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KA 'OIHANA O KA LOIO HO'OPI'I
CITY AND COUNTY OF HONOLULU**

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**THE HONORABLE DAVID TARNAS, CHAIR
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
Thirty-Third State Legislature
Regular Session of 2026
State of Hawai'i**

March 3, 2026

RE: H.B. 2198, H.D.1 -- RELATING TO PREDICTION MARKETS.

Chair Tarnas, Vice-Chair Poepoe and members of the House Committee on Judiciary & Hawaiian Affairs, the Department of the Prosecuting Attorney of the City and County of Honolulu ("Department") submits the following testimony in **strong support** of H.B. 2198, H.D.1.

The purpose of H.B. 2198, H.D.1 is to update Hawai'i's gambling laws to expressly prohibit prediction event contracts relating to sports, contests, people, politics, catastrophe, and death. H.B. 2198, H.D.1 safeguards our residents by prohibiting gambling in this evolving form, including new "prediction markets" that ultimately exploit people's financial vulnerability¹. Legalized gambling has been shown repeatedly to contribute to addiction, financial ruin, and family instability. The Rady School of Management found that "...legalization leads to more irresponsible gambling spending among lower-income consumers than among higher-income gamblers."² By explicitly including prediction markets, this bill closes loopholes that otherwise allows gambling in our state—disguised as "financial speculation."

Importantly, H.D.1 strengthens the bill by expressly including prediction contracts relating to legislation and national security. Speculation on the introduction, amendment, passage, or veto of legislation raises serious concerns about attempts to influence governmental decision-making for private financial gain. Similarly, allowing financial speculation tied to national security matters—such as military deployments, operational decisions, or other sensitive governmental actions—creates heightened risks involving insider information, manipulation, and

¹ UC San Diego Today, *Legalized Gambling Increases Irresponsible Betting Behavior, Especially Among Low-Income Populations* (July 23, 2024); available at <https://today.ucsd.edu/story/legalized-gambling-increases-irresponsible-betting-behavior-especially-among-low-income-populations>.

² Id.

public safety. These additions appropriately recognize that certain subjects are too consequential to be reduced to financial betting instruments.

Allowing prediction market contracts to remain in our state, where in some cases participants are incentivized to manipulate real-world events to benefit financially, increases the risk of harmful actions motivated by profit³—including criminal activity or corruption.

Just last month, \$448,667 in bets were placed on whether Gov. Josh Green would say certain words or phrases during his annual State of the State address⁴, which may or may not be harmless, but prediction markets involve betting on sports, tragedies, deaths, or disasters, which raises all of the concerns surrounding legalized gambling as well as serious ethical concerns.

With so many issues already facing our communities, such as lack of affordable housing, homelessness, drug and alcohol addiction, we should continue to safeguard our state and its people—particularly those who are financially vulnerable— by keeping all forms of gambling out of Hawai‘i.

For all of the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu **strongly supports** the passage of H.B 2198, H.D.1. Thank you for the opportunity to testify on this matter.

3 LessWrong, *How prediction markets can create harmful outcomes: a case study* (April 2, 2025); available at <https://www.lesswrong.com/posts/8e4QNYSp4LjvdBstx/how-prediction-markets-can-create-harmful-outcomes-a-case>.

4 GamingAmerica, *Hawaii Bill Moves to Ban Prediction Markets After \$448K Bet on Gov. Green’s Speech* (February 2, 2026); available at <https://gamingamerica.com/news/1005678/hawaii-bill-moves-to-ban-prediction-markets-after-448k-bet-on-gov-greens-speech>.



Testimony of Les Bernal, National Director of Stop Predatory Gambling,
in Support of HB2198:
A Bill Preventing Predatory “Prediction Markets” Gambling in Hawaii

Hawaii House Committee on Judiciary & Hawaiian Affairs
March 2, 2026

Dear Chair Tarnas 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 support of HB2198 that would appropriately place the predatory financial scheme of “prediction markets” under Hawaii’s gambling statutes and urge you to vote YES.

The sponsors of this bill have displayed an uncommon degree of leadership and vision by aggressively standing up for the citizens of Hawaii against these online gambling operators who are blatantly violating Hawaii state law with their financial scheme. Hawaii is at the vanguard of this major national fight against prediction markets and it serves as a model that other states will follow.

