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# A BILL FOR AN ACT

RELATING TO GAMING.

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

1           SECTION 1. The legislature finds that article XII, section  
2 2 of the state constitution states in part that "The State and  
3 its people do further agree and declare that the spirit of the  
4 Hawaiian Homes Commission Act looking to the continuance of the  
5 Hawaiian homes projects for the further rehabilitation of the  
6 Hawaiian race shall be faithfully carried out."

7           Over twenty-eight thousand native Hawaiians are awaiting  
8 homestead leases while the department of Hawaiian home lands  
9 struggles to develop land and lots. Current costs for  
10 infrastructure development, borne by the department, are in  
11 excess of \$150,000 per lot. In order to fulfill the needs of  
12 the current waitlist, the department requires over \$6 billion  
13 for infrastructure costs alone to serve its beneficiaries. This  
14 significant sum is separate and apart from costs for maintenance  
15 of existing lessee communities housing nearly ten thousand  
16 beneficiaries, upkeep of several utility systems, and other  
17 costs. Over the last decade, the legislature has funded the  
18 department at levels higher than in years past, which has

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1 provided increased opportunity for the department of Hawaiian  
2 home lands to increase its reach. However, by conservative  
3 estimates, it will take the department at least another hundred  
4 years to meet the needs of its beneficiaries at current funding  
5 levels.

6 In the face of an unprecedented and historic budget  
7 shortfall as a result of the ongoing COVID-19 pandemic, the  
8 department of Hawaiian home lands must seek alternative means of  
9 revenue. One alternative is the development of an integrated  
10 resort that includes limited casino gaming on Hawaiian home  
11 lands designated for commercial use on the island of Oahu  
12 excluding lands west of Ko Olina in order to address the  
13 staggering budget shortfall this century through increased  
14 revenue for both beneficiaries and the department of Hawaiian  
15 home lands.

16 The downstream economic and social benefits of integrated  
17 resort development have been demonstrated globally in diverse  
18 locations such as Macau, Singapore, the Bahamas as well as  
19 across many states in the United States. In addition to  
20 enhancing existing tourism and infrastructure, the integrated  
21 resort that includes limited casino gaming will increase state  
22 revenue from a new wagering tax along with traditional sources

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1 like the general excise tax and the transient accommodation tax.  
2 Evidence from over two hundred individual gaming facilities on  
3 federal trust lands in twenty-nine states demonstrates  
4 significant economic activity through expenditures by casinos  
5 and their suppliers; job creation at the integrated resort and  
6 new businesses stimulated by increases in tourism, in State  
7 government, in education, and at suppliers to the integrated  
8 resort; wages paid to employees of the integrated resort and all  
9 impacted businesses; taxes on all taxable economic activity; and  
10 direct gaming-related payments to the State and local  
11 governments.

12 As a global tourism destination, Hawaii would realize  
13 similar economic and social benefits through operation and  
14 licensing of a single integrated resort that includes limited  
15 casino gaming on Hawaiian home lands designated for commercial  
16 use on the island of Oahu excluding lands west of Ko Olina. For  
17 example, 2015 estimates for travel spending for the state of  
18 Hawaii were \$21.7 billion. By comparison, 2015 estimates for  
19 travel spending for the state of North Carolina were \$22.8  
20 billion. In 2014, North Carolina, a state with only two  
21 tribally-operated gaming facilities realized: \$1.33 billion  
22 dollars in sales tied to gaming; 11,730 jobs directly related to

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1 gaming; \$530 million in salaries, wages, bonuses, tips and  
2 benefits from those jobs; and \$205 million in tax revenue and  
3 direct payments from tribal governments to federal, state, and  
4 local government. Impacts from integrated resort development,  
5 particularly on tribal lands, depend on several factors and  
6 market conditions. However, the opportunity and potential for  
7 increased revenue to the department of Hawaiian home lands and  
8 the state will directly address the unprecedented economic shock  
9 that threatens to gut legislative funding for the foreseeable  
10 future.

11 The purpose of this Act is to authorize limited casino  
12 gaming in the form of a single integrated resort property on  
13 Hawaiian home lands designated for commercial use on the island  
14 of Oahu excluding lands west of Ko Olina in order to address  
15 historic funding shortfalls to the department of Hawaiian home  
16 lands made worse by the economic shutdown from the global  
17 pandemic. The limited authorization of casino gaming would  
18 address the dire financial state of the department of Hawaiian  
19 home lands by ensuring that the department is the primary  
20 beneficiary of the gaming operation through a lease agreement  
21 with the licensee and through direct collection of eighty per  
22 cent of the state tax payments on gross gaming revenue.

