



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I. HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Economic Development & Technology
Wednesday, February 11, 2026
8:30 a.m.
Conference Room 423

On the following measure:
H.B. 1945, RELATING TO GAMING ON CRUISE SHIPS

Chair Ilagan and Members of the Committee:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs' (Department). The Department opposes this bill.

The purpose of this bill is to: (1) authorize gaming on cruise ships while a cruise ship is traveling within any state waters or for specified times while docked at a state harbor; (2) imposes a twenty per cent wagering tax on the adjusted gross receipts derived from gaming on cruise ships; and (3) requires the Department of Commerce and Consumer Affairs to report to the Legislature.

The Department's mission is to protect consumers, promote fair competition, and foster a healthy and vibrant business environment in Hawaii. While we oversee a wide array of industries, the administration and regulation of gambling is outside our core competencies and existing statutory framework. Unlike jurisdictions that have authorized gaming, Hawaii does not have a dedicated gaming commission or comparable agency with specialized expertise in this field. In the absence of such a

commission, this bill would effectively require the Department to assume the role of a gaming regulatory body, which is fundamentally different from licensing, registration, and consumer protection functions.

Regulating gaming on cruise ships would require a specialized regulatory regime, including the development of technical standards for gaming devices and systems; licensing and background investigations of operators and key employees; ongoing audit, surveillance, and enforcement capabilities; and the capacity to address complex issues such as problem gambling, money laundering risks, and cross-jurisdictional compliance. The Department does not currently possess the staffing, investigative capacity, or technical expertise necessary to carry out these functions. Building this capacity would require substantial new appropriations, the creation of new positions with highly specialized skill sets, and significant time to establish an appropriate regulatory structure.

Placing these responsibilities within the Department, without first establishing a dedicated gaming regulatory framework and body, also risks creating conflicts with our existing mandates. Our current programs are designed around traditional consumer protection and business regulation models, not around continuous, high-intensity monitoring of gaming activity occurring on vessels that would move in and out of Hawaii's jurisdiction. The bill's reliance on the Department to adopt rules, oversee compliance, and implement an entirely new regulatory program would therefore strain our existing resources and divert attention from our core statutory responsibilities. While the department defers to the Attorney General for final legal determination, we question whether imposing a gaming tax would be included in the recent federal courts overturn of imposition of a Green fee tax.

For these reasons, the Department believes that, if the Legislature wishes to pursue any form of legalized gaming, it should first consider whether a separate, specialized entity such as an independent gaming commission with clearly defined powers, funding, and safeguards is necessary, rather than assigning this role to an existing agency that was not designed or resourced for gaming oversight.

Thank you for the opportunity to testify on this bill.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1945, Relating to Gaming

BEFORE THE:

House Committee on Economic Development & Technology

DATE: Wednesday, February 11, 2026

TIME: 8:30 a.m.

LOCATION: State Capitol, Room 423

Chair Ilagan, Vice-Chair Hussey, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1945 for your consideration.

Section 1 of H.B. 1945 adds a new chapter to the Hawaii Revised Statutes (HRS) authorizing gaming on cruise ships and establishing a regulatory framework to be managed under the authority of the Department of Commerce and Consumer Affairs (DCCA).

New section ____-4 creates a "wagering tax" of 20 percent of the "adjusted gross receipts" from the games authorized under this new chapter. The owner or operator of the cruise ship is responsible for remitting the wagering tax to DOTAX no later than 14 days after the last day of each month in which wagers were made for deposit into the general fund. The wagering tax is imposed in lieu of all other State taxes on gross or adjusted gross receipts, including taxes imposed under chapters 237 (general excise tax) and 239 (public service company tax), but excepting income taxes (chapter 235).

New section ____-5 requires the owner or operator of a cruise ship to keep records and books documenting the total gross and adjusted gross income from

gaming, and all receipts from casino operations, and to provide “reports and information” as required by the “department” to determine the wagering tax due.

“Gross receipts” is defined as the total amount of money wagered or exchanged for the purchase of chips, tokens, or electronic cards by passengers on a cruise ship. “Adjusted gross receipts” means the gross receipts less winnings paid to wagers, and “Department” means the DCCA.

The measure will take effect upon approval with Section 1 effective on August 1, 2027.

DOTAX recommends that a new chapter in title 14, HRS, be created for the new wagering tax, which will be separate from the provisions relating to gaming regulations. DOTAX further recommends that the new chapter in title 14, HRS, include provisions that will assist DOTAX in administering the tax, including provisions relating to requirements that the taxpayer register with DOTAX and file monthly and annual returns, and provisions outlining procedures for assessment, audit, refunds, appeals, disclosure of tax return information, and collections. Without these provisions, DOTAX will not be able to successfully administer the new tax.

DOTAX also recommends that the effective date be amended to January 1, 2028, to allow for the adoption of administrative rules, forms, and instructions necessary for the implementation of the new proposed tax.

Thank you for the opportunity to provide comments on this measure.



February 9, 2026

Position: **OPPOSE HB1945**, Relating to Gaming

To: Representative Greggor Ilagan, Chair
Representative Ikaika Hussey, Vice Chair
Members of the House Committee on Economic Development & Technology

From: Llasmin Chaine, LSW, Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in OPPOSITION of HB1945, Relating to Gaming

Hearing: Wednesday, February 11, 2026, 8:30 a.m.
Conference Room 426, State Capitol

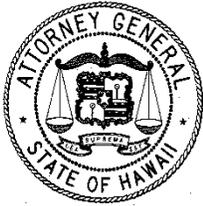
The Hawaii State Commission on the Status of Women is dedicated to advancing gender equity, promoting the safety and wellbeing of women and girls, and supporting policies that prevent exploitation and harm. The Commission **opposes HB1945**, which authorizes gaming on cruise ships within state waters, as it raises significant concerns related to the Commission's mission and priorities.

Legalized gaming, even when limited to cruise ships, has been **linked** in various jurisdictions **to increased risks of exploitation, particularly for women and vulnerable populations**. The introduction of gaming environments can contribute to higher incidences of trafficking, harassment, and other forms of gender-based violence, especially in transient and tourism-focused settings. **These risks are amplified** in spaces where oversight may be challenging and **where individuals may be isolated and have limited access to support services**.

While the bill includes regulatory and reporting requirements, **it does not directly address the potential social impacts on women and girls or propose safeguards to mitigate gender-based harms**.

We urge the Legislature to prioritize health and safety, and to consider the broader social consequences of this measure. Hawaii should not rely on gambling losses as a revenue source or expose our communities to increased harm.

I respectfully urge this Committee to **defer HB1945**. Thank you for this opportunity to submit testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:
H.B. NO. 1945, RELATING TO GAMING.

BEFORE THE:
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

DATE: Wednesday, February 11, 2026 **TIME:** 8:30 a.m.

LOCATION: State Capitol, Room 423

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Jordan A. K. Ching, Deputy Attorney General

Chair Ilagan and Members of the Committee:

The Department of the Attorney General (Department) opposes this bill.

The bill: (1) authorizes gaming on cruise ships while a cruise ship is traveling within state waters or for specified times while docked at a state harbor; (2) imposes a twenty percent wagering tax on adjusted gross receipts derived from gaming on cruise ships; and (3) requires the Department of Commerce and Consumer Affairs to submit an implementation plan for gaming on cruise ships to the Legislature.

The Department opposes this bill due to the well-studied public health and safety issues associated with legalized gambling. Although the bill limits gambling activities to cruise ship passengers and restricts gaming to certain times and locations, it would nonetheless expand legalized gambling in the State and increase the State's exposure to the known adverse social and economic effects of gambling.

The bill restricts wagering to a "passenger present on a cruise ship," but does not define the term "passenger." Because the bill also permits gaming while docked at a state harbor for specified times, the absence of a clear definition creates ambiguity regarding who may legally participate in gaming activities and when passenger status begins and ends. This lack of clarity may undermine effective enforcement and increase the risk of unintended expansion of gaming access beyond what the Legislature may have intended.

