 supplier license.



1           **§ -7 Sports wagering operator; house rules.** (a) A

2 sports wagering operator shall adopt comprehensive house rules  
3 for game play governing sports wagering transactions with its  
4 patrons. The rules shall specify the amounts to be paid on  
5 winning wagers; the circumstances under which the sports  
6 wagering operator will void a bet; treatment of errors, late  
7 bets, and related contingencies; and the effect of schedule  
8 changes. The department shall approve a sports wagering  
9 operator's house rules before implementation by the sports  
10 wagering operator.

11           (b) The house rules, together with any other information  
12 the department determines to be appropriate, shall be available  
13 in the sports wagering system.

14           **§ -8 Sports wagering operator; duties.** A sports

15 wagering operator shall:

- 16           (1) Employ a monitoring system using software to identify  
17               irregularities in volume or odds swings that could  
18               signal suspicious activity that requires further  
19               investigation; provided that the suspicious activity  
20               shall be promptly reported to and investigated by the  
21               department; provided further that monitoring system



1 requirements and specifications shall be consistent  
2 with industry standards;

3 (2) Promptly report to the department any facts or  
4 circumstances related to the operation of a licensee  
5 that constitute a violation of federal or state law  
6 and immediately report any suspicious betting over a  
7 threshold amount, to be set by the sports wagering  
8 operator and approved by the department;

9 (3) Conduct all sports wagering activities and functions  
10 in a manner that does not pose a threat to the public  
11 health, safety, or welfare of the residents of the  
12 State;

13 (4) Keep current in all payments and obligations to the  
14 department;

15 (5) Prevent any person from tampering with or interfering  
16 with any sports wagering, to the extent it is within  
17 commercially reasonable industry requirements and  
18 standards;

19 (6) Ensure that sports wagering occurs using only an  
20 approved mobile application or digital platform;





(7) Conspicuously display in all advertising for sports wagering the availability of the toll-free helpline "1-800-GAMBLER" or a successor phone number;

(8) At all times, maintain sufficient cash and other supplies to conduct sports wagering;

(9) Maintain daily records showing the gross sports wagering receipts and adjusted gross sports wagering receipts of the licensee; and

(10) Timely file with the department any additional reports required by this chapter or by rule adopted under this chapter.

§ -9 Sports wagering agreements. (a) The department may:

(1) Enter into sports wagering agreements with other states, territories, nations, jurisdictions, governments, or other entities to accept wagers from individuals located outside the State; provided that entering into the sports wagering agreement shall not violate federal or state law; and



1       (2) Take all necessary actions to ensure that any sports  
2           wagering agreement entered into pursuant to this  
3           section becomes effective.

4       (b) The department may adopt rules pursuant to chapter 91  
5 to implement this section.

6       §   -10   **Acceptance of wagers; sports wagering accounts;  
7 excluded persons.** (a) A sports wagering operator shall accept  
8 wagers on wagering events only through an approved mobile  
9 application or digital platform or a patron's sports wagering  
10 account using an approved mobile application or digital  
11 platform. The branding for each approved mobile application or  
12 digital platform shall be determined by the sports wagering  
13 operator.

14       (b) A sports wagering account may be established through  
15 an approved mobile application or digital platform. A sports  
16 wagering operator shall allow patrons to fund a sports wagering  
17 account using:

- 18       (1) A credit or debit card;  
19       (2) Bonuses or promotions;  
20       (3) Electronic bank transfer;



1 (4) An online or mobile payment system that supports  
2 online money transfers; and

3 (5) Any other means approved by the department.

4 (c) A person placing a wager shall be at least twenty-one  
5 years of age. A person placing a wager shall be physically  
6 located in the State unless the department has entered into a  
7 sports wagering agreement pursuant to section -9 to accept  
8 wagers from individuals located outside the State. No person  
9 shall offer sports wagering at a physical location via kiosks,  
10 computer terminals, or other means established for that purpose.

11 (d) A sports wagering operator may accept layoff wagers  
12 placed by other sports wagering operators and may place layoff  
13 wagers with other sports wagering operators as long as a sports  
14 wagering operator that places a wager with another sports  
15 wagering operator informs the sports wagering operator accepting  
16 the wager that the wager is being placed by a sports wagering  
17 operator and discloses the sports wagering operator's identity.

18 (e) The department shall establish a voluntary exclusion  
19 program for any individual to voluntarily exclude themselves  
20 from sports wagering. Sports wagering operators shall use  
21 reasonable means to comply with the exclusion of individuals



1 participating in the voluntary exclusion program by the  
2 department.

3 (f) The department shall adopt rules to establish the  
4 voluntary exclusion program, including the following:

5 (1) Verification of the individual's request to be placed  
6 in the voluntary exclusion program and for how long,  
7 up to and including that individual's lifetime;

8 (2) How information regarding the identity of individuals  
9 who are in the voluntary exclusion program shall be  
10 disseminated to sports wagering operators;

11 (3) How an individual in the voluntary exclusion program  
12 may petition the department for removal from the  
13 voluntary exclusion program;

14 (4) The means by which sports wagering operators and their  
15 agents shall make all reasonable efforts to cease  
16 direct marketing efforts to individuals participating  
17 in the voluntary exclusion program; and

18 (5) The means by which the department shall make available  
19 to all sports wagering operators the names of the  
20 individuals participating in the voluntary exclusion



1           program; provided that the names shall be made  
2           available at least quarterly.

