

STAND. COM. REP. NO. 2890

Honolulu, Hawaii

MAR 06 2026

RE: S.B. No. 3281
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 3281 entitled:

"A BILL FOR AN ACT RELATING TO GAMBLING ENFORCEMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the criminal offense of promoting an illegal electronic gambling device; and
- (2) Authorize civil penalties and actions relating to premises on which an illegal electronic gambling device has been used.

Your Committee received testimony in support of this measure from the Nation of Hawai'i and one individual.

Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee received comments on this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that illegal electronic gambling devices have proliferated across communities in the State. While these



devices are frequently presented as games of skill or amusement, they actually function as gambling devices by awarding items of value based on chance, or a combination of chance and skill. Additionally, these devices raise concerns about public safety, consumer protection, and organized crimes because they operate outside any lawful gambling framework and are often associated with money laundering, narcotics trafficking, and other criminal enterprises. This measure will safeguard communities against illegal electronic gambling devices by imposing duties on operators and complicit property owners.

Your Committee has amended this measure by:

- (1) Deleting language that would have allowed a law enforcement agency to provide oral notice to an owner, lessor, sublessor, or property manager of the use of an illegal electronic gambling device on the premises;
- (2) Inserting language specifying that any owner, lessor, sublessor, or property manager who, within ten business days after the receipt of notice of the use of an illegal electronic gambling device on the premises, is not in violation of the prohibition of allowing the operation of an illegal electronic gambling device on the premises if the person:
 - (A) Provides written demand to the operator or occupant to cease the prohibited activity; and
 - (B) Commences certain reasonable abatement actions reasonably calculated to stop the activity;
- (3) Specifying that, for the prohibition against allowing the operation of an illegal electronic gambling device on the premises:
 - (A) The court may impose additional civil penalties against a person who violates the prohibition upon a finding of continued noncompliance after issuance of a compliance order;
 - (B) "Per violation" means per premises and per written notice period;



- (C) A court is required to, in determining the amount of any civil penalties for a violation of the prohibition, consider the person's knowledge, degree of control, promptness of abatement, cooperation with law enforcement, and whether the person made good-faith efforts to prevent recurrence; and
- (D) A "violation" means a final judgment or court finding that the premises was used for the operation of an illegal electronic gambling device, including a criminal conviction;
- (4) Deleting language that would have allowed the Attorney General, any county prosecuting attorney, any county police chief, or the Director of Law Enforcement to seek certain actions against a premises on which the use or operation of an illegal electronic gambling device has occurred more than once in any twelve-month period;
- (5) Inserting language allowing the Attorney General, any county prosecuting attorney, any county police chief, or the Director of Law Enforcement to seek certain actions against a building, premises, or place used for the purpose of:
- (A) Certain nuisances;
- (B) Offenses against public health and morals; or
- (C) Other offenses,
- including places on which the use or operation of an illegal electronic gambling device has occurred more than once in any twelve-month period;
- (6) Inserting language specifying that a court may only issue a closure order, lock order, or appoint a receiver for a building, premises, or place used for the purpose of certain nuisances or offenses upon providing notice and an opportunity to be heard and making certain findings;



- (7) Inserting language specifying that for offenses under section 712-1270, Hawaii Revised Statutes, including violations against the prohibition against allowing the operation of an illegal electronic gambling device on the premises:
- (A) A "chronic nuisance" means three or more violations within any twelve-month period, or a violation occurring while an abatement, closure, or compliance-inspection order is in effect;
 - (B) "More than once in any twelve-month period" means two or more violations occurring within any twelve-month period, measured from the date of the first violation to the date of the second violation; and
 - (C) "Notice" means a written notice issued by a law enforcement agency that is served personally by certified mail, or by electronic mail, to an address designated for notice in the lease or management agreement; identifies the premises; states the date and general nature of the observed conduct; and states the basis for believing that the premises is being used for the purpose of violating certain laws or that violations are occurring on the premises;
- (8) Amending section 1 to reflect its amended purpose;
- (9) Inserting an effective date of March 22, 2075, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3281, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