This concern is compounded by the bill's failure to establish meaningful age or identity verification standards. Although the bill prohibits persons under the age of twenty-one from wagering, it does not specify how age is to be verified or require minimum verification procedures. Without clear standards—and in the absence of a defined "passenger" class—enforcement may rely largely on operator practices, increasing the risk of underage participation and allowing operators to later claim they were unaware of a passenger's age or relied on inadequate screening.

The Department also notes a technical drafting concern regarding the bill's effective dates. While section 1 of the bill, which establishes the authorization and regulatory framework for gaming on cruise ships, does not take effect until August 1, 2027, sections 2 and 3 take effect upon approval. This creates potential ambiguity by amending criminal and gambling statutes before the underlying authorization and regulatory scheme is operative, which may complicate enforcement and public understanding during the interim period.

For the foregoing reasons, the Department respectfully opposes this bill and requests that it be deferred.

Thank you for the opportunity to testify on this measure.

**DEPARTMENT OF THE PROSECUTING ATTORNEY
KA 'OIHANA O KA LOIO HO'OPI'I
CITY AND COUNTY OF HONOLULU**

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STEVEN S. ALM
PROSECUTING ATTORNEY
LOIO HO'OPI'I



THOMAS J. BRADY
FIRST DEPUTY PROSECUTING ATTORNEY
HOPE MUA LOIO HO'OPI'I

**THE HONORABLE GREGGOR ILAGAN, CHAIR
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY
Thirty-Third State Legislature
Regular Session of 2026
State of Hawai'i**

February 11, 2026

RE: H.B. 1945; RELATING TO GAMING.

Chair Ilagan, Vice-Chair Hussey and members of the House Committee on Economic Development & Technology, my name is Steve Alm and I am the Prosecuting Attorney for the City and County of Honolulu. The Department of the Prosecuting Attorney ("Department") for the City and County of Honolulu submits the following testimony in **strong opposition** of H.B. 1945.

The legalization of any type of gambling, in this case on cruise ships would, in all likelihood, open the door to legalizing other types of gambling in Hawai'i, in particular, sports betting.

Currently, Hawai'i's gambling laws include a substantial exception for "social gambling" (see Section 712-1231, Hawaii Revised Statutes), which allow, for example, a typical "poker night" or Super Bowl "betting pool" at the home of a friend or family member. If conducted in this manner, "sports wagering" can already be enjoyed legally by Hawaii residents, and the Department has no problems with such activity. Once gambling starts to involve large-scale operations, business corporations or other money-making entities, however, the Department is extremely concerned about the known risks and societal costs associated with legalized gambling. Our laws currently list "gambling" within the definitions of "organized crime" and "racketeering" for good reason.

In a study conducted by Brett Hollenbeck, Poet Larsen, and Davide Proserpio¹, researchers examined the effects that legalized sports gambling had on communities after laws were enacted to allow sports wagering. This study found that "...the ease of access to sports gambling is harming consumer financial health by increasing their level of debt." This study found that there was a 25-30% increase in likelihood of bankruptcy filings. The ease of access

¹ The Financial Consequences of Legalized Sports Gambling; July 2024; https://bretthollenbeck.com/wp-content/uploads/2024/07/hollenbeck_sports_gambling.pdf

that H.B.1308 H.D. 1 offers will contribute to an exacerbation of gambling-related financial harm because citizens will be able to place bets "anytime and anywhere". This is in addition to an increase in auto loan delinquency, credit card delinquency, and collections. This is not a policy we want to promote when Hawai'i citizens already live in a place that has one of the highest cost of living.

A recent study conducted by the Rady School of Management found that "...legalization leads to more irresponsible gambling spending among lower-income consumers than among higher-income gamblers."² This study also found that,

"Of the more than 700,000 gamblers that we studied, 96% percent appeared to lose money to online gambling," Wilbur said. "Only 4% made money from online betting. That is by design. Online gambling platforms often ban or throttle frequent winners' accounts. There is no right to gamble."³

In addition to financial issues, legalized sports wagering increases intimate partner violence ("IPV"). Kyutaro Matsuzawa and Emily Arnesen found that "... when sports gambling is legalized, the effect of NFL home team upset losses on IPV increases by around 10 percentage points."⁴ Additionally, their study found that the effect is larger in states where there is mobile betting.

With so many issues facing our state, such as lack of affordable housing, homelessness, drug and alcohol addiction, we should be focused on addressing these real issues that impact our residents instead of bringing in legalized sports wagering and gambling that will exacerbate the problems already facing our community. Is the increase in tax revenue worth the negative impact on the lives of Hawai'i residents?

For all of the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu **strongly opposes** the passage of H.B. 1945. Thank you for the opportunity to testify on this matter.

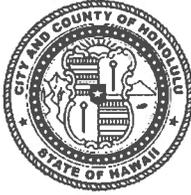
² Legalized Gambling Increases Irresponsible Betting Behavior, Especially Among Low-Income Populations; UC San Diego Today; July 23, 2024; <https://today.ucsd.edu/story/legalized-gambling-increases-irresponsible-betting-behavior-especially-among-low-income-populations>

³ See above.

⁴ Sports Betting Legalization Amplifies Emotional Cues & Intimate Partner Violence; Kyutaro Matsuzawa and Emily Arnesen; August 2024; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4938642

HONOLULU POLICE DEPARTMENT
KA 'OIHANA MĀKA'I O HONOLULU
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
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AARON TAKASAKI-YOUNG
RYAN T. NISHIBUN
INTERIM DEPUTY CHIEFS
NĀ HOPE LUNA NUI MĀKA'I KŪIKAWA

OUR REFERENCE JP-HR

February 11, 2026

The Honorable Greggor Ilagan, Chair
and Members
Committee on Economic Development
and Technology
House of Representatives
415 South Beretania Street, Room 423
Honolulu, Hawai'i 96813

Dear Chair Ilagan and Members:

SUBJECT: House Bill No. 1945, Relating to Gaming

I am Jerome A. Pacarro, Major of the Narcotics/Vice Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD opposes House Bill No. 1945, Relating to Gaming.

The HPD opposes legislation that would pave the way for legalized gaming. From a law enforcement perspective, we have consistently seen that the legalization of gambling correlates with increased crime, organized criminal activity, and social issues such as money laundering and economic hardship. Studies have shown that jurisdictions with legalized gambling often experience measurable increases in crime over time. Accordingly, we oppose this measure due to the public safety risks and negative societal impacts that often accompany gambling expansion.

The HPD urges you to oppose House Bill No. 1945, Relating to Gaming.

Thank you for the opportunity to testify.

APPROVED:


Rade K. Vanic
Interim Chief of Police

Sincerely,


Jerome A. Pacarro, Major
Narcotics/Vice Division



Submitted Online: February 9, 2026

TO: House Committee on Economic Development & Technology
Rep. Greggor Hagan, Chair
Rep. Ikaika Hussey, Vice-Chair

FROM: Eva Andrade, President

RE: Strong Opposition to HB 1945 Relating to Gaming

My name is Eva Andrade, and I am the President & CEO of Hawai‘i Family Forum, a non-profit, nonpartisan, pro-family education organization committed to preserving and strengthening families in Hawai‘i. We work to educate citizens on public policy issues that impact families, faith, and community well-being. Hawai‘i Family Forum strongly opposes HB 1945.

HB 1945 represents a significant departure from Hawai‘i’s long-standing policy against gambling by authorizing casino-style gaming on cruise ships while docked at Hawai‘i harbors and while traveling in state waters. While framed as a limited or contained form of gambling, this bill creates a new statutory framework that normalizes gambling under state law and sets a clear precedent for future expansion.

While there may be legal and technical arguments surrounding jurisdiction, taxation, and regulatory authority, Hawai‘i Family Forum leaves those matters to legal experts and regulatory specialists. Our concern is broader and more fundamental. As a matter of public policy, authorizing gambling within Hawai‘i’s harbors and state waters is harmful to families and communities and represents a direction that undermines the values Hawai‘i has long upheld. Good public policy should prioritize the long-term well-being of people over short-term revenue opportunities, and HB 1945 fails that test.