3           (g) The names of the individuals participating in the  
4 voluntary exclusion program shall be treated as confidential by  
5 each sports wagering operator. Sports wagering operators  
6 conducting sports wagering in another state may share the  
7 information provided under this section with its agents and  
8 affiliates in other states for excluding individuals  
9 participating in the voluntary exclusion program.

10          (h) No employee of a sports wagering operator shall place  
11 a wager on any wagering event through an unapproved or approved  
12 mobile application or digital platform of that employee's  
13 employer.

14          **§ -11 Sports wagering revenues; tax.** (a) For the  
15 privilege of holding a license to engage in sports wagering as a  
16 sports wagering operator, the tax imposed by section 237-13(9)  
17 shall be levied on the licensee. The accrual method of  
18 accounting shall be used for purposes of calculating the amount  
19 of the tax owed by the licensee. The department of taxation  
20 shall adopt rules and develop any forms necessary to carry out  
21 enforcement of this section. This tax shall be in lieu of all



1 other taxes imposed on the operation of sports wagering or on  
2 the proceeds from the operation of sports wagering in the State.  
3 The tax collected under section 237-13(9) on the total adjusted  
4 gross sports wagering receipts shall be allocated as follows:

5 (1) Two per cent to the university of Hawaii system to be  
6 distributed to the university of Hawaii at Manoa  
7 athletic department;

8 (2) Two per cent to a Native Hawaiian organization;

9 (3) One per cent to the Hawaii Employees Lifeline Program,  
10 an affiliate of the Hawaii State AFL-CIO; and

11 (4) Ten per cent to the general fund.

12 (b) Of all taxes collected pursuant to this section:

13 (1) Seven per cent shall be deposited into the problem  
14 gambling prevention and treatment special fund  
15 established under section -12; and

16 (2) Seven per cent shall be used for programs that support  
17 education in the State.

18 § -12 **Problem gambling prevention and treatment special**  
19 **fund.** (a) There shall be established the problem gambling  
20 prevention and treatment special fund to be administered by the  
21 department of health into which shall be deposited:



(1) Appropriations by the legislature to the special fund;

and

(2) The portion of taxes collected under section -11

for deposit into the problem gambling prevention and

treatment special fund.

Any interest and moneys earned on the investments shall be

credited to the special fund. Notwithstanding any other

provision of law to the contrary, any moneys remaining in the

special fund at the end of the biennium shall not revert to the

credit of the general fund of the State.

(b) Subject to legislative appropriation, moneys in the problem gambling prevention and treatment special fund shall be expended by the department of health for:

(1) Counseling and other support services for disordered and problem gamers;

(2) Developing and implementing problem gaming treatment and prevention programs; and

(3) Creating and disseminating responsible gaming education and messages.

§ -13 **Civil violation.** Except as provided in

section -14, a violation of any provision of this chapter



1 shall be a civil violation. The department may impose a fine of  
2 no more than \$5,000 on any person who violates this chapter or  
3 \$10,000 for all violations resulting from the same occurrence of  
4 events. Fines imposed under this chapter shall not be limited  
5 to persons licensed under this chapter.

6       **§ -14 Unlicensed sports wagering; penalties.** (a) It  
7 shall be unlawful for any person to conduct sports wagering  
8 without a valid license issued pursuant to this chapter.

9       (b) Any person convicted of violating this section for an  
10 offense and who:

11       (1) Does not have any prior conviction under this section  
12           or under part III of chapter 712, shall be guilty of a  
13           misdemeanor; provided that in addition to any other  
14           penalties imposed, the person shall be subject to a  
15           fine of no less than \$10,000;

16       (2) Has one prior conviction under this section or under  
17           part III of chapter 712, shall be guilty of a class C  
18           felony; provided that in addition to any other  
19           penalties imposed, the person shall be subject to a  
20           fine of no less than \$50,000; and





(3) Has two or more prior convictions under this section or under part III of chapter 712, shall be guilty of a class B felony; provided that in addition to any other penalties imposed, the person shall be subject to a fine of no less than \$100,000;

**§ -15 Exemption from gambling.** Sports wagering operated by a sports wagering operator licensed under and in compliance with this chapter shall not constitute a gambling offense under part III of chapter 712. Fantasy sports contests as defined under this chapter shall not constitute a gambling offense under part III of chapter 712."

SECTION 2. Section 237-13, Hawaii Revised Statutes, is amended to read as follows:

**"§237-13 Imposition of tax.** There is hereby levied and shall be assessed and collected annually privilege taxes against persons on account of their business and other activities in the State measured by the application of rates against values of products, gross proceeds of sales, or gross income, whichever is specified, as follows:

(1) Tax on manufacturers.



