

Honolulu, Hawaii

**FEB 13** , 2026

RE: H.B. No. 2198  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2198 entitled:

"A BILL FOR AN ACT RELATING TO PREDICTION MARKETS,"

begs leave to report as follows:

The purpose of this measure is to update the State's gambling laws to expressly prohibit prediction event contracts relating to catastrophe, contests, death, people, politics, and sports.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; Hawaii Family Forum; Stop Predatory Gambling; and nine individuals. Your Committee received testimony in opposition to this measure from three individuals.

Your Committee finds that a prediction market is where individuals trade contracts based on the outcomes of unknown future events, such as election results or sports competitions. The price in a prediction market is a bet that a particular event will occur. The price also represents an estimated value that the person placing the bet assigns to the parameters being considered in the bet.

Your Committee further finds that prediction markets pose significant moral dilemmas by commodifying real-world events. In



some cases, such commodification may be benign, such as the \$448,667 bets placed in January 2025 on whether the Governor would say certain words or phrases during the State of the State address.

However, prediction markets may also incentivize negative outcomes because prediction markets allow persons to bet on disturbing events. For example, prediction markets allow individuals to place a bet on whether a person dies, which then creates a financial incentive for the bettors to cause the death. Public policy should never incentivize persons to benefit financially from tragedy or instability. This measure closes the gap in the State's existing gambling law to prohibit such markets with respect to certain categories.

Your Committee has amended this measure by:

- (1) Adding legislation and national security as categories for which bets in prediction markets would be prohibited;
- (2) Clarifying that the amendments in this measure are not affected by a statutory repeal and reenactment on July 1, 2029, pursuant to Act 249, Session Laws of Hawaii 2024;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2198, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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SCOT Z. MATAYOSHI, Chair