Hawai‘i has historically rejected gambling because of its well-documented social harms. Gambling addiction, financial instability, family breakdown, and increased demand on social services do not remain isolated to the location where gambling occurs. These consequences inevitably impact families, communities, nonprofits, and state resources. Any projected revenue from wagering must be weighed against these long-term social costs, which this bill does not adequately address.

This bill also opens the door to broader gambling expansion. Once gambling is authorized in Hawai‘i’s ports—even on cruise ships—it becomes increasingly difficult to draw principled boundaries. History from other states demonstrates that “limited” gambling expansions often lead to pressure for additional forms of gambling, including land-based casinos.



**HB 1945 Relating to Gaming
Page Two**

Furthermore, the bill places enforcement and oversight responsibilities on state agencies that are already stretched thin, while relying heavily on cruise ship operators to self-regulate and report compliance. This raises serious concerns about effective oversight, consumer protection, and the exposure of vulnerable individuals to gambling-related harm.

Hawai'i's economic future should not depend on gambling. Our state has thrived by prioritizing family-centered values, cultural integrity, and responsible tourism. Expanding gambling in our harbors undermines that vision and shifts economic risk onto Hawai'i's families while allowing outside industries to profit.

For these reasons, Hawai'i Family Forum respectfully urges the Committee to vote NO on HB 1945. Thank you for the opportunity to submit testimony and for your thoughtful consideration of this important issue.

Mahalo for the opportunity to testify.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, GENERAL EXCISE, PUBLIC SERVICE COMPANY,
Gaming on Cruise Ships with Wagering Tax

BILL NUMBER: HB 1945

INTRODUCED BY: TAM, AMATO, ILAGAN, KAHALOA, KUSCH, MIYAKE,
MORIKAWA, OLDS, TAKAYAMA

EXECUTIVE SUMMARY: Beginning 8/1/2027, authorizes gaming on cruise ships while a cruise ship is traveling within any state waters or for specified times while docked at a state harbor. Imposes a twenty per cent wagering tax on the adjusted gross receipts derived from gaming on cruise ships. Requires the Department of Commerce and Consumer Affairs to report to the Legislature.

SYNOPSIS: Adds a new chapter to the HRS to regulate gaming on cruise ships. Section -4 of the new chapter imposes a wagering tax of 20% on the adjusted gross receipts from gaming, which section -1 defines as gross receipts less winnings paid to wagerers. The wagering tax is in lieu of all other state taxes on gross or adjusted gross receipts, except income taxes, including taxes levied under chapters 237 (general excise tax) and 239 (public service company tax).

Makes amendments to chapter 712, HRS, to exempt such gaming from the penal code.

EFFECTIVE DATE: Upon approval, except that the new chapter takes effect on August 1, 2027.

STAFF COMMENTS: When deciding to legalize gaming, we need to be mindful about the possibility of opening Pandora's box to a degree greater than we may have anticipated.

This possibility arises because of a federal law called the Indian Gaming Regulatory Act, or IGRA, 25 U.S.C. §§ 2701 et seq. President Ronald Reagan signed it into law on October 17, 1988, and, interestingly enough, the primary legislators involved in drafting it were Senator Daniel Inouye of Hawaii, Representative John McCain of Arizona, and Representative Mo Udall of Arizona.

The IGRA allows Indian tribes to conduct gaming operations in a State, even if the State doesn't agree, under certain conditions. Basically, you need to have an Indian tribe, Indian lands, and gambling that is permitted by the State.

We now have neither Indians nor Indian lands here. However, there's nothing to prevent Native Americans headquartered elsewhere from packing their bags and moving here if the opportunity is right. Indian lands usually means a reservation, but it could be any lands over which an Indian

tribe exercises governmental power. It is possible for any of the federally recognized Native American tribes from whipping out a checkbook, buying up some land, and then going to the Department of the Interior to invoke a process called “fee-to-trust.” That process would result in the tribe acquiring governmental power over the land. See <https://www.doi.gov/ocl/trust-land-acquisition>.

Once those elements are in place, the IGRA says that the State will need to allow casino gaming on tribal lands if it allows casino gaming anywhere else. Those are the rules for what the IGRA calls “Class III gaming.” Thus, if this bill passes, casino gaming can be allowed in other locations in Hawaii for Indians on Indian lands.

There will be some temporary hurdles. A tribal ordinance permitting the gaming needs to be approved by the National Indian Gaming Commission, which shouldn’t be tough for a tribe that already conducts Class III gaming in another state. Finally, either the state and the tribe need to negotiate a compact, or deal, or the Department of the Interior needs to approve regulatory procedures over the gaming. In other words, if the tribe and the State don’t agree to a deal the Department of the Interior can shove one down the State’s throat.

And here is the kicker. The IGRA also provides that States are not allowed to levy taxes or fees on tribal gambling, unless specifically allowed in the compact. Thus, not only can an Indian tribe come to Hawaii to conduct casino gambling, but it might be able to conduct the gambling free of State tax. Here, that could be a tremendous competitive advantage over the proposed cruise ship casino, where this bill specifically provides for a 20% tax on gross gaming revenues.

The reason none of this has happened yet in Hawaii is simple. Hawaii has not allowed any form of gambling so far. So, under the IGRA, not even Class II gaming (bingo games and similar) is allowed in Hawaii.

All of that being said, are we in Hawaii ready for Class III gaming and the consequences that may well ensue from them?

Digested: 2/7/2026

HB-1945

Submitted on: 2/9/2026 1:33:51 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Brandon Makaawaawa	Nation of Hawai'i	Oppose	In Person

Comments:

Testimony of Brandon Maka'awa'awa
On Behalf of the Nation of Hawai'i
In Opposition to HB1945 - Relating to Gaming on Cruise Ships

Before the House Committee on Economic Development and Technology

House Committee on Consumer Protection and Commerce

House Committee on Judiciary and Hawaiian Affairs

Chair, Vice Chair, and Members of the Committee,

The Nation of Hawai'i respectfully submits testimony in opposition to HB1945.

The Nation recognizes that proposals on gaming such as this one on cruise ships are being discussed as part of broader efforts to identify new sources of revenue for the State. These discussions are understandable given the economic pressures facing Hawai'i. At the same time, decisions involving gaming should be evaluated not only by the revenue they may generate, but by how economic value is created, whether the activity contributes meaningfully to Hawai'i's long-term economic viability, its impact on all Hawaiians, and community wellbeing.

HB1945 would authorize gaming on cruise ships while operating within state waters or while docked at state harbors. Unlike other proposals currently under consideration, this form of gaming would occur largely outside of Hawai'i's local economy. The activity would take place

aboard vessels owned and operated elsewhere, with limited connection to local employment, local investment, or long-term economic development within Hawai'i. While the State may receive wagering tax revenue, much if not all of the economic value generated through gaming activity would leave the islands rather than circulating within local communities. There would be minimal incremental value other than the potential tax revenue that would be limited.

From the Nation's perspective, this raises a distinct policy consideration. If Hawai'i chooses to introduce gaming in any form, it should be structured in a way that strengthens local economic foundations and aligns with broader community priorities. Cruise ship gaming risks normalizing gaming activity in state waters without establishing durable economic benefit or clear local alignment. This distinction is important, particularly while the Legislature and its working group is still considering the broader role gaming may or may not play in Hawai'i's future economy.

Last year, the Legislature established a Tourism and Gaming Working Group to examine gaming policy in a comprehensive manner, including economic impacts, regulatory considerations, and the relationship between gaming activity and Hawai'i's tourism economy. Allowing that process to conclude would provide policymakers the opportunity to evaluate how proposals such as cruise ship gaming fit within a broader economic and social framework, rather than considering individual forms of gaming independently and without full context.

The Nation's concern is not simply whether gaming occurs, but whether economic decisions reflect long-term stewardship and fairness to the people of Hawai'i. Activities that introduce social and regulatory risk should also demonstrate clear and lasting benefit to the communities that bear those risks. Cruise ship gaming does not meet that threshold.