1           (A) Upon every person engaging or continuing within  
2           the State in the business of manufacturing,  
3           including compounding, canning, preserving,  
4           packing, printing, publishing, milling,  
5           processing, refining, or preparing for sale,  
6           profit, or commercial use, either directly or  
7           through the activity of others, in whole or in  
8           part, any article or articles, substance or  
9           substances, commodity or commodities, the amount  
10          of the tax to be equal to the value of the  
11          articles, substances, or commodities,  
12          manufactured, compounded, canned, preserved,  
13          packed, printed, milled, processed, refined, or  
14          prepared for sale, as shown by the gross proceeds  
15          derived from the sale thereof by the manufacturer  
16          or person compounding, preparing, or printing  
17          them, multiplied by one-half of one per cent~~[+]~~;  
18          and

19          (B) The measure of the tax on manufacturers [~~is~~]  
20          shall be the value of the entire product for  
21          sale~~[+]~~;



1           (2) Tax on business of selling tangible personal property;  
2           producing.

3           (A) Upon every person engaging or continuing in the  
4           business of selling any tangible personal  
5           property whatsoever, there is likewise hereby  
6           levied, and shall be assessed and collected, a  
7           tax equivalent to four per cent of the gross  
8           proceeds of sales of the business; provided that,  
9           in the case of a wholesaler, the tax shall be  
10          equal to one-half of one per cent of the gross  
11          proceeds of sales of the business; [~~and~~] provided  
12          further that insofar as the sale of tangible  
13          personal property is a wholesale sale under  
14          section 237-4(a)(8), the tax shall be one-half of  
15          one per cent of the gross proceeds. Upon every  
16          person engaging or continuing within this State  
17          in the business of a producer, the tax shall be  
18          equal to one-half of one per cent of the gross  
19          proceeds of sales of the business, or the value  
20          of the products, for sale[~~-~~];



1           (B) Gross proceeds of sales of tangible property in  
2           interstate and foreign commerce shall constitute  
3           a part of the measure of the tax imposed on  
4           persons in the business of selling tangible  
5           personal property, to the extent, under the  
6           conditions, and ~~[in accordance with]~~ under the  
7           provisions of the Constitution of the United  
8           States and the Acts of the Congress of the United  
9           States which may be now in force or may be  
10          hereafter adopted, and whenever there occurs in  
11          the State an activity to which, under the  
12          Constitution and Acts of Congress, there may be  
13          attributed gross proceeds of sales, the gross  
14          proceeds shall be so attributed~~[+]~~;

15          (C) No manufacturer or producer, engaged in such  
16          business in the State and selling the  
17          manufacturer's or producer's products for  
18          delivery outside of the State (for example,  
19          consigned to a mainland purchaser via common  
20          carrier f.o.b. Honolulu), shall be required to  
21          pay the tax imposed in this chapter for the



1 privilege of so selling the products, and the  
2 value or gross proceeds of sales of the products  
3 shall be included only in determining the measure  
4 of the tax imposed upon the manufacturer or  
5 producer[-];

6 (D) A manufacturer or producer, engaged in such  
7 business in the State, shall pay the tax imposed  
8 in this chapter for the privilege of selling its  
9 products in the State, and the value or gross  
10 proceeds of sales of the products, thus subjected  
11 to tax, may be deducted insofar as duplicated as  
12 to the same products by the measure of the tax  
13 upon the manufacturer or producer for the  
14 privilege of manufacturing or producing in the  
15 State; provided that no producer of agricultural  
16 products who sells the products to a purchaser  
17 who will process the products outside the State  
18 shall be required to pay the tax imposed in this  
19 chapter for the privilege of producing or selling  
20 those products[-];



1           (E) A taxpayer selling to a federal cost-plus  
2           contractor may make the election provided for by  
3           paragraph (3)(C), and in that case the tax shall  
4           be computed pursuant to the election,  
5           notwithstanding this paragraph or paragraph (1)  
6           to the contrary~~[-]~~; and

7           (F) The department, by rule, may require that a  
8           seller take from the purchaser of tangible  
9           personal property a certificate, in a form  
10          prescribed by the department, certifying that the  
11          sale is a sale at wholesale; provided that:

12          (i) Any purchaser who furnishes a certificate  
13          shall be obligated to pay to the seller,  
14          upon demand, the amount of the additional  
15          tax that is imposed upon the seller whenever  
16          the sale in fact is not at wholesale; and

17          (ii) The absence of a certificate in itself shall  
18          give rise to the presumption that the sale  
19          is not at wholesale unless the sales of the  
20          business are exclusively at wholesale~~[-]~~;

21          (3) Tax upon contractors.



1           (A) Upon every person engaging or continuing within  
2           the State in the business of contracting, the tax  
3           shall be equal to four per cent of the gross  
4           income of the business[-];

5           (B) In computing the tax levied under this paragraph,  
6           there shall be deducted from the gross income of  
7           the taxpayer so much thereof as has been included  
8           in the measure of the tax levied under  
9           subparagraph (A), on another taxpayer who is a  
10          contractor, as defined in section 237-6; provided  
11          that any person claiming a deduction under this  
12          paragraph shall be required to show in the  
13          person's return the name and general excise  
14          number of the person paying the tax on the amount  
15          deducted by the person[-];

16          (C) In computing the tax levied under this paragraph  
17          against any federal cost-plus contractor, there  
18          shall be excluded from the gross income of the  
19          contractor so much thereof as fulfills the  
20          following requirements:



