
A BILL FOR AN ACT

RELATING TO SPORTS WAGERING.

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

1 SECTION 1. This Act shall be known and may be cited as the
2 "Representative Daniel Holt Act".

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

6 **"CHAPTER**

7 **REGULATION OF SPORTS WAGERING**

8 § -1 **Definitions.** As used in this chapter, unless the
9 context otherwise requires:

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

15 "Amateur sports event" means any sports or athletic event
16 that is not a professional sports or athletic event, collegiate
17 sports or athletic event, or youth sports event. "Amateur



1 sports event" includes domestic, international, and Olympic
2 sports or athletic events.

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

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

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

14 "Department" means the department of business, economic
15 development, and tourism.

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

- 17 (1) There are no fewer than two participants; provided
18 that all participants are natural persons and a
19 fantasy sports contest operator shall not be construed
20 to be a participant;
- 21 (2) Participants own, manage, or coach imaginary teams;



- 1 (3) All prizes and awards offered to winning participants
2 are established and made known to participants in
3 advance of the game or contest;
- 4 (4) The winning outcome of the game or contest reflects
5 the relative skill of the participants and is
6 determined by statistics generated by actual
7 individuals, including athletes in the case of a
8 sporting event; and
- 9 (5) No winning outcome is based solely on the performance
10 of an individual athlete or on the score, point
11 spread, or any performance of any single real-world
12 team or any combination of real-world teams.
- 13 "Gross sports wagering receipts" means the total of all
14 cash paid by patrons as wagers.
- 15 "License" means any license applied for or issued by the
16 department under this chapter, including but not limited to:
- 17 (1) A sports wagering operator license under section -5
18 to permit a sports wagering operator to operate sports
19 wagering through an approved mobile application or
20 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; an 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



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

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

11 § -2 **Authorization of sports wagering; license required;**
12 **rules; emergency rules.** (a) Notwithstanding any law to the
13 contrary, sports wagering and ancillary activities shall be
14 lawful when conducted under this chapter and rules adopted under
15 this chapter.

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

20 (c) The department may conduct periodic verifications to
21 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:



- 1 (A) Actions taken by the department to ensure
- 2 compliance by operators;
- 3 (B) Actions taken against any illegal sports betting
- 4 operations, including unlicensed sports betting
- 5 operators;
- 6 (C) Funds received from license fees, tax revenues,
- 7 fines, or other sources;
- 8 (D) The department's engagement with the community;
- 9 and
- 10 (E) Any other findings or recommendations, including
- 11 any proposed legislation.
- 12 (f) The department shall adopt rules pursuant to chapter
- 13 91 to effectuate the purposes of this chapter, including rules
- 14 regarding:
- 15 (1) Geolocation, identity-verification, and age-
- 16 verification controls to ensure wagers are accepted
- 17 only from a person who is of legal age to place a
- 18 sports wager and who is physically within an
- 19 authorized jurisdiction at the time the person places
- 20 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



1 applicant and each person disclosed under subsection
2 (b) (2);

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

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

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

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

18 (1) Each corporate holding company, parent company, or
19 subsidiary company of a corporate applicant or
20 licensee and each person who owns fifteen per cent or
21 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;



- 1 (4) The applicant or licensee has been convicted of a
- 2 crime of moral turpitude, gambling-related offense,
- 3 theft or fraud offense, or has otherwise demonstrated,
- 4 either by a police record or other satisfactory
- 5 evidence, a lack of respect for law and order;
- 6 (5) The applicant or licensee has not demonstrated, to the
- 7 satisfaction of the department, financial
- 8 responsibility sufficient to adequately meet the
- 9 requirements of the licensed business or proposed
- 10 business; or
- 11 (6) An applicant or licensee has not met the requirements
- 12 of this section or any other provision of this
- 13 chapter.

14 § -5 **Sports wagering operator license; issuance; fees;**
15 **term of license; temporary license.** (a) The department shall
16 issue a minimum of six sports wagering operator licenses to
17 applicants that meet all requirements of this section,
18 section -3, and rules adopted under this chapter and that
19 have not violated any provision of this chapter; provided that
20 this section shall not be interpreted to direct the department
21 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;



- 1 (7) Conspicuously display in all advertising for sports
2 wagering the availability of the toll-free helpline
3 "1-800-GAMBLER" or a successor phone number;
- 4 (8) At all times, maintain sufficient cash and other
5 supplies to conduct sports wagering;
- 6 (9) Maintain daily records showing the gross sports
7 wagering receipts and adjusted gross sports wagering
8 receipts of the licensee; and
- 9 (10) Timely file with the department any additional reports
10 required by this chapter or by rule adopted under this
11 chapter.