For these reasons, the Nation of Hawai'i respectfully urges the Legislature to defer HB1945 until the current working group process has concluded and a thoughtful understanding of Hawai'i's long-term approach to gaming policy has been established.

Mahalo for the opportunity to provide testimony.

Brandon Maka'awa'awa

Vice President, Nation of Hawai'i



The Institute for Human Services, Inc.
Ending the Cycle of Homelessness

TO: Honorable Rep. Greggor Ilagan,
Chair, Economic Development and Technology Committee

Honorable Rep. Ikaika Hussey,
Vice Chair, Economic Development and Technology Committee

FROM: Connie Mitchell, Executive Director
IHS, The Institute for Human Services, Inc.

RE: HB1945 - Relating to Gaming (on Cruise Ships)

DATE: February 9, 2026

POSITION: IHS **strongly opposes** HB1945

At IHS, the Institute for Human Services, our work with the homeless population has shown us how gambling can quickly destroy lives. Wagering of any kind quickly becomes a slippery slope that people go down, throwing money into a pit for some distant promise of wealth, which they will probably never see. This can worsen already dire economic circumstances, create new sources of stress, and harm other family members, many of whom have never even gambled. In this bill's case, if passed, it would entice visitors to go down said slippery slope while they're removed from their day-to-day lives and usual inhibitors. Moreover, it would encourage local residents to jump on cruises in the hopes of gaining their next big score.

It may feel tempting to assume that cruise ships are a small carve-out with little risk, but they are a gateway through which gambling will permeate into our community. Passing this law won't just affect tourists; it will impact local residents. By opening an avenue to gambling along our shores and in our waters, gambling will become normalized, leading people to tolerate more forms until one day it is too late, and the damage has been done, leaving our community fighting a disease that was all too preventable. Rather, we should draw the line and stop gambling from gaining a foothold in our community. As we all know, the house wins, never the individual. To truly protect people from a dangerous vice that exploits them and prevent losses and financial ruin from turning into another's gain, please do not pass this legislation.

Mahalo for the opportunity to testify.

Testimony for HB 1945, Relating to Gaming

February 11, 2026

Aloha Chair Ilagan, Vice Chair Hussey, and members of the committee,

Norwegian Cruise Line Holding Ltd **supports** HB 1945 relating to gaming.

HB1945 represents a thoughtful and practical update to Hawaii’s laws by permitting gaming activities on U.S.-flagged cruise ships. The Pride of America, operated by Norwegian Cruise Line, is a U.S.-flagged cruise ship that operates year-round in Hawai’i and has been a steadfast partner of the State since the early 2000s. This home-ported ship consistently generates substantial positive economic impact, benefiting not only visitors but the broader maritime industry. These benefits reach a wide array of stakeholders, including airports, hotels, local provisions, stevedoring, security personnel, tugboat operators, ground-handlers, and tour operators.

Enabling gaming on U.S.-flagged vessels allows Norwegian Cruise Line to elevate the onboard experience, aligning it with other ships in our fleet and enabling our high-end cruisers to enjoy the Hawaii product. This category of guests brings a new demographic to Hawaii cruises—one that is typically a higher spender—which translates into increased revenue and opportunities for local businesses. As a result, these benefits ripple well beyond the cruise line itself, positively impacting local vendors, tour operators, restaurants, transportation providers, and other small businesses that depend on a vibrant cruise industry.

Importantly, HB 1945 promotes economic activity without expanding land-based gaming or altering Hawaii’s longstanding policies at this time. The bill strikes a careful balance by modernizing regulations in a limited and controlled manner, consistent with cruise operations in other destinations.

For these reasons, we respectfully urge the committee to advance HB 1945 and support the continued success and growth of Hawaii’s cruise industry.



HAWAII STEVEDORES, INC.

1601 Sand Island Parkway • Honolulu, Hawaii 96819 • (808) 842-5399 • FAX (808) 842-5394

HB 1945

Written Testimony - Submitted Online February 9, 2026

Hawaii Stevedores, Inc. (HSI) is in support of HB 1945

The cruise industry is a valuable sector of Hawaii's tourism industry as well as Hawaii's maritime industry. HSI provides cargo handling services for provisions that a vessel takes onboard when it makes a port call. This includes everything from food & beverages to furniture, repair & maintenance equipment, paper products and other goods & materials. While HSI provides stevedoring services to cruise ships its sister company, Pasha Hawaii, carries the sea going containers involved in bringing supplies to the cruise industry. A healthy cruise industry is beneficial not only to HSI and Pasha Hawaii but also to the many maritime service providers, truckers and distributors that operate across the Hawaiian Islands.

Cruise ship activity plays a crucial role in bolstering the state's visitor economy. It creates a ripple effect of positive impacts throughout the harbor system, benefiting local vendors, transportation services, stevedoring companies, security personnel, and numerous other maritime-dependent businesses. Additionally, cruise ships help support local employment both on Oahu and the outer islands.

The proposed bill allocates the funds collected into a dedicated cruise ship special fund. This fund will be directed towards the maintenance, upgrading, and repair of the facilities that are essential to our operations. Moreover, the fee will be utilized to support sustainable initiatives within the maritime industry, such as implementing shore power and other environmentally friendly practices.

Hawaii Stevedores, Inc. respectfully asks that you move HB 1945 forward.

Respectfully,

Randy Grune
Vice President Community Affairs



**Testimony of Les Bernal, National Director of Stop Predatory Gambling,
in Opposition to HB1945 Authorizing Casino Gambling in Hawaii**

Hawaii House Committee on Economic Development & Technology
February 11, 2026

Dear Chair Ilagan and Committee Members:

I am testifying on behalf of our Hawaii members of Stop Predatory Gambling, a national nonprofit organization with members in all 50 states whose mission is to reveal the truth behind commercialized gambling to advocate for those who have suffered harm, to prevent more victims, and to champion policy reforms that stop *predatory* gambling.

We are writing in strong opposition to HB1945, a bill with the underlying purpose of bringing casino gambling to Hawaii and urge you to vote No.

There is no single act of state government in the United States that inflicts more harm to the financial, mental, and social well-being of the American people than the institution of predatory gambling. It explains why there is no citizens grassroots movement for casino gambling (or any other form of commercialized gambling) in Hawaii or in any other state. The lobbying effort for casinos in Hawaii is driven by the greed of powerful, out-of-state financial interests who stand to reap hundreds of millions of dollars in profits at the expense of your constituents.

In Hawaii and across the country, public officials from both parties have put the serious problem of affordability near the top of the political agenda. Yet at the same time, some politicians and gambling industry lobbyists are pushing hard to bring in casinos and other forms of commercialized gambling into Hawaii, a policy proposal that would ***dramatically worsen*** the problem of affordability in the state.

There is a mountain of facts from other states demonstrating that allowing casino gambling in Hawaii will unquestionably inflict severe harm upon the financial well-

being of tens of thousands of families across the state. No one needs to speculate about what the toll of predatory gambling will be in Hawaii. Simply look at the massive financial losses that Americans on the mainland are already suffering to predatory gambling:

- **Americans on the mainland are on a downward spiral *to lose almost \$1 trillion of their personal wealth* to regional casinos, commercialized sports gambling, state lotteries, and video gambling machine venues *combined* over the next five years.¹**
- **Americans on the mainland *lost more than \$150 billion in personal wealth* to predatory gambling in 2025.²**
- **Americans on the mainland *are losing almost \$300,000 of personal wealth every minute* to predatory gambling.**

The people of Hawaii have largely been spared these massive, life-changing financial losses because of the foresight and wisdom of prior Hawaii legislatures and governors.

But I urge this committee to oppose HB1945 also because of the life-changing harm the gambling industry unleashes upon the mental and social well-being of millions of American families.