1           (i) The gross income exempted shall constitute  
2 reimbursement of costs incurred for  
3 materials, plant, or equipment purchased  
4 from a taxpayer licensed under this chapter,  
5 not exceeding the gross proceeds of sale of  
6 the taxpayer on account of the transaction;  
7 and

8           (ii) The taxpayer making the sale shall have  
9 certified to the department that the  
10 taxpayer is taxable with respect to the  
11 gross proceeds of the sale, and that the  
12 taxpayer elects to have the tax on gross  
13 income computed the same as upon a sale to  
14 the state government~~[.]~~; and

15           (D) A person who, as a business or as a part of a  
16 business in which the person is engaged, erects,  
17 constructs, or improves any building or  
18 structure, of any kind or description, or makes,  
19 constructs, or improves any road, street,  
20 sidewalk, sewer, or water system, or other  
21 improvements on land held by the person (whether





1           held as a leasehold, fee simple, or otherwise),  
2           upon the sale or other disposition of the land or  
3           improvements, even if the work was not done  
4           pursuant to a contract, shall be liable to the  
5           same tax as if engaged in the business of  
6           contracting, unless the person shows that at the  
7           time the person was engaged in making the  
8           improvements the person intended, and for the  
9           period of at least one year after completion of  
10          the building, structure, or other improvements  
11          the person continued to intend to hold and not  
12          sell or otherwise dispose of the land or  
13          improvements. The tax in respect of the  
14          improvements shall be measured by the amount of  
15          the proceeds of the sale or other disposition  
16          that is attributable to the erection,  
17          construction, or improvement of such building or  
18          structure, or the making, constructing, or  
19          improving of the road, street, sidewalk, sewer,  
20          or water system, or other improvements. The  
21          measure of tax in respect of the improvements



1 shall not exceed the amount [~~which~~] that would  
2 have been taxable had the work been performed by  
3 another, subject as in other cases to the  
4 deductions allowed by subparagraph (B). Upon the  
5 election of the taxpayer, this paragraph may be  
6 applied notwithstanding that the improvements  
7 were not made by the taxpayer, or were not made  
8 as a business or as a part of a business, or were  
9 made with the intention of holding the same.

10 However, this paragraph shall not apply in  
11 respect of any proceeds that constitute or are in  
12 the nature of rent, which shall be taxable under  
13 paragraph (9); provided that insofar as the  
14 business of renting or leasing real property  
15 under a lease is taxed under section 237-16.5,  
16 the tax shall be levied by section 237-16.5[~~-~~];

17 (4) Tax upon theaters, amusements, radio broadcasting  
18 stations, etc.

19 (A) Upon every person engaging or continuing within  
20 the State in the business of operating a theater,  
21 opera house, moving picture show, vaudeville,



1 amusement park, dance hall, skating rink, radio  
2 broadcasting station, or any other place at which  
3 amusements are offered to the public, the tax  
4 shall be equal to four per cent of the gross  
5 income of the business, and in the case of a sale  
6 of an amusement at wholesale under section  
7 237-4(a)(13), the tax shall be one-half of one  
8 per cent of the gross income~~[.]~~; and

9 (B) The department may require that the person  
10 rendering an amusement at wholesale take from the  
11 licensed seller a certificate, in a form  
12 prescribed by the department, certifying that the  
13 sale is a sale at wholesale; provided that:

14 (i) Any licensed seller who furnishes a  
15 certificate shall be obligated to pay to the  
16 person rendering the amusement, upon demand,  
17 the amount of additional tax that is imposed  
18 upon the seller whenever the sale is not at  
19 wholesale; and

20 (ii) The absence of a certificate in itself shall  
21 give rise to the presumption that the sale



1 is not at wholesale unless the person  
2 rendering the sale is exclusively rendering  
3 the amusement at wholesale[-];

4 (5) Tax upon sales representatives, etc. Upon every  
5 person classified as a representative or purchasing  
6 agent under section 237-1, engaging or continuing  
7 within the State in the business of performing  
8 services for another, other than as an employee, there  
9 is likewise hereby levied and shall be assessed and  
10 collected a tax equal to four per cent of the  
11 commissions and other compensation attributable to the  
12 services so rendered by the person[-];

13 (6) Tax on service business.

14 (A) Upon every person engaging or continuing within  
15 the State in any service business or calling  
16 including professional services not otherwise  
17 specifically taxed under this chapter, there is  
18 likewise hereby levied and shall be assessed and  
19 collected a tax equal to four per cent of the  
20 gross income of the business, and in the case of  
21 a wholesaler under section 237-4(a)(10), the tax



1           shall be equal to one-half of one per cent of the  
2           gross income of the business~~[-]~~;

3           (B) The department may require that the person  
4           rendering a service at wholesale take from the  
5           licensed seller a certificate, in a form  
6           prescribed by the department, certifying that the  
7           sale is a sale at wholesale; provided that:

8           (i) Any licensed seller who furnishes a  
9           certificate shall be obligated to pay to the  
10          person rendering the service, upon demand,  
11          the amount of additional tax that is imposed  
12          upon the seller whenever the sale is not at  
13          wholesale; and

14          (ii) The absence of a certificate in itself shall  
15          give rise to the presumption that the sale  
16          is not at wholesale unless the person  
17          rendering the sale is exclusively rendering  
18          services at wholesale~~[-]~~;