There is no citizens grassroots movement for “prediction markets” (or any other form of commercialized gambling) in Hawaii or in any other state. The lobbying effort for prediction markets is driven by the greed of powerful financial interests who stand to reap hundreds of millions of dollars in profits at the expense of your constituents.

(continued)

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 prediction markets, regional casinos, and other forms of commercialized gambling into Hawaii, proposals that would ***dramatically worsen*** the problem of affordability in the state.

The people of Hawaii have largely been spared the massive, life-changing financial losses suffered by tens of millions of citizens on the mainland because of the foresight and wisdom of prior Hawaii legislatures and governors. HB2198 continues that long history of foresight and wisdom and maintains Hawaii's successful approach to commercialized gambling policy.

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. Passing HB2198 keeps Hawaii on its same course.

Thank you for your serious consideration of the facts presented in our testimony. If you need further information about this issue, I invite you and your staff 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



The Nation of Hawai'i
Independent & Sovereign

**NATION OF HAWAI'I
IN SUPPORT OF HB2198
RELATING TO GAMBLING ENFORCEMENT**

Aloha Chair and Members of the Committee:

My name is Brandon Maka'awa'awa, and I submit this testimony on behalf of the Nation of Hawai'i in support of HB2198. Hawai'i currently prohibits gambling. This measure reinforces that policy by ensuring that prediction markets and similar wagering mechanisms are treated consistently under existing law.

In recent years, certain prediction market platforms have operated in a manner that acts and resembles sports wagering and event-based gambling while avoiding the consumer protections, licensing requirements, and regulatory oversight that are the foundations of a regulated market. Regardless of labeling, when individuals stake money on the outcome of sporting or other events with the expectation of financial gain, the same public policy considerations apply. Allowing such activity to take place and companies like Kalshi, Polymarket, FanDuel, and DraftKings to operate when local law is clear to ban these activities weakens confidence in the system.

Through its actions last year, the Legislature has convened the Tourism and Gaming Working Group to conduct a comprehensive review of gaming policy in Hawai'i. This process is examining economic impacts, regulatory capacity, enforcement considerations, and social costs. If Hawai'i is ever to reconsider its longstanding prohibition, that decision should result from a complete and deliberate analysis. HB2198 ensures that policy does not shift incrementally before that work is finished.

There is also a question of values. Hawai'i's public policy has long reflected a commitment to *mālama i ke kaiāulu* and to acting with *kuleana* toward one another and toward our 'āina. Financial speculation on events involving politics, public governance, catastrophe, or death does not align with that foundation. Even apart from regulatory concerns, these forms of wagering are inconsistent with the spirit in which Hawai'i approaches collective well-being.

This measure reinforces clarity, consistency, and respect for process while broader policy discussions continue. The Nation of Hawai'i remains committed to protecting the long-term social, economic, and cultural well-being of Native Hawaiians and all residents of Hawai'i.

For these reasons, the Nation respectfully urges the Committee to pass HB2198.

Respectfully submitted,

Brandon Maka'awa'awa

Vice President
Nation of Hawai'i



Submitted Online: Monday, March 2, 2026

TO: House Committee on Judiciary & Hawaiian Affairs
Representative David Tarnas, Chair
Representative Mahina Poepoe, Vice Chair

FROM: Eva Andrade, President

RE: Strong Support for HB2198 HD 1 Relating to Predication Markets

Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawai‘i. We respectfully **support HB2198 HD1**, which updates Hawai‘i’s gambling laws to prohibit prediction markets that allow financial speculation on catastrophe, contests, death, legislation, national security matters, people, politics, and sports.

Prediction markets are often presented as innovative financial tools, but in practice, they function as gambling platforms. Individuals stake money on the occurrence of future events (including elections, government actions, disasters, and even death) under the label of “financial trading.” This blurs the line between legitimate investment activity and wagering on real-world outcomes.

The House amendments appropriately strengthened this measure by adding legislation and national security to the categories of prohibited speculative contracts. Allowing individuals to profit from insider knowledge, legislative progress, or sensitive national security matters would undermine public trust and could expose serious ethical and security risks.