Every state legislator who is serious about their job has a duty to ask at least two fundamental questions about the commercialized gambling industry. The first is what percent of commercialized gambling profits is based upon citizens who have become addicted gamblers? What you will learn is the gambling industry business model depends upon the addicted citizen. In the brick-and-mortar casino business, which HB1945 would bring into Hawaii, national media has reported there are “at least nine

¹ H2 Gambling Capital, 2026. h2gc.com

² H2 Gambling Capital, 2025. h2gc.com

independent studies demonstrating that addicted gamblers generate up to 60% of total gambling revenues.”³

The second question every serious legislator needs to ask is what percent of gambling profits comes from people who follow “responsible gambling codes of conduct?” The reality is the percentage of gambling profits that comes from people who follow “responsible gambling codes of conduct” (i.e., the casual gambler) *is virtually irrelevant to their profits*. NYU Professor Natasha Schull reported in her nationally acclaimed book *Addiction By Design* that people who follow responsible gambling guidelines *made up 75% of the players but contribute a mere 4% of gambling profits*. “If responsible gambling were successful then the industry would probably shut down for lack of income,” the author of the study said.⁴

Conclusion

Over the last forty years, the citizens of Hawaii have experienced better economic mobility out of poverty, more stable families, less addiction, less domestic violence, stronger communities, less state budget problems, and lower taxes because state officials said No to predatory gambling. The rest of America needs to become more like Hawaii, not the other way around. Defeating HB1945 keeps Hawaii on its same course.

Thank you for your consideration of the facts presented in our testimony. If you need further information about this issue, I invite you to please contact me by email mail@stoppredatorygambling.org or phone (202) 567-6996. Thank you for your work.

Sincerely,



Les Bernal, National Director
Stop Predatory Gambling

³ “How Casinos Enable Gambling Addicts,” *The Atlantic*, By John Rosengren, December 2016

<https://www.theatlantic.com/magazine/archive/2016/12/losing-it-all/505814/>

⁴ Natasha Dow Schull, PhD, *Addiction By Design, Machine Gambling in Las Vegas*, Pg. 267 (2012), available at <http://press.princeton.edu/titles/9156.html>



TESTIMONY OF
CAROLINE ANDERSON
Interim President & CEO
Hawai'i Tourism Authority

before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Wednesday, February 11, 2026

8:30 a.m.

State Capitol, Room 423

In consideration of
HB 1945
RELATING TO GAMING

Aloha Chair Ilagan, Vice Chair Hussey, and Members of the Committee:

The Hawai'i Tourism Authority (HTA) offers comments to HB 1945, which, beginning 8/1/2027, authorizes gaming on cruise ships while a cruise ship is traveling within any state waters or for specified times while docked at a state harbor. It also imposes a twenty percent wagering tax on the adjusted gross receipts derived from gaming on cruise ships, and requires the Department of Commerce and Consumer Affairs to report to the Legislature.

HTA recommends that any consideration of gaming on cruise ships within state waters or while docked at state harbors be postponed until the Tourism and Gaming Working Group completes its work. This group, established through SCR 121 during the last legislative session, is tasked with studying the potential impacts of gaming. Its findings and recommendations are due to the legislature at the end of 2026 and will provide critical insights for informed decision-making.

Hawai'i's brand is built on authenticity, natural beauty, and a sense of place that sets us apart from other destinations. Introducing gaming—even in a limited form—could represent a significant policy shift with long-term implications for how Hawai'i is perceived by residents and visitors alike. Waiting for the Working Group's comprehensive analysis will help ensure that any decisions align with Hawai'i's values, protect the integrity of our destination's brand, and sustain the success of our visitor industry.

Mahalo for the opportunity to share our comments on HB 1945.



February 11, 2026

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Rep. Greggor Ilagan, Chair; Rep. Ikaika Hussey, Vice Chair; and Committee Members
Public Hearing, February 11, 2026, 8:30 a.m. – Conference Room 423, State Capitol

Testimony of William F. Anonsen, Managing Partner/Principal of The Maritime Group
In Support of H.B. 1945 – Relating to Gaming on Cruise Ships

My name is William F. Anonsen, Managing Partner/Principal of The Maritime Group, and we respectfully submit testimony in support of HB 1945, which establishes a clear, regulated framework to authorize gaming aboard large oceangoing cruise ships operating in Hawai'i waters while maintaining strong safeguards for our communities. While we support the bill as drafted, we respectfully offer several constructive suggestions to further strengthen implementation and public confidence. These suggestions are offered not as concerns with the bill's intent, but as prudent refinements that strengthen oversight, transparency, and public trust while preserving the bill's economic and operational benefits.

My professional work focuses on Hawai'i's maritime transportation system, port operations, cruise industry logistics, and supply chain resiliency. Through many years of engagement with harbor users, cruise operators, and public agencies, I have seen firsthand how thoughtful, well-regulated policy can strengthen both our economy and our communities. From that perspective, this measure represents a practical and measured approach that modernizes Hawai'i's policies while maintaining appropriate guardrails.

HB 1945 does not introduce land-based casinos or shore-side gambling facilities. Instead, it recognizes that gaming is already a standard, self-contained onboard amenity on most international cruise vessels and allows that activity to continue under a regulated framework while ships are traveling in Hawai'i waters. The bill applies only to large oceangoing passenger vessels with overnight accommodations and extended voyages, ensuring the activity is limited to established cruise ships rather than smaller or local craft.

Importantly, the activity remains confined to passengers onboard and does not extend access to the general public. Gaming may occur only while the vessel is underway or during narrow time windows when docked, specifically no more than one hour before departure and ending within one hour after arrival. Participation is limited to adults over the age of twenty-one, wagers may only be placed by manifested passengers physically present on the vessel, and oversight authority, reporting requirements, and enforcement responsibilities are assigned to the Department of Commerce and Consumer Affairs. Strong civil and criminal penalties further ensure compliance.

Because these activities are physically and operationally contained within the ship, there is minimal to no direct impact on surrounding neighborhoods or local residents. The bill does not create new onshore venues, does not invite local walk-in gambling, and does not alter the character of our communities. Rather, it regulates an onboard service already familiar to cruise passengers and common in ports worldwide.

From an economic standpoint, the measure helps maintain Hawai'i's competitiveness as a cruise destination. Cruise lines design itineraries around a consistent onboard experience and allowing regulated gaming ensures Hawai'i is not placed at a competitive disadvantage relative to other markets. At the same time, the State benefits from the twenty percent wagering tax on adjusted gross receipts, generating new visitor-based revenue without requiring new public infrastructure or costs. A healthy cruise sector also supports local jobs in stevedoring, provisioning, transportation, tours, and many small businesses that depend on visitor spending.

The following are recommended suggestions for constructive consideration in amending the bill.

- The Committee may wish to evaluate whether the dockside gaming window could be narrowed or limited to periods when the vessel is underway, which could reduce perception concerns while ships are physically berthed or anchored at a Hawaiian Island port.
- It may also be helpful to clarify inspection, audit, and compliance procedures for the Department of Commerce and Consumer Affairs to ensure regular reporting, licensing, and enforcement standards.
- Including responsible gaming provisions such as crew training, self-exclusion options, and passenger information would align the program with uniform industry best practices.
- Additionally, periodic review of the wagering tax structure and consideration of directing a small portion of revenues toward harbor infrastructure, maritime workforce development, or community services could enhance transparency and public benefit.
- Finally, clear coordination language among state agencies, harbor authorities, and the U.S. Coast Guard may help avoid any jurisdictional or enforcement ambiguities.

These proposed suggestions and refinements are meant to strengthen implementation and accountability, not to alter the bill's intent, while safeguarding its economic and operational benefits

In our view, HB 1945 strikes an appropriate balance between economic opportunity, regulatory oversight, and community protection. It responsibly captures revenue, supports port and visitor-industry employment, and aligns Hawai'i with standard international cruise practices while keeping all activity contained onboard and well-regulated.

For these reasons, we respectfully urge your support for HB 1945. Mahalo for your time and consideration.