19          (C) Where any person is engaged in the business of  
20          selling interstate or foreign common carrier  
21          telecommunication services within and without the



1 State, other than as a home service provider, the  
2 tax shall be imposed on that portion of gross  
3 income received by a person from service [~~which~~]  
4 that is originated or terminated in [~~this~~] the  
5 State and is charged to a telephone number,  
6 customer, or account in [~~this~~] the State  
7 notwithstanding any other state law (except for  
8 the exemption under section 237-23(a)(1)) to the  
9 contrary. If, under the Constitution and laws of  
10 the United States, the entire gross income as  
11 determined under this paragraph of a business  
12 selling interstate or foreign common carrier  
13 telecommunication services cannot be included in  
14 the measure of the tax, the gross income shall be  
15 apportioned as provided in section 237-21;  
16 provided that the apportionment factor and  
17 formula shall be the same for all persons  
18 providing those services in the State[~~-~~]; and

19 (D) Where any person is engaged in the business of a  
20 home service provider, the tax shall be imposed  
21 on the gross income received or derived from



1 providing interstate or foreign mobile  
2 telecommunications services to a customer with a  
3 place of primary use in [~~this~~] the State when the  
4 services originate in one state and terminate in  
5 another state, territory, or foreign country;  
6 provided that all charges for mobile  
7 telecommunications services [~~which~~] that are  
8 billed by or for the home service provider are  
9 deemed to be provided by the home service  
10 provider at the customer's place of primary use,  
11 regardless of where the mobile telecommunications  
12 originate, terminate, or pass through; provided  
13 further that the income from charges specifically  
14 derived from interstate or foreign mobile  
15 telecommunications services, as determined by  
16 books and records that are kept in the regular  
17 course of business by the home service provider  
18 in accordance with section 239-24, shall be  
19 apportioned under any apportionment factor or  
20 formula adopted under subparagraph (C). Gross  
21 income shall not include:



1 (i) Gross receipts from mobile  
2 telecommunications services provided to a  
3 customer with a place of primary use outside  
4 [~~this~~] the State;

5 (ii) Gross receipts from mobile  
6 telecommunications services that are subject  
7 to the tax imposed by chapter 239;

8 (iii) Gross receipts from mobile  
9 telecommunications services taxed under  
10 section 237-13.8; and

11 (iv) Gross receipts of a home service provider  
12 acting as a serving carrier providing mobile  
13 telecommunications services to another home  
14 service provider's customer.

15 For the purposes of this paragraph, "charges for  
16 mobile telecommunications services", "customer",  
17 "home service provider", "mobile  
18 telecommunications services", "place of primary  
19 use", and "serving carrier" have the same meaning  
20 as in section 239-22[-];





1           (7) Tax on insurance producers. Upon every person engaged  
2           as a licensed producer pursuant to chapter 431, there  
3           is hereby levied and shall be assessed and collected a  
4           tax equal to 0.15 per cent of the commissions due to  
5           that activity[~~-~~];

6           (8) Tax on receipts of sugar benefit payments. Upon the  
7           amounts received from the United States government by  
8           any producer of sugar (or the producer's legal  
9           representative or heirs), as defined under and by  
10          virtue of the Sugar Act of 1948, as amended, or other  
11          Acts of the Congress of the United States relating  
12          thereto, there is hereby levied a tax of one-half of  
13          one per cent of the gross amount received; provided  
14          that the tax levied hereunder on any amount so  
15          received and actually disbursed to another by a  
16          producer in the form of a benefit payment shall be  
17          paid by the person or persons to whom the amount is  
18          actually disbursed, and the producer actually making a  
19          benefit payment to another shall be entitled to claim  
20          on the producer's return a deduction from the gross  
21          amount taxable hereunder in the sum of the amount so



1           disbursed. The amounts taxed under this paragraph  
2           shall not be taxable under any other paragraph,  
3           subsection, or section of this chapter~~[+]~~;

4       (9) Tax on licensed sports wagering. Upon every person  
5       engaged in sports wagering as a licensed sports  
6       wagering operator or sports wagering supplier in the  
7       State pursuant to chapter       , there is hereby levied  
8       and shall be assessed and collected a tax equal to  
9       fifteen per cent of the adjusted gross sports wagering  
10       receipts. For purposes of this paragraph, "adjusted  
11       gross sports wagering receipts" has the same meaning  
12       as defined in section       -1; and

13       ~~[+9+]~~ (10) Tax on other business. Upon every person  
14       engaging or continuing within the State in any  
15       business, trade, activity, occupation, or calling not  
16       included in the preceding paragraphs or any other  
17       provisions of this chapter, there is likewise hereby  
18       levied and shall be assessed and collected, a tax  
19       equal to four per cent of the gross income thereof.  
20       In addition, the rate prescribed by this paragraph  
21       shall apply to a business taxable under one or more of



1           the preceding paragraphs or other provisions of this  
2           chapter, as to any gross income thereof not taxed  
3           thereunder as gross income or gross proceeds of sales  
4           or by taxing an equivalent value of products, unless  
5           specifically exempted."