The Committee report also recognizes that prediction markets raise significant moral concerns by commodifying real-world events and, in some cases, creating financial incentives tied to harmful or disturbing outcomes. Public policy should never allow individuals to benefit financially from tragedy, instability, or human suffering.

We appreciate that Hawai‘i has long chosen to limit gambling in order to protect families and communities. HB2198 HD1 ensures that those longstanding protections remain effective in the digital age by closing a loophole that could otherwise allow online betting markets to expand under the guise of financial products.

For these reasons, Hawaii Family Forum respectfully urges the Committee to **PASS HB2198 HD1**.

Mahalo for the opportunity to testify.



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

TO: Honorable Representative David A. Tarnas,
Chair, House Committee on Judiciary and Hawaiian Affairs

Honorable Representative Mahina Poepoe,
Vice Chair, House Committee on Judiciary and Hawaiian Affairs

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

RE: HB2198 - Relating to Prediction Markets

DATE: March 2, 2026

POSITION: IHS **strongly supports** HB2198 HD1

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.

Per the most recent ALICE report, half of households with one or more children are likely to live below the ALICE threshold. By allowing a highly addictive activity to remain in our community, we are increasing the likelihood of addiction and its adverse effects on income and society, including mental health issues, including depression, anxiety, and even suicide, for adults and youth alike.

Predictive markets, unlike traditional gambling, are more susceptible to the 'get rich quick' mindset, as wagers can be for literally anything: type/size of disaster, phrases and words in speech, time of events, etc. These markets are dangerous as they are endless and deceptively simple categories to wager on.

Passing this bill clearly defines that betting via predictive markets is, in fact, a form of gambling and will not be tolerated in our State. Moreover, it sends a strong message that betting on sports, elections, government actions, and disasters are not opportunities for individual profit at the expense of the health of the citizens of our State.

Mahalo for the opportunity to testify.

NO GAMBLE HAWAI‘I

P.O. Box 10729 | Honolulu, HI 96816 | nogamblehawaii@gmail.com

March 2, 2026

In Support of [HB2198 HD1](#)

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

No Gamble Hawai‘i strongly supports HB2198 HD1 to close the gambling loophole created by prediction markets.

These platforms allow you to bet on almost everything – sports, elections, government actions, natural disasters, even illness or death – while avoiding regulation by labeling wagers as “financial contracts.” This is gambling, no matter how it is packaged.

Major sportsbook companies (*DraftKings, FanDuel, Fanatics*) have launched prediction market platforms, effectively enabling sports-related “contracts” in states that have chosen not to legalize sports betting.

At first glance, some bets may seem harmless, like what color *Gatorade* will be poured on a coach, but that is how normalization begins. When betting is attached to everyday moments, it conditions people, especially young people, to see wagering as routine. It creates a culture where nothing is off-limits and everything can be wagered on, where every outcome is monetized.

And what does that teach our keiki? That everything is a bet, that life and work are games of chance.

We should instead affirm that hard work, perseverance, and true innovation are what create value, not predatory gambling repackaged as a financial product.

We have already seen nearly \$500,000 wagered on Governor Green’s State of the State speech before it was delivered, despite advance copies being distributed beforehand. There have been cases involving the misuse of non-public information tied to military operations.

Wagers have been placed on active natural disasters, including the California wildfires, while families were losing homes.

When money is tied to crises, it incentivizes the wrong behavior. When disaster strikes or instability unfolds, multibillion dollar corporations profit from loss.

That is not who we are in Hawai‘i.

There are some things we should not import. Predatory gambling is one of them.

Our Attorney General recognized the risks and signed onto an amicus brief in June 2025 supporting state authority to regulate and restrict these markets. That foresight reflects Hawai‘i’s longstanding commitment to protect our communities and public trust.

HB2198 reinforces that commitment. ***No Gamble Hawai‘i*** respectfully urges you to pass this measure.

Mahalo for the opportunity to testify.