Respectfully submitted,

William F. Anonsen

Managing Partner/Principal
THE MARITIME GROUP

HB-1945

Submitted on: 2/6/2026 6:01:06 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Gambling has the potential to revitalize the tourism sector of our economy. This is a commonsense proposal that will benefit us. I urge the committee to **SUPPORT** HB1945!

HB-1945

Submitted on: 2/6/2026 6:01:06 PM

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Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Gambling has the potential to revitalize the tourism sector of our economy. This is a commonsense proposal that will benefit us. I urge the committee to **SUPPORT** HB1945!

HB-1945

Submitted on: 2/7/2026 3:52:10 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Delphine	Individual	Oppose	Written Testimony Only

Comments:

I agree: "Cruise ship gambling normalizes gambling and paves the way for broader expansion. All forms of predatory gambling must be rejected." Please do NOT allow cruise ship gambling because of the so many dangers.

HB-1945

Submitted on: 2/7/2026 3:53:09 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Marisa Nguyen	Individual	Oppose	Written Testimony Only

Comments:

Please vote No on SB1945. Cruise ship gambling leads to more widespread gambling, which is full of exploitation, addiction, and harm to the community.

HB-1945

Submitted on: 2/8/2026 8:47:18 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Cheryl Rzonca	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB1945 and ask you to vote NO on this measure. I cannot believe this is even on the floor! It's obvious a group is trying every which way to get some form of gambling into Hawaii. Not only is this bill unethical but the amount of tax payer money it would take for the infrastructure for this and the destruction it would cause to individuals and families would be outrageous. Not to mention, the increase of corruption in local government and other organizations. Just say NO to any type/form of gambling and wagering!

HB-1945

Submitted on: 2/8/2026 9:36:16 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I am testifying in strong opposition to HB1945, which seeks to legalize casino gambling aboard cruise ships within Hawai‘i’s waters. This bill is being presented under the deceptive guise of a low-harm, confined, and tourist-focused activity. In reality, it is a strategic and dangerous Trojan Horse.

Its true purpose is not merely to allow games of chance on the water; it is to break our state’s longstanding and prudent prohibition on commercial gambling, normalize gambling behavior within our communities, and create a powerful, moneyed interest that will immediately lobby for further expansion on land.

A Trojan Horse to Normalize Gambling and Weaken Our Defenses

Hawai‘i remains one of the few states to have successfully resisted the predatory gambling industry. This has not been an accident, but a conscious choice to protect our social fabric, our families, and our values from an industry whose business model is exploitation. HB1945 is a direct assault on that choice.

By allowing the flashing lights and psychological tricks of a casino to operate just offshore—accessible to both tourists and residents on “cruises to nowhere” or inter-island voyages—we begin the process of normalization. We send the message that gambling is acceptable, regulated, and even glamorous entertainment.

This psychological shift is the precise goal of the industry. Once the door is cracked, the pressure to kick it fully open—to build land-based casinos, legalize online sports betting, and introduce lottery games—will become irresistible. The cruise ship is the thin edge of the wedge.

“Low-Harm” is a Dangerous Myth

Proponents will argue that confining gambling to ships “contains” the harm. This is a fallacy. The harm of gambling is not contained by geography; it follows the gambler home.

- **Targeting Residents:** These ships will market aggressively to local residents, offering “getaway” packages that are, in essence, floating casinos. For the vulnerable individual or the person beginning to develop a problem, this provides a dangerously accessible outlet

that did not exist before.

- **Exacerbating Existing Problems:** The isolated, all-inclusive, “escape-from-reality” environment of a cruise ship is a perfect storm for reckless gambling behavior. With easy access to credit, free alcohol, and a setting designed to lower inhibitions, individuals can suffer catastrophic losses in a single voyage—losses they then bring back to our communities in the form of debt, despair, and family crisis.
- **The Data Follows the Dollars:** While specific studies on cruise ship gambling are harder to isolate, the fundamental truth remains: legalized gambling access leads to increased gambling participation, which leads to increased prevalence of Gambling Disorder. The National Council on Problem Gambling states clearly that “the availability and accessibility of gambling are strongly correlated with increased problem and pathological gambling.” We would be deliberately increasing both.

Predatory Design Travels by Sea

Do not be mistaken; the casinos proposed for these ships will employ the same predatory tactics used in Las Vegas and on online apps. They will use player cards to track every bet, comp free drinks to impair judgment, and design labyrinthine layouts to keep people playing. They will target “VIPs” (high-loss players) with special attention. The business model is universal: extract maximum revenue, with a disproportionate share coming from those already in the grip of addiction.

An Unworthy and Unstable Revenue Source

The argument that this bill represents a prudent revenue source for the state is morally bankrupt and fiscally short-sighted. State revenue derived from gambling is not created wealth; it is transferred wealth, extracted directly from the pockets of our citizens and visitors, often from those who can least afford it. It is a regressive tax on desperation and addiction.

Furthermore, the social costs of increased problem gambling—bankruptcies, crime, financial assistance, mental health services, family counseling—will inevitably consume and likely surpass any tax revenue gained.

The critical question is not whether we need revenue, but *from whom* we choose to collect it. Why would we ever choose to balance our budget by exploiting the broken finances of our own working families, when the clear alternative is to pass long-available legislation to fairly raise taxes on the ultra-wealthy who can more than afford to contribute?

Contradiction of Values

This legislation stands in direct contradiction to the values of mālama (to care for) and kuleana (responsibility). Our responsibility is to protect our people from known harms, not to facilitate them for a percentage of the loss. It violates the spirit of aloha ‘āina—love for the land and its people—by allowing a predatory industry to anchor itself in our waters and prey upon our community.

A Clear Line We Must Hold

The principle at stake is absolute: Hawai'i must not commercialize and legitimize predatory gambling. Allowing it on cruise ships is not a compromise; it is a capitulation that sets a devastating precedent. It is the first, irrevocable step down a path that has ravaged communities across the continent.

I urge you to see HB1945 for what it is: the beginning of the end of Hawai'i's gambling prohibition and a direct threat to the well-being of our people. Uphold our state's legacy of protection. Reject this Trojan Horse. Vote NO on HB1945.

Mahalo nui loa for the opportunity to testify.

HB-1945

Submitted on: 2/8/2026 3:20:51 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary Smart	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB1945.

We don't want any form of gambling (aka "gaming") in Hawaii, even on cruise ships.

Gambling is not good for our economy. States with gambling have more corruption and crime than other states.

Do not pass HB1945.

HB-1945

Submitted on: 2/8/2026 9:11:06 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Duffy	Individual	Oppose	Written Testimony Only

Comments:

Oppose. HB 1945 represents a significant and dangerous shift in Hawai‘i’s long-standing policy rejecting gambling, by explicitly authorizing casino-style gaming on cruise ships while docked in our harbors and operating in state waters. Although framed as a narrow accommodation for the cruise industry, the bill creates a new statutory framework that legalizes gambling under state law and exempts cruise ship casinos from Hawai‘i’s criminal gambling statutes, setting a precedent that will be difficult to contain. History shows that gambling expansions rarely remain limited; once normalized in our ports, pressure for broader gambling—up to and including land-based casinos—inevitably follows. The social costs of gambling do not remain offshore or confined to tourists. Increased access to gambling is closely linked to addiction, financial distress, family breakdown, and mental-health crises, burdens that fall on Hawai‘i families, nonprofits, churches, and public services—not on the cruise industry. HB 1945 prioritizes speculative gambling revenue over family-centered values by allowing casino activity and credit-based wagering in close proximity to leisure and family vacation settings, undermining Hawai‘i’s commitment to protecting ‘ohana. Enforcement and oversight are also deeply concerning, as the bill relies heavily on cruise ship operators’ self-reporting while placing additional regulatory responsibility on state agencies that are already stretched thin, without proven mechanisms to prevent abuse, underage exposure, or financial exploitation. While supporters highlight a 20 percent wagering tax, gambling revenue is volatile and ethically problematic because it depends on losses—often by those least able to afford them—and cannot justify the long-term social risks. Hawai‘i has thrived for generations without casinos by investing in tourism, culture, environmental stewardship, and family-friendly economic development. HB 1945 abandons that vision in favor of short-term revenue hopes at the expense of long-term community well-being, and for these reasons, it should be rejected. Please oppose this bill.