6           SECTION 3. Section 712-1220, Hawaii Revised Statutes, is  
7           amended by amending the definitions of "contest of chance" and  
8           "gambling" to read as follows:

9           ""Contest of chance" means any contest, game, gaming  
10          scheme, or gaming device in which the outcome depends in a  
11          material degree upon an element of chance, notwithstanding that  
12          skill of the contestants may also be a factor therein. "Contest  
13          of chance" does not include sports wagering under chapter        or  
14          fantasy sports contests as defined in section       -1.

15          "Gambling" [~~A person engages in gambling if he stakes or~~  
16          ~~risks~~] means staking or risking something of value upon the  
17          outcome of a contest of chance or a future contingent event not  
18          under [~~his~~] the person's control or influence, upon an agreement  
19          or understanding that [~~he~~] the person or someone else will  
20          receive something of value in the event of a certain outcome.  
21          [~~Gambling~~] "Gambling" does not include [~~bona~~]:



1        (1) Bona fide business transactions valid under the law of  
2        contracts, including but not limited to contracts for  
3        the purchase or sale at a future date of securities or  
4        commodities~~[, and agreements]~~;

5        (2) Agreements to compensate for loss caused by the  
6        happening of chance, including but not limited to  
7        contracts of indemnity or guaranty and life, health,  
8        or accident insurance~~[,]~~;

9        (3) Sports wagering authorized under chapter        and  
10       placing wagers on wagering events or portions of  
11       wagering events, the individual performance statistics  
12       of individuals in wagering events, or any combination  
13       thereof, by any system or method of wagering under  
14       chapter        ; or

15       (4) Fantasy sports contests as defined in section        -1."

16       SECTION 4. Section 846-2.7, Hawaii Revised Statutes, is  
17 amended by amending subsection (b) to read as follows:

18       "(b) Criminal history record checks may be conducted by:

19       (1) The department of health or its designee on operators  
20       of adult foster homes for individuals with  
21       developmental disabilities or developmental



1 disabilities domiciliary homes and their employees, as  
2 provided by section 321-15.2;

3 (2) The department of health or its designee on  
4 prospective employees, persons seeking to serve as  
5 providers, or subcontractors in positions that place  
6 them in direct contact with clients when providing  
7 non-witnessed direct mental health or health care  
8 services as provided by section 321-171.5;

9 (3) The department of health or its designee on all  
10 applicants for licensure or certification for,  
11 operators for, prospective employees, adult  
12 volunteers, and all adults, except adults in care, at  
13 healthcare facilities as defined in section 321-15.2;

14 (4) The department of education on employees, prospective  
15 employees, and teacher trainees in any public school  
16 in positions that necessitate close proximity to  
17 children as provided by section 302A-601.5;

18 (5) The counties on employees and prospective employees  
19 who may be in positions that place them in close  
20 proximity to children in recreation or child care  
21 programs and services;



1 (6) The county liquor commissions on applicants for liquor  
2 licenses as provided by section 281-53.5;

3 (7) The county liquor commissions on employees and  
4 prospective employees involved in liquor  
5 administration, law enforcement, and liquor control  
6 investigations;

7 (8) The department of human services on operators and  
8 employees of child caring institutions, child placing  
9 organizations, and resource family homes as provided  
10 by section 346-17;

11 (9) The department of human services on prospective  
12 adoptive parents as established under section  
13 346-19.7;

14 (10) The department of human services or its designee on  
15 applicants to operate child care facilities, household  
16 members of the applicant, prospective employees of the  
17 applicant, and new employees and household members of  
18 the provider after registration or licensure as  
19 provided by section 346-154, and persons subject to  
20 section 346-152.5;



1       (11) The department of human services on persons exempt  
2       pursuant to section 346-152 to be eligible to provide  
3       child care and receive child care subsidies as  
4       provided by section 346-152.5;

5       (12) The department of health on operators and employees of  
6       home and community-based case management agencies and  
7       operators and other adults, except for adults in care,  
8       residing in community care foster family homes as  
9       provided by section 321-15.2;

10      (13) The department of human services on staff members of  
11      the Hawaii youth correctional facility as provided by  
12      section 352-5.5;

13      (14) The department of human services on employees,  
14      prospective employees, and volunteers of contracted  
15      providers and subcontractors in positions that place  
16      them in close proximity to youth when providing  
17      services on behalf of the office or the Hawaii youth  
18      correctional facility as provided by section 352D-4.3;

19      (15) The judiciary on employees and applicants at detention  
20      and shelter facilities as provided by section 571-34;



1       (16) The department of corrections and rehabilitation on  
2       employees and prospective employees, volunteers,  
3       contract service providers, and subcontract service  
4       providers who are directly involved with the treatment  
5       and care of, or directly involved in providing  
6       correctional programs and services to, persons  
7       committed to a correctional facility, or placed in  
8       close proximity to persons committed when providing  
9       services on behalf of the department or the  
10      correctional facility, as provided by section 353-1.5  
11      and the department of law enforcement on employees and  
12      prospective employees whose duties involve or may  
13      involve the exercise of police powers including the  
14      power of arrest as provided by section 353C-5;

15      (17) The board of private detectives and guards on  
16      applicants for private detective or private guard  
17      licensure as provided by section 463-9;

18      (18) Private schools and designated organizations on  
19      employees and prospective employees who may be in  
20      positions that necessitate close proximity to  
21      children; provided that private schools and designated