Christine Otto Zaa
No Gamble Hawai‘i

Online information on prediction markets and of legal actions taken by states:

- [Video: Prediction markets aren't just gambling](#)
- [Monetizing Regime Change](#)
- [You Can Now Bet on Wildfire Containment. Is That Such a Good Idea?](#)
- [Trump Media enters prediction market business](#)
- [Prediction Markets Are Bookies With Venture Capital Funding](#)
- [Nevada Court Blocks Polymarket, Raising New Risks for US Users](#)
- [Kalshi can't operate sports-prediction market in Massachusetts, judge rules](#)
- [Kalshi in court over 19 federal lawsuits](#)
- [34 State Attorney Generals File Brief Against Trump Jr.-Backed Startup](#)
 - [Amicus brief](#)
- [Connecticut Consumer Protection Orders Robinhood, Crypto.Com, Kalshi to Cease and Desist Conducting Unlicensed Online Gambling](#)

Re: Major Contradictions in Description of HB2198

March 2, 2026

Dear House Committee on Judiciary and Hawaiian Affairs:

Thank you for your attention to this testimony. Because of the following five contradictions, I'm writing in support of HB2198.

Contradiction One: On the government website, there is a major contradiction between HB2198 and HB2198 HD1. While section 4 of the HB 2198 bill says: "SECTION 4. This Act shall take effect on July 1, 2026," the summary of the bill in HB2198 HD1 says "... Effective July 1, 3000." While "July 1, 3000" could be a simple mistake, I want to make sure it really is.

Contradiction Two: How can any legislation say it intends to protect its citizens and then scam it. Legalizing prediction markets results in governments taking money from their citizens while allowing scams, fraud, and other illegal conduct to exploit them. I'm confident you know the numerous concrete examples of scams related to gambling on the wildfires in Los Angeles, people speaking certain words, when a government will attack another country, etc.

Contradiction Three: Prediction markets claim to be financial markets, the same as Wall Street. Prediction markets claim that "bets" are "trades." While people INVEST money into Wall Street companies, there is NO INVESTMENT into when a wildfire will end, whether the US will attack Iran, who will be the next president, or any of the gambling options in a prediction market.

Contradiction Four: The use of the word "market" in the term "prediction market" is a false use of the word "market." A market is a place where people "exchange" goods, services, and information. A person's dollar is exchanged for a product. All forms of gambling are designed to exploit the person because less than 1% of every person who gambles ends up losing. Instead of a product, prediction markets prey on false hope.

Contradiction Five: The gambling industry claims that by legalizing a form of gambling, it reduces illegal gambling. This premise contradicts the reality that even the gambling industry's own research shows is false. In the "Campaign for Fairer Gambling," an iGambling Report of 2023, the gambling industry wanted to know the relationship between legalized and illegal gambling. **The key finding of the study created FOR THE GAMBLING INDUSTRY was that as legalized gambling increases, so does illegal gambling.** So, legalizing any form of gambling will increase illegal gambling.

Because there are so many other contradictions, I hope you realize that anyone who votes to legalize any prediction market in the name of protecting its citizens is scamming them.

Please pass HB 2198!

If you have any questions, feel free to contact me at 931.378.0824.

Sincerely,

Charles F. "Skip" Armistead
Leader

Religious Coalition of the National Stop Predatory Gambling Foundation

HB-2198-HD-1

Submitted on: 2/27/2026 8:26:16 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Honolulu Resident	Individual	Support	Written Testimony Only

Comments:

I am testifying in strong support of HB2198 to ban prediction market gambling due to its detrimental effects in making people addicted. This bill will close the gap to ensure market gambling is also not allowed in Hawaii. This type of gambling is predatory and preys on the young, vulnerable, and weak. Additionally, it is predatory and abhorrent to wager on death, catastrophes, or politics. This can cause sick individuals to monetize these events by causing them to take place. Gambling destroys lives and families—it should have no place in Hawaii.

Signed,

A concerned citizen from Honolulu

HB-2198-HD-1

Submitted on: 2/27/2026 8:52:00 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2198 HB RELATING TO PREDICTION MARKETS.

HB-2198-HD-1

Submitted on: 3/1/2026 12:00:14 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

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

I am testifying in **strong support** of HB2198, which would close a dangerous and exploitative loophole in Hawai‘i’s gambling laws by explicitly regulating so-called “prediction markets.”