HB-1945

Submitted on: 2/9/2026 9:01:00 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Carson	Individual	Oppose	Written Testimony Only

Comments:

I oppose gambling i n Hawaii. It brings more harm than good.

HB-1945

Submitted on: 2/9/2026 11:49:54 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Taylor Barnett	Individual	Oppose	Written Testimony Only

Comments:

Please vote NO on HB1945. Cruise ship gambling is sold as “low-harm,” but it is a Trojan horse that normalizes gambling and paves the way for broader expansion. All forms of predatory gambling must be rejected. Hawai‘i should not rely on gambling losses as a revenue source or expose our communities to increased harm.

HB-1945

Submitted on: 2/9/2026 6:51:33 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeannine Johnson	Individual	Oppose	Written Testimony Only

Comments:

Cruise ship gambling is sold as “low-harm,” but it is a Trojan horse that normalizes gambling and paves the way for broader expansion. All forms of predatory gambling must be rejected. Hawai‘i should not rely on gambling losses as a revenue source or expose our communities to increased harm. Please vote NO on HB1945. Mahalo.

HB-1945

Submitted on: 2/9/2026 9:48:13 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Cindy R Ajimine	Individual	Oppose	Written Testimony Only

Comments:

Honorable Committee Chairs & Members:

I am a 3rd generation resident & voting constituent here to again submit strong **OPPOSITION** to this bill for the reasons below.

- **Online, mobile gambling dramatically increases the risk of addiction:** The bill authorizes sports wagering exclusively through mobile applications and digital platforms, allowing gambling to take place 24 hours a day, seven days a week, from anywhere in the state. Research consistently shows that online gambling is more addictive than in-person gambling because it offers constant access, instant and in-game betting, isolation, and no natural stopping points. This structure directly undermines claims that gambling can be responsibly managed.
- **The bill's safeguards are reactive, not preventative:** While HB 2570 includes a voluntary exclusion program and advertising restrictions, these measures rely on individuals recognizing a problem and self-identifying, often only after addiction has already taken hold. They do little to prevent aggressive marketing before harm occurs and fail to address the broader impacts on families, including financial collapse and mental health crises. Problem gambling funds only activate after damage has already occurred.
- **Youth and young adults are placed at greater risk:** Although the bill limits wagering to individuals 21 and older, it allows widespread advertising across digital platforms heavily used by young adults. It also normalizes betting on professional, collegiate, and international sports, increasing exposure within households and communities. Age verification alone does not prevent early exposure, normalization, or peer influence among teens.
- **The bill prioritizes gambling revenue over public well-being:** Supporters often point to tax revenue as a benefit, yet only a small portion is directed to problem gambling treatment. Revenue projections routinely fail to account for the social costs, including increased demand on social services, law enforcement, and mental health systems. In practice, gambling revenue disproportionately comes from a small number of high-risk users, creating a system where the state becomes financially dependent on addiction.

Marcus R. Oshiro
Wahiawa, Hawai'i

February 9, 2026

Written Testimony in Opposition to HB 1945

Chair, Vice Chair, and Members of the Committee:

Mahalo for the opportunity to testify in **strong opposition to HB 1945**, which would authorize casino-style gambling aboard cruise ships while they are **docked in Hawai'i's harbors and traveling within Hawai'i state waters**.

This bill represents a major departure from Hawai'i's longstanding protections against commercial gambling. It would introduce a new, highly predatory industry into our nearshore waters—an industry that contributes nothing to our communities, extracts wealth from residents and businesses and undermines the integrity of our harbors and coastal spaces.

1. HB 1945 Creates a Floating Casino Industry with No Community Benefit

HB 1945 authorizes full casino operations—including slot machines, roulette, craps, poker, and other house-banked games—on cruise ships over 70,000 tons, for up to an hour before departure, during all time in state waters, and for an hour after docking.

This is not “entertainment.” This is the creation of a **mobile casino industry** operating inside Hawai'i's ports.

Cruise lines are not permanent Hawai'i businesses. They do not invest infrastructure in our communities. They do not pay local wages or hire many local citizens. They do not contribute much to our social infrastructure. Yet, curiously, HB 1945 would give them exclusive access to a gambling market that Hawai'i has rejected for decades.

2. The Bill Creates New Harms for Local Residents

Although cruise ships primarily serve visitors, the bill **does not prevent Hawai'i residents from boarding solely to gamble**. The bill explicitly allows wagering from “any passenger present on a cruise ship” with no residency restriction.

That means:

- Cruise lines could market cheap “cruises to nowhere” to residents.
- Individuals struggling with addiction would face a new, highly accessible venue designed to maximize losses.
- Gambling access would expand dramatically without any of the safeguards or oversight that land-based casinos are required to maintain.

Hawai‘i already bears the social and economic costs of gambling addiction without receiving gambling revenue. HB 1945 would expand those harm significantly.

3. Cruise Ship Casinos Are Among the Least Regulated Gambling Environments

HB 1945 relies on the Department of Commerce and Consumer Affairs to adopt rules, but the bill itself:

- Allows cruise lines to set their own minimum and maximum wagers.
- Allows cruise lines to extend credit to gamblers.
- Allows gambling while docked in Hawai‘i harbors.
- Provides no independent oversight of game fairness, surveillance, or internal controls.
- Provides no mechanism for problem-gambling intervention or exclusion.

Cruise ship casinos are already notorious for weak oversight, opaque financial practices, and limited accountability. Can we really task the Department of Commerce and Consumer Affairs to regulate this complex industry with overlapping and archaic federal, state, international and maritime laws? HB 1945 would leave Hawaii at the mercy of cruise ship vendors and contractors to provide required consulting services and drafting of new rules and regulations.

HB 1945 would dangerously allow these unrestricted practices directly into Hawai‘i’s waters.

4. The Proposed 20% Wagering Tax Does Not Offset the Social Costs

The bill imposes a **20% wagering tax** on “adjusted gross receipts.” But this revenue is speculative and minimal compared to the well-documented costs of gambling:

- Increased household debt

- Higher rates of bankruptcy
- Family instability
- Workplace impacts
- Increased demand for social services
- Public safety concerns

Hawai‘i would be trading long-term social harm for short-term revenue that does not begin to cover the damage.

5. Unclear Definition of “Adjusted Gross Receipts” Creates a Major Loophole

Although the bill defines “adjusted gross receipts” as “gross receipts less winnings paid to wagerers,” it provides **no detail** on what counts as gross receipts, what deductions are allowed, or how cruise lines must calculate and report these figures in practice.

In other jurisdictions, casinos routinely shrink their taxable base through:

- Promotional credits
- Free-play coupons
- Player reinvestment
- Accounting deductions
- Internal transfer pricing

Without a clear statutory definition and independent oversight, Hawai‘i would be relying on foreign-flagged cruise corporations to self-report what counts as taxable revenue. This is an open invitation to underreporting, aggressive deductions, and minimal tax collections—far less than the public is being led to expect.

6. Our Harbors and Nearshore Waters Should Not Become Gambling Zones

Hawai‘i’s harbors are gateways for commerce, culture, and community—not casino operations. Allowing gambling while docked means that our ports become de facto casino districts, with all the associated risks:

- Predatory marketing
- Increased foot traffic from individuals seeking gambling access
- Cash-intensive operations vulnerable to criminal activity
- Reputational harm to Hawai‘i as a place that protects its people and environment

This is not the future we should be building.

7. Cruise-Ship Casinos Divert Visitor Dollars Away from Local Businesses

At present, cruise ships off-board thousands of visitors into the port communities of Maui, Hawai‘i Island, Kaua‘i, and O‘ahu. These visitors purchase tours, cultural excursions, ocean activities, meals, and locally crafted goods from small businesses, artisans, and restaurants. Their spending directly supports local jobs and circulates money within our island economies.