1 organizations receive only indications of the states  
2 from which the national criminal history record  
3 information was provided pursuant to section 302C-1;

4 (19) The public library system on employees and prospective  
5 employees whose positions place them in close  
6 proximity to children as provided by section  
7 302A-601.5;

8 (20) The State or any of its branches, political  
9 subdivisions, or agencies on applicants and employees  
10 holding a position that has the same type of contact  
11 with children, vulnerable adults, or persons committed  
12 to a correctional facility as other public employees  
13 who hold positions that are authorized by law to  
14 require criminal history record checks as a condition  
15 of employment as provided by section 78-2.7;

16 (21) The department of health on licensed adult day care  
17 center operators, employees, new employees,  
18 subcontracted service providers and their employees,  
19 and adult volunteers as provided by section 321-15.2;

20 (22) The department of human services on purchase of  
21 service contracted and subcontracted service providers



1 and their employees and volunteers, as provided by  
2 sections 346-2.5 and 346-97;

3 (23) The department of human services on foster grandparent  
4 program, senior companion program, and respite  
5 companion program participants as provided by section  
6 346-97;

7 (24) The department of human services on contracted and  
8 subcontracted service providers and their current and  
9 prospective employees that provide home and  
10 community-based services under section 1915(c) of the  
11 Social Security Act, title 42 United States Code  
12 section 1396n(c), or under any other applicable  
13 section or sections of the Social Security Act for the  
14 purposes of providing home and community-based  
15 services, as provided by section 346-97;

16 (25) The department of commerce and consumer affairs on  
17 proposed directors and executive officers of a bank,  
18 savings bank, savings and loan association, trust  
19 company, and depository financial services loan  
20 company as provided by section 412:3-201;



1       (26) The department of commerce and consumer affairs on  
2       proposed directors and executive officers of a  
3       nondepository financial services loan company as  
4       provided by section 412:3-301;

5       (27) The department of commerce and consumer affairs on the  
6       original chartering applicants and proposed executive  
7       officers of a credit union as provided by section  
8       412:10-103;

9       (28) The department of commerce and consumer affairs on:

10       (A) Each principal of every non-corporate applicant  
11       for a money transmitter license;

12       (B) Each person who upon approval of an application  
13       by a corporate applicant for a money transmitter  
14       license will be a principal of the licensee; and

15       (C) Each person who upon approval of an application  
16       requesting approval of a proposed change in  
17       control of licensee will be a principal of the  
18       licensee,

19       as provided by sections 489D-9 and 489D-15;



- 1           (29) The department of commerce and consumer affairs on
- 2                   applicants for licensure and persons licensed under
- 3                   title 24;
- 4           (30) The Hawaii health systems corporation on:
- 5                   (A) Employees;
- 6                   (B) Applicants seeking employment;
- 7                   (C) Current or prospective members of the corporation
- 8                           board or regional system board; or
- 9                   (D) Current or prospective volunteers, providers, or
- 10                           contractors,
- 11                   in any of the corporation's health facilities as
- 12                   provided by section 323F-5.5;
- 13           (31) The department of commerce and consumer affairs on:
- 14                   (A) An applicant for a mortgage loan originator
- 15                           license, or license renewal; and
- 16                   (B) Each control person, executive officer, director,
- 17                           general partner, and managing member of an
- 18                           applicant for a mortgage loan originator company
- 19                           license or license renewal,
- 20                   as provided by chapter 454F;



1       (32) The state public charter school commission or public  
2       charter schools on employees, teacher trainees,  
3       prospective employees, and prospective teacher  
4       trainees in any public charter school for any position  
5       that places them in close proximity to children, as  
6       provided in section 302D-33;

7       (33) The counties on prospective employees who work with  
8       children, vulnerable adults, or senior citizens in  
9       community-based programs;

10      (34) The counties on prospective employees for fire  
11      department positions that involve contact with  
12      children or vulnerable adults;

13      (35) The counties on prospective employees for emergency  
14      medical services positions that involve contact with  
15      children or vulnerable adults;

16      (36) The counties on prospective employees for emergency  
17      management positions and community volunteers whose  
18      responsibilities involve planning and executing  
19      homeland security measures including viewing,  
20      handling, and engaging in law enforcement or



1           classified meetings and assisting vulnerable citizens  
2           during emergencies or crises;

3       (37)   The State and counties on employees, prospective  
4           employees, volunteers, and contractors whose position  
5           responsibilities require unescorted access to secured  
6           areas and equipment related to a traffic management  
7           center;

8       (38)   The State and counties on employees and prospective  
9           employees whose positions involve the handling or use  
10          of firearms for other than law enforcement purposes;

11      (39)   The State and counties on current and prospective  
12          systems analysts and others involved in an agency's  
13          information technology operation whose position  
14          responsibilities provide them with access to  
15          proprietary, confidential, or sensitive information;

16      (40)   The department of commerce and consumer affairs on:

17          (A)   Applicants for real estate appraiser licensure or  
18               certification as provided by chapter 466K;

19          (B)   Each person who owns more than ten per cent of an  
20               appraisal management company who is applying for



1 registration as an appraisal management company,  
2 as provided by section 466M-7; and