These online platforms are currently operating in all 50 states, including Hawai‘i, by disguising gambling as a “financial product.” They allow users to place wagers on the outcomes of sporting events, elections, government actions, natural disasters, and even deeply personal events involving the health or life of real people. If the user’s prediction is correct, they win money. If it is wrong, they lose. This is gambling, plain and simple, repackaged with digital sophistication to evade our state’s long-standing prohibitions.

The threat posed by these markets is not theoretical; it is active and present. As noted in recent reporting, nearly **\$500,000 was wagered on prediction markets about the contents of Governor Green’s State of the State address** before it was delivered, while advanced copies of the speech had already been circulated among legislators. This raises alarming questions about insider information and the corruption of public processes.

Other documented examples are even more disturbing:

- A single account profited over \$400,000 by betting on military action against Venezuelan President Nicolás Maduro, a sequence that has drawn scrutiny for potential inside knowledge.
- Users have wagered on the spread and severity of active wildfires, **profiting from predictions tied to loss of life, destroyed homes, and community trauma.**

These are not harmless games. Prediction markets create perverse financial incentives. They can reward those with non-public information and, worse, could incentivize individuals to manipulate or influence tragic outcomes—from election integrity to public safety—for personal gain.

Hawai‘i has wisely prohibited gambling to protect our families and community welfare. This bill is a necessary update to that commitment in the digital age. We would not be acting alone; at least **nine other states have already taken enforcement action** against these platforms, recognizing them as unregulated gambling that undermines consumer protections.

I urge you to pass HB2198. It is a responsible measure to safeguard our communities, uphold the integrity of our public institutions, and make clear that Hawai'i will not tolerate the predatory practice of betting on politics, disaster, and human suffering.

Thank you for the opportunity to testify.

HB-2198-HD-1

Submitted on: 3/1/2026 1:00:17 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mandy Chang	Individual	Support	Written Testimony Only

Comments:

HB2198 HD1 protects families, upholds human dignity, and ensures that Hawai'i law does not allow profit from tragedy, death, or government instability. Closing this loophole keeps our state consistent with its longstanding commitment to limiting gambling for the good of our communities.

HB-2198-HD-1

Submitted on: 3/1/2026 5:16:06 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

I strongly support HB2198 HD1 to close the gambling loophole on prediction markets. These platforms allow betting on sports, election, government actions, and disasters, while claiming to be financial products. They also were recently used to predict the [killing of Khamenei](#). Hawai'i should reinforce where we stand by protecting our communities and public trust. Please pass HB2198 HD1.

HB-2198-HD-1

Submitted on: 3/1/2026 5:20:06 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Carolyn DiMeo	Individual	Support	Written Testimony Only

Comments:

I support this legislation because prediction markets truly are gambling not financial trading. They allow wagers on death and disasters and may incentivize harmful outcomes. By allowing betting on elections and legislation, they may distort confidence in democratic processes. Gambling is harmful to individuals and families and could lead to gambling addiction. For this reason Hawaii has long limited gambling. This bill continues this protection. That is why I earnestly support this bill. Thank you.

HB-2198-HD-1

Submitted on: 3/1/2026 5:32:12 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maki Morinoue	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

My name is Maki Morinoue, and I testify in strong support of HB2198 HD1 to close the gambling loophole created by so-called “prediction markets.”

These platforms allow people to wager on sports, elections, government actions, disasters—even illness and death—while labeling the bets as “financial contracts.” But if someone puts money down and wins or loses based on the outcome of an uncertain event, that is gambling. Calling it something else does not change its impact.

We have already seen nearly half a million dollars wagered on the words spoken in Governor Green’s State of the State address. When money is tied to political events, public decisions, or disasters, it erodes trust and creates dangerous incentives. No community should profit from catastrophe or insider advantage.

Major sports betting companies like DraftKings, FanDuel, and Fanatics have launched prediction platforms to bypass states like Hawai‘i that have deliberately chosen not to legalize gambling. This is not innovation—it is a workaround.

Other states are pushing back, recognizing these platforms for what they are. Hawai‘i must do the same.

Our state has long prohibited gambling to protect our families, keiki, and communities from addiction, financial harm, and corruption. At a time when online betting is aggressively targeting young people through social media and digital platforms, we must be clear about our values.