But most visitors travel with a **finite budget**.

Every dollar lost in an on-board casino is a dollar that never reaches:

- Local tour operators
- Cultural practitioners
- Musicians and entertainers
- Restaurants and bars
- Boutiques and craft vendors

HB 1945 would create a new on-board attraction whose business model depends on **diverting tourist spending away from Hawai‘i’s small businesses** and exporting those dollars to foreign-flagged cruise corporations.

Nothing in this bill suggests that taxing on-board casinos could ever compensate for this immediate and predictable loss of revenue for local businesses. Certainly it would be prudent to seek the input from the local Chamber of Commerce on each island and inquire about the recent loss of cruise ship businesses several years ago and especially, the crippling impact felt by the Neighbor Island shops and businesses.

8. HB 1945 Raises Serious Jurisdictional Questions and Risks a Back-Door Expansion to Land-Based Gambling

Because these cruise ships will be navigating Hawai‘i’s state waters and docking at Hawai‘i’s piers and wharfs, the State must address whether this physical contact with Hawai‘i’s jurisdiction is sufficient to permit an extension of gambling activity onto near-shore or pier-side lands. If the State determines that such contact is enough to justify gambling operations while docked, then this so-called “floating casino” becomes, in practice, a **half-step toward establishing a land-based casino on Hawai‘i’s fast lands**.

This concern is heightened by the fact that the current draft of HB 1945 does not clearly restrict casino access to ticketed passengers only. Depending on how boarding is managed and how jurisdiction is interpreted, it may be possible for a

non-passenger to access the casino while the ship is in port. That outcome would effectively create a **pier-side casino** operating within Hawai‘i’s borders.

This is almost certainly **not** what the authors or proponents of this bill intended. But unless the Department of the Attorney General provides a clear legal opinion, and unless the Legislature drafts explicit safeguards, Hawai‘i risks unintentionally authorizing a form of land-based casino gambling through this maritime exception.

Caution and careful drafting are essential to avoid this unintended and irreversible consequence.

Conclusion

HB 1945 is not a harmless tourism measure. It is a major policy shift that would introduce a predatory industry into Hawai‘i’s waters, expose local residents to new harms, divert visitor spending away from local businesses, and undermine decades of consistent public policy.

For these reasons, I respectfully urge the Committee to **hold this measure or in the alternative defer** it until the report of the Joint House and Senate Tourism and Gaming Working Group, pursuant to SCR 121 (2025) is completed.

Mahalo for the opportunity to testify.

HB-1945

Submitted on: 2/9/2026 11:22:04 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Barilyne Sakamoto	Individual	Oppose	Written Testimony Only

Comments:

Honorable Committee Chairs & Members:

I am writing in STRONG SUPPORT of this bill to advance for the reasons below:

1. Increased Risk of Gambling Addiction and Mental Health Issues
2. Destructive Impact on Families and Communities
3. Incompatibility with Island Culture and Values
4. Negative Economic Consequences
5. Regulatory and Enforcement Challenges
6. Misplaced Legislative Priorities

Please remove this bill.

Sincerely yours,

Barilyne Sakamoto

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Cruise Ship Gambling > A Trojan Horse for Gambling Expansion

Aloha Chair Ilagan, Vice Chair Hussey, and Members of the Committee,

I strongly oppose HB1945.

Cruise ship gambling is marketed as “low-harm,” but it is a Trojan horse that normalizes gambling and pushes the door open to broader expansion.

Because cruise lines partner with the multibillion-dollar gambling industry to maximize profits from passenger losses, cruise ship gambling is anything but harmless. An article notes that [a class action lawsuit is being prepared against a major cruise operator alleging predatory gambling practices](#) that have led to substantial debt and tragic outcomes for some passengers. A pro-gambling website also notes that [gambling is especially profitable on cruise ships because they are closed environments with a captive audience](#). Passengers cannot easily leave, alcohol consumption is high, and gambling operators are intentionally integrated into cruise operations to increase revenue.

While cruise ship gambling is presented as limited or harmless, history shows that once gambling revenue is introduced, states quickly become addicted to it. That addiction feeds the desire to legalize more forms of gambling to increase revenue, even as social and economic harms grow.

Gambling is not free money. It comes from people losing, and losing big! Families and communities pay the price, while profits are extracted by gambling operators. Hawai'i should not rely on gambling losses as a revenue source.

We must protect our local values and safeguard our people from a predatory industry that puts profits over people. Reject HB1945.

Mahalo,
Christine Otto Zaa

HB-1945

Submitted on: 2/10/2026 1:14:31 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelly Nishimura	Individual	Oppose	Written Testimony Only

Comments:

Please vote NO on HB1945. Cruise ship gambling is sold as “low-harm,” but what is that really? Harm is harm, and all forms of predatory gambling--which can lead to addiction and debt--should be kept out of our state. Hawai‘i should not rely on gambling losses as a revenue source!

HB-1945

Submitted on: 2/10/2026 5:59:06 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
S Henderson	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB1945 and ALL bills that would open the door in any way to gambling in our state, even if on a cruise ship.

Hopefully, you will see the cruise industry as a tourism venue bringing income into our state through encouraging visitors to see and experience the beauty of our islands, to feel the aloha of our people, and support tourism-related businesses in our state. This bill would encourage people to stay on the ships and gamble while they are in port rather than getting off the ship for shore excursions, shopping, dining, etc.

Please do not be lured by the 20% tax revenues. Please encourage visitors to spend their money on legitimate businesses owned and operated by our citizens.

Please do not open the door to gambling in our state through this bill. Thank you for working to protect our people from gambling and the risk of gambling addiction.

Mahalo.

**CRUISE
SHIP
GAMBLING
HB1945**



HB-1945

Submitted on: 2/10/2026 8:06:22 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
J Wong	Individual	Oppose	Remotely Via Zoom

Comments:

Please vote NO on HB1945.

Cruise ship gambling is sold as “low-harm,” but it is a Trojan horse that normalizes gambling and paves the way for broader expansion. All forms of predatory gambling must be rejected. Hawai‘i should not rely on gambling losses as a revenue source or expose our communities to increased harm.

HB-1945

Submitted on: 2/10/2026 9:19:29 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Kamai	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose HB1945. I oppose any gambling in Hawaii at all. Speaking for myself, my family and friends we as a community see gambling as a way to tear away at our community. Hawaii is unique in natural beauty and culture. Allowing any type of legal gambling will allow organized crime to flourish out in the open in our islands. With gambling will come more drugs, sex/ human trafficking and more lawlessness within our islands. Our state has over 400 vacancies for police officers currently. We are not equipped to manage the increase of crime in our islands now let alone the influx that will seep in due to gambling. Lawmakers stop pushing the narrative of us desperately needing money to run this state. Instead do a better job of managing and policing the laws on the books so we can return to a civil society. Hawaii is running a muck right now and passing a bill to legalize gambling will only perpetuate the chaos of our state. I strongly oppose legalizing any form of gambling in Hawaii.

HB-1945

Submitted on: 2/10/2026 10:57:10 AM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Olderr	Individual	Oppose	Written Testimony Only

Comments:

I do not support this bill, and I hope that you won't either. I understand the need to find sources of revenue aside from tourism, but profiting from those who are addicted to gambling and preying on the vulnerable is not the answer. With economic uncertainty becoming the norm, I think it's unwise and hurtful to give people a platform to humiliate and decimate themselves for a slim chance of making money. I worry that we find ourselves at the far end of what happened with the WNBA, with those driven by desperation to make bets about throwing explicit objects onto the court to make a buck on the prediction market. But instead of jokes and obscenities, during a sports game, we have world events and elections that someone might take into their own hands to get a payout to feed their family. I know this is not the intent of this bill, but I fear the unintended consequences of it and all the other legalized gambling bills coming through this session. I hope you will defer this measure and any future gambling measures.

HB-1945

Submitted on: 2/10/2026 3:41:51 PM

Testimony for ECD on 2/11/2026 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.