3 (C) Each of the controlling persons of an applicant  
4 for registration as an appraisal management  
5 company, as provided by section 466M-7;

6 (41) The department of health or its designee on:

7 (A) Individual applicants or individuals acting on  
8 behalf of applying entities for hemp processor  
9 permits as provided under section 328G-2; and

10 (B) All license applicants, licensees, employees,  
11 contractors, and prospective employees of medical  
12 cannabis dispensaries, and individuals permitted  
13 to enter and remain in medical cannabis  
14 dispensary facilities as provided under sections  
15 329D-15(a)(4) and 329D-16(a)(3);

16 (42) The department of commerce and consumer affairs on  
17 applicants for nurse licensure or license renewal,  
18 reactivation, or restoration as provided by sections  
19 457-7, 457-8, 457-8.5, and 457-9;

20 (43) The county police departments on applicants for  
21 permits to acquire firearms pursuant to section 134-2,



1 on individuals registering their firearms pursuant to  
2 section 134-3, and on applicants for new or renewed  
3 licenses to carry a pistol or revolver and ammunition  
4 pursuant to section 134-9;

5 (44) The department of commerce and consumer affairs on:

6 (A) Each of the controlling persons of the applicant  
7 for licensure as an escrow depository, and each  
8 of the officers, directors, and principals who  
9 will be in charge of the escrow depository's  
10 activities upon licensure; and

11 (B) Each of the controlling persons of an applicant  
12 for proposed change in control of an escrow  
13 depository licensee, and each of the officers,  
14 directors, and principals who will be in charge  
15 of the licensee's activities upon approval of the  
16 application,

17 as provided by chapter 449;

18 (45) The department of taxation on current or prospective  
19 employees or contractors who have access to federal  
20 tax information in order to comply with requirements





1 of federal law, regulation, or procedure, as provided  
2 by section 231-1.6;

3 (46) The department of labor and industrial relations on  
4 current or prospective employees or contractors who  
5 have access to federal tax information in order to  
6 comply with requirements of federal law, regulation,  
7 or procedure, as provided by section 383-110;

8 (47) The department of human services on current or  
9 prospective employees or contractors who have access  
10 to federal tax information in order to comply with  
11 requirements of federal law, regulation, or procedure,  
12 and on current or prospective employees, volunteers,  
13 contractors, or contractors' employees or volunteers,  
14 subcontractors, or subcontractors' employees or  
15 volunteers, whose position places or would place them  
16 in close proximity to minors, young adults, or  
17 vulnerable adults, as provided by section 346-2.5;

18 (48) The child support enforcement agency on current or  
19 prospective employees, or contractors who have access  
20 to federal tax information in order to comply with



1 federal law, regulation, or procedure, as provided by  
2 section 576D-11.5;

3 (49) The department of the attorney general on current or  
4 prospective employees or employees or agents of  
5 contractors who have access to federal tax information  
6 to comply with requirements of federal law,  
7 regulation, or procedure, as provided by section  
8 28-17;

9 (50) The department of commerce and consumer affairs on  
10 each control person, executive officer, director,  
11 general partner, and managing member of an installment  
12 loan licensee, or an applicant for an installment loan  
13 license, as provided in chapter 480J;

14 (51) The university of Hawaii on current and prospective  
15 employees and contractors whose duties include  
16 ensuring the security of campus facilities and  
17 persons; [and]

18 (52) The department of business, economic development, and  
19 tourism on applicants and licensees pursuant to  
20 chapter ; and



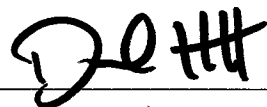
1        [~~(52)~~] (53) Any other organization, entity, or the State,  
2                    its branches, political subdivisions, or agencies as  
3                    may be authorized by state law."

4        SECTION 5. This Act does not affect rights and duties that  
5        matured, penalties that were incurred, and proceedings that were  
6        begun before its effective date.

7        SECTION 6. Statutory material to be repealed is bracketed  
8        and stricken. New statutory material is underscored.

9        SECTION 7. This Act shall take effect on July 1, 2026;  
10       provided that the amendments made to section 846-2.7(b), Hawaii  
11       Revised Statutes, by section 4 of this Act shall not be repealed  
12       when that section is reenacted on July 1, 2027, pursuant to  
13       section 4 of Act 110, Session Laws of Hawaii 2024.

14  
INTRODUCED BY: \_\_\_\_\_



JAN 28 2026



# H.B. NO. 2570

**Report Title:**

DBEDT; DOH; Gambling; Sports Wagering; Fantasy Sports;  
Licensing; Operators; Suppliers; General Excise Tax; Problem  
Gambling Prevention and Treatment Special Fund

**Description:**

Allows for the regulation of sports wagering by the Department of Business, Economic Development, and Tourism. Establishes licensing requirements for sports wagering operators and sports wagering suppliers. Establishes a general excise tax to be levied on sports wagering operator licenses. Establishes the Problem Gambling Prevention and Treatment Special Fund to be administered and expended by the Department of Health.

Specifies that legal sports wagering and fantasy sports contests shall not be considered contests of chance or gambling.

Authorizes the Department of Business, Economic Development, and Tourism to perform criminal history record checks on applicants and licensees relating to sports wagering.

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