HB2198 HD1 reinforces where Hawai‘i stands. It protects public trust, safeguards our communities, and prevents gambling from taking root under a different name.

Please pass HB2198 HD1. Mahalo for the opportunity to testify.

Maki Morinoue
Hawai‘i Island

HB-2198-HD-1

Submitted on: 3/1/2026 5:35:27 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard	Individual	Support	Written Testimony Only

Comments:

Support this bill. It's the right hing to do.

Richard

Hāwī

HB-2198-HD-1

Submitted on: 3/1/2026 6:38:26 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
jeanne wheeler	Individual	Support	Written Testimony Only

Comments:

Aloha: I write in strong support of this bill - please pass it, we need it here! Mahalo

HB-2198-HD-1

Submitted on: 3/1/2026 8:10:43 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

I strongly support HB2198 HD1 to close the gambling loophole on prediction markets. These platforms allow betting on sports, election, government actions, and disasters, while claiming to be financial products. Hawai'i should reinforce where we stand by protecting our communities and public trust. Please pass HB2198 HD1.

HB-2198-HD-1

Submitted on: 3/1/2026 8:20:58 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Miyata	Individual	Support	Written Testimony Only

Comments:

Please support HB 2198

Commodifies tragedy and human suffering.

Prediction markets allow wagers on death, disasters, or mass casualty events. The Committee report acknowledges these serious moral concerns and warns that such markets may incentivize harmful outcomes.

• Creates perverse incentives.

When individuals can profit from instability or tragedy, public policy risks incentivizing destructive behavior. Government should never create systems where harm becomes financially beneficial.

• Undermines public trust.

Allowing speculation on elections, legislation, or government actions risks distorting confidence in democratic processes.

• Expands gambling in a digital form.

Online prediction platforms blur the line between investing and gambling, especially for younger, tech-savvy users. Hawai'i has long limited gambling to protect families — this bill keeps that safeguard current.

Mahalo for supporting HB 2198,

Linda

HB-2198-HD-1

Submitted on: 3/1/2026 8:31:08 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Bambara	Individual	Support	Written Testimony Only

Comments:

Please support this bill HB2198 HD1 to close the gambling loophole on prediction markets. These platforms allow betting on sports, election, government actions, and disasters, while claiming to be financial products. Hawai'i should reinforce where we stand by protecting our communities and public trust.

Please support Pono living and pass HB2198 HD1.

HB-2198-HD-1

Submitted on: 3/1/2026 9:50:34 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cory Harden	Individual	Support	Written Testimony Only

Comments:

Aloha legislators,

Please support HB 2198 so prediction markets are no longer allowed. Prediction markets are a form of gambling, and legalized gambling is a major factor in addiction, bankruptcy, and family instability. Prediction markets can tempt people to influence events in their favor. Financial interests can make hundreds of millions off these markets, but citizens lose.

mahalo,
Cory Harden

HB-2198-HD-1

Submitted on: 3/1/2026 10:45:07 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Suzanne Nakano	Individual	Support	Written Testimony Only

Comments:

I strongly support HB2198 HD1 to close the gambling loophole on prediction markets. These platforms allow betting on sports, election, government actions, and disasters, while claiming to be financial products. Hawai'i should reinforce where we stand by protecting our communities and public trust. Please pass HB2198 HD1.

HB-2198-HD-1

Submitted on: 3/2/2026 5:17:50 AM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

Strongly support. This bill closes a dangerous loophole in Hawai‘i’s gambling laws by prohibiting so-called “prediction markets” that allow individuals to financially speculate on elections, wars, disasters, deaths, and other deeply serious matters. These platforms are not legitimate investments — they are gambling instruments dressed up as financial products.

Allowing people to profit from catastrophes, assassination attempts, public health crises, or the outcome of legislation undermines public trust and violates basic ethical standards.

Hawai‘i has long taken a cautious and principled stance against gambling expansion. We should not allow digital markets to erode that policy through regulatory gaps.

Agan, **strongly support** this bill.