12 § -9 **Sports wagering agreements.** (a) The department
13 may:

- 14 (1) Enter into sports wagering agreements with other
15 states, territories, nations, jurisdictions,
16 governments, or other entities to accept wagers from
17 individuals located outside the State; provided that
18 entering into the sports wagering agreement shall not
19 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) No employee of a sports wagering operator shall place
19 a wager on any wagering event through an unapproved or approved
20 mobile application or digital platform of that employee's
21 employer.



1 § -11 **Voluntary exclusion program.** (a) The department
2 shall establish a voluntary exclusion program for any individual
3 to voluntarily exclude themselves from sports wagering. Sports
4 wagering operators shall use reasonable means to comply with the
5 exclusion of individuals participating in the voluntary
6 exclusion program by the department.

7 (b) The department shall adopt rules to establish the
8 voluntary exclusion program, including the following:

- 9 (1) Verification of the individual's request to be placed
10 in the voluntary exclusion program and for how long,
11 up to and including that individual's lifetime;
- 12 (2) How information regarding the identity of individuals
13 who are in the voluntary exclusion program shall be
14 disseminated to sports wagering operators;
- 15 (3) How an individual in the voluntary exclusion program
16 may petition the department for removal from the
17 voluntary exclusion program;
- 18 (4) The means by which sports wagering operators and their
19 agents shall make all reasonable efforts to cease
20 direct marketing efforts to individuals participating
21 in the voluntary exclusion program; and



1 (5) The means by which the department shall make available
2 to all sports wagering operators the names of the
3 individuals participating in the voluntary exclusion
4 program; provided that the names shall be made
5 available at least quarterly.

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

13 § -12 **Sports wagering revenues; tax.** (a) For the
14 privilege of holding a license to engage in sports wagering as a
15 sports wagering operator, the tax imposed by section 237-13(9)
16 shall be levied on the licensee. The accrual method of
17 accounting shall be used for purposes of calculating the amount
18 of the tax owed by the licensee. The department of taxation
19 shall adopt rules and develop any forms necessary to carry out
20 enforcement of this section. This tax shall be in lieu of all
21 other taxes imposed on the operation of sports wagering or on



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

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

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

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

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

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

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

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

17 **§ -13 Problem gambling prevention and treatment special**

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



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

3 (2) The portion of taxes collected under section -12
4 for deposit into the problem gambling prevention and
5 treatment special fund.

6 Any interest and moneys earned on the investments shall be
7 credited to the special fund. Notwithstanding any other
8 provision of law to the contrary, any moneys remaining in the
9 special fund at the end of the biennium shall not revert to the
10 credit of the general fund of the State.

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

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

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

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

20 § -14 **Civil violation.** Except as provided in
21 section -15, 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 § -15 **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



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

6 § -16 **Exemption from gambling.** Sports wagering operated
7 by a sports wagering operator licensed under and in compliance
8 with this chapter shall not constitute a gambling offense under
9 part III of chapter 712. Fantasy sports contests as defined
10 under this chapter shall not constitute a gambling offense under
11 part III of chapter 712."

12 SECTION 3. Section 237-13, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "§237-13 **Imposition of tax.** There is hereby levied and
15 shall be assessed and collected annually privilege taxes against
16 persons on account of their business and other activities in the
17 State measured by the application of rates against values of
18 products, gross proceeds of sales, or gross income, whichever is
19 specified, as follows:

20 (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 4. 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 5. 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 346-
13 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 of youth services or
18 the Hawaii youth correctional facility, as provided by
19 section 352D-4.3;
- 20 (15) The judiciary on employees and applicants at detention
21 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 302A-
7 601.5;
- 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 community-
10 based services under section 1915(c) of the Social
11 Security Act, title 42 United States Code section
12 1396n(c), or under any other applicable section or
13 sections of the Social Security Act for the purposes
14 of providing home and community-based services, as
15 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 to comply with federal law,



- 1 regulation, or procedure, as provided by section 576D-
2 11.5;
- 3 (49) The department of the attorney general on current or
4 prospective employees, contractors, contractor's
5 employees, or subcontractors who have access to
6 federal tax information to comply with federal law,
7 regulation, or procedure, as provided by section 28-
8 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;
- 18 (52) The department of commerce and consumer affairs on
19 applicants for physician licensure or license renewal,
20 through the Interstate Medical Licensure Compact as
21 provided by section 453B-2; [and]



1 (53) The department of business, economic development, and
2 tourism on applicants and licensees pursuant to
3 chapter ; and

4 [~~(53)~~] (54) Any other organization, entity, or the State,
5 its branches, political subdivisions, or agencies as
6 may be authorized by state law."

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

10 SECTION 7. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 8. This Act shall take effect on July 1, 3000;
13 provided that the amendments made to section 846-2.7(b), Hawaii
14 Revised Statutes, by section 5 of this Act shall not be repealed
15 when that section is reenacted on July 1, 2027, pursuant to
16 section 4 of Act 110, Session Laws of Hawaii 2024.



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. Effective 7/1/3000. (HD1)

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