HB-2198-HD-1

Submitted on: 3/2/2026 6:50:36 AM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Professor John Kindt, Em.	Individual	Support	Written Testimony Only

Comments:

Honorable Chair and Committee Members,

My academic colleagues and I have testified in person as expert witnesses on gambling issues before most state legislatures and the U.S. Congress--including Hawaii.

Australia and New Zealand have recently banned gambling via predictions markets, and several U.S. states are considering following their lead. Therefore, there is a trend toward enacting legislation similar to HB 2198.

Gambling via predictions markets is accomplished via a semantic end around which disreputable groups are claiming neuters all Federal and state gambling legislation and regulations. These groups are conducting 24/7 gambling on anything, anywhere, anytime, by anyone--particularly kids.

Without banning gambling via predictions markets, statewide tourism, commercial businesses, banks, and families will be negatively impacted significantly. These conclusions are confirmed by the multi-volume U.S. International Gambling Report series, the U.S. National Gambling Impact Study Commission, and virtually all authoritative academic and government reports.

Having spent my honeymoon in Hawaii, and with several return visits, we urge legislators to keep gambling out of Hawaii--and particularly gambling via predictions markets.

Respectfully submitted,

Prof. John Kindt

MBA, J.D., LL.M, SJD

HB-2198-HD-1

Submitted on: 3/2/2026 7:04:17 AM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

Support HB2198 HD1 to close the gambling loophole on prediction markets. Protect our communities and public trust.

HB-2198-HD-1

Submitted on: 3/2/2026 7:15:01 AM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thinh Nguyen	Individual	Support	Written Testimony Only

Comments:

Do your best to pass HB2198 HD1. Help our communities by closing the gambling loophole on prediction markets.

HB-2198-HD-1

Submitted on: 3/2/2026 9:34:22 AM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

I strongly support HB2198 HD1 to close the gambling loophole on prediction markets. These platforms allow betting on sports, election, government actions, and disasters, while claiming to be financial products. Hawai'i should reinforce where we stand by protecting our communities and public trust. Please pass HB2198 HD1.

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Submitted on: 3/2/2026 10:44:18 AM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
nanci kreidman	Individual	Support	Written Testimony Only

Comments:

Aloha, please accept this testimony in strong support of HB 2198 HD1.

betting and gambling are unwholesome community activities, bringing risk, danger, crime, and cost. it is important to close this loophole. thank you.

HB-2198-HD-1

Submitted on: 3/2/2026 1:22:13 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Audrey Abe	Individual	Support	Written Testimony Only

Comments:

I strongly support HB2198 HD1 to close the gambling loophole on prediction markets. These platforms allow betting on sports, election, government actions, and disasters, while claiming to be financial products. Hawai'i should reinforce where we stand by protecting our communities and public trust. Please pass HB2198 HD1.

Marcus R. Oshiro
Wahiawa, Hawai‘i

March 1, 2026

In strong support of HB 2198, HD 1, Relating to Prediction Markets

Chair, Vice Chair, and Members of the Committee,

Mahalo for the opportunity to submit testimony in **strong support** of **HB 2198, HD 1**, a critical measure that protects Hawai‘i’s people, democratic institutions, and national security interests from a rapidly expanding and deeply harmful form of gambling disguised as financial innovation.

I. The Urgent Need for HB 2198, HD1.

HB 2198, HD 1 responds to the emergence of “prediction markets” — platforms that allow individuals to wager on real-world events involving sports, politics, natural disasters, public health crises, and even the lives of individual people. Although marketed as innovative financial products, these markets function as gambling systems built on human suffering, political instability, and catastrophic events.

Left unchecked, prediction markets:

- **Monetize tragedy**, enabling bets on death, disaster, and mass-casualty events.
- **Distort democratic processes**, turning elections and government actions into profit opportunities.
- **Target youth**, using app-based interfaces that mimic sports betting and day-trading.
- **Create perverse incentives**, where individuals benefit from harm, instability, or violence.
- **Exploit vulnerable communities**, including Native Hawaiian and Pacific Islander families already disproportionately harmed by predatory financial products.

Hawai‘i has for generations rejected industries that extract wealth from instability and addiction. Prediction markets are simply the newest iteration of this predatory model.

II. What HB 2198, HD 1 Accomplishes.

HB 2198, HD1, modernizes the definition of “gambling” in HRS §712-1220 to include the purchase, sale, or financial speculation of securities, commodities, or similar products when the underlying event relates to sports, contests, people, politics, certain military operations, catastrophe, or death.

This brightline rule:

- Ensures these products are treated as gambling, not legitimate investments.
- Provides clarity for regulators and prosecutors.
- Protects consumers from deceptive financial instruments.
- Preserves the integrity of Hawai‘i’s democratic and civic institutions, and certain military operations.

III. Governor Green and Attorney General Lopez Seem Supportive of Banning Prediction Markets from Doing Business in Hawai‘i

Unbeknownst to many citizens and even legislators, the State of Hawai‘i has already taken a strong position on the prediction market through joinder in a **Brief of Amici Curiae, Nevada, Ohio, 32 Other States, District of**

Columbia, and Northern Mariana Islands Supporting Appellants, [KalshiEX LLC v. Flaherty, No. 25-1922](#) (3d Cir. filed June 17, 2025). In a nutshell, the brief addresses three important points:

- **Congress must speak clearly to preempt traditional state police powers**, especially gambling regulation.
- **States have a centuries-long history of regulating gambling**, including sports betting.
- **Kalshi's theory would create an events-contract loophole**, effectively deregulating sports betting nationwide and undermining state protections for consumers.

Consequently, Hawai'i has already staked out a position in the quickly moving area of prediction markets vis a vis traditional gaming operations, such as lottery, casino, sports betting, on-line casino betting, etc. Bear in mind, however, that the amici curiae brief and therefore the current administration do not endorse any argument on whether any form of gaming should or should not be allowed, in Hawai'i, but in fact argues that such decision lies with the state and not the Federal Commodities Exchange Commission. (Recent federal executive appointments to the governing and regulatory board suggest that states quickly set local policy and reaffirm their sovereignty over these practices and industries).

This point is important, as the Joint House and Senate Tourism and Gaming Working Group (SCR 121, 2025) is currently studying and evaluating whether any form of gaming should become part of our diversified tourism market and become a new economic enterprise. Interestingly, several key members of the Working Group (*FanDuel, DraftKings, etc.*) may be helpful to better understand how this rapidly developing prediction scheme conflicts or compliments existing gaming enterprises, both on-line and land based.

V. Protecting Hawai'i's Values

Hawai'i's approach to gambling has always been grounded in **aloha, kuleana, and collective well-being**. Allowing markets that profit from death, catastrophe, political turmoil, legislative functions, or national-security vulnerabilities would erode the social fabric that binds our communities and undermine trust in public institutions. Don't we still believe that "we" are a unique and special people? That Hawaii remains no ka oi.

HB 2198, HD 1, ensures that Hawai'i remains a national leader in protecting its residents from predatory financial schemes and ensuring that its legislative process is not used to, compromise, tarnish and invite corrupting the work of its legislators, staff, and ancillary offices and agents. Our national security and their families also will benefit from its protections.

VI. Conclusion: For these reasons, I respectfully urge the Committee to approve **HB 2198, HD1**.

HB-2198-HD-1

Submitted on: 3/2/2026 2:29:13 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

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

Comments:

I support this bill.

HB2198 HD1

Submitted By	Organization	Testifier Position	Testify
Carl Nagasako	Individual	Support	Written Testimony Only

I support the revision of the definition of gambling in Hawaii to include Predication Markets. These contracts speculate (gamble) on the outcome of certain events including politics, sports, etc.

This closes an existing loophole that allows Hawaii residents to engage in the Predictive Markets, which is another form of gambling. It drains precious funds from individuals who can least afford to partake in these contracts.

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Submitted on: 3/2/2026 5:29:34 PM

Testimony for JHA on 3/3/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bianca Isaki	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

Hawai‘i has long prohibited gambling to protect our families and communities. HB2198 reinforces that protection and safeguards public trust.

We are already seeing the consequences of legalized online sports betting in other states: addiction, financial harm, corruption, and harassment of athletes. Even Ohio Governor DeWine has said [legalizing sports gambling was his biggest regret as governor](#).

Yours,

Bianca Isaki, Kane`ohe