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

4 "CHAPTER  
5 CASINO GAMING

6 § -1 **Limited casino gaming authorized.** Casino gaming  
7 and a system of wagering incorporated therein, as defined in  
8 this chapter, are authorized only to the extent that casino  
9 gaming and wagering are conducted in accordance with this  
10 chapter. In case of any conflict between this chapter and any  
11 other law regarding casino gaming, this chapter shall prevail.  
12 This chapter and the rules adopted by the commission shall apply  
13 to all persons who are licensed or otherwise participate in  
14 gaming as permitted under this chapter.

15 § -2 **Definitions.** As used in this chapter, unless the  
16 context clearly requires otherwise:

17 "Agent" means any person who is employed by any agency of  
18 the State other than the commission, who is assigned to perform  
19 full-time services on behalf of or for the benefit of the  
20 commission regardless of the title or position held by that  
21 person.

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1 "Applicant" means any person who applies for a license  
2 under this chapter.

3 "Casino gaming" or "limited casino gaming", as the context  
4 may require, means the operation of games conducted pursuant to  
5 this chapter as part of an integrated resort with a gaming  
6 license authorized by the commission.

7 "Chairperson" means the chairperson of the Hawaii gaming  
8 commission.

9 "Commission" means the Hawaii gaming commission.

10 "Conflict of interest" means a situation in which the  
11 private interest of a member, employee, or agent of the  
12 commission may influence the judgment of the member, employee,  
13 or agent in the performance of the member's, employee's, or  
14 agent's public duty under this chapter. A conflict of interest  
15 includes but is not limited to the following:

16 (1) Any conduct that would lead a reasonable person,  
17 knowing all of the circumstances, to conclude that the  
18 member, employee, or agent of the commission is biased  
19 against or in favor of an applicant;

20 (2) Acceptance of any form of compensation other than from  
21 the commission for any services rendered as part of

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1 the official duties of the member, employee, or agent  
2 for the commission; or

3 (3) Participation in any business being transacted with or  
4 before the commission in which the member, employee,  
5 or agent of the commission or the member's,  
6 employee's, or agent's parent, spouse, or child has a  
7 financial interest.

8 "Department" means the department of Hawaiian home lands.

9 "Executive director" means the executive director of the  
10 commission.

11 "Financial interest" or "financially interested" means any  
12 interest in investments, awarding of contracts, grants, loans,  
13 purchases, leases, sales, or similar matters under consideration  
14 or consummated by the commission or holding a one per cent or  
15 more ownership interest in an applicant or a licensee. For  
16 purposes of this definition, a member, employee, or agent of the  
17 commission shall be considered to have a financial interest in a  
18 matter under consideration if any of the following circumstances  
19 exist:

20 (1) The individual owns one per cent or more of any class  
21 of outstanding securities that are issued by a party

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1 to the matter under consideration or consummated by  
2 the commission; or

3 (2) The individual is employed by or is an independent  
4 contractor for a party to the matter under  
5 consideration by the commission.

6 "Gambling" means the playing of a game by a patron of a  
7 gaming establishment.

8 "Game" means a banking or percentage game played with  
9 cards, dice, tiles, dominoes, or an electronic, electrical, or  
10 mechanical device or machine played for money, property, checks,  
11 or any other representative of value that has been approved by  
12 the commission.

13 "Gaming" means dealing, operating, carrying on, conducting,  
14 maintaining, or exposing any game for pay.

15 "Gaming device" or "gaming equipment" means an electronic,  
16 electrical, or mechanical machine used in connection with gaming  
17 or a game.

18 "Gaming license" means a license issued by the commission  
19 that permits the licensee to operate casino gaming.

20 "Gaming licensee" means a person or entity who holds a  
21 gaming license from the Hawaii gaming commission.

22 "Gross gaming revenue" means the total of:

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1 (1) Cash received or retained as winnings by a licensee;  
2 and

3 (2) Compensation received for conducting any game in which  
4 a licensee is not party to a wager.

5 "Individual" means a natural person.

6 "Integrated resort" means a destination resort property  
7 that offers a wide variety of leisure and entertainment products  
8 besides casino gaming, ranging from restaurants, convention  
9 services, golf or other outdoor activities, pools and spas,  
10 retail, aquariums, theme parks, movie and live theaters,  
11 museums, and sporting events.

12 "Managerial employee" means a person who holds a policy  
13 making position with the commission or any licensee under this  
14 chapter.

15 "Occupational license" means a license issued by the  
16 commission to a person or entity to perform an occupation  
17 relating to casino gaming in the State that the commission has  
18 identified as an occupation that requires a license.

19 "Person" means an individual, association, partnership,  
20 estate, trust, corporation, limited liability company, or other  
21 legal entity.

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1 "Supplier" means a person that the commission has  
2 identified under rules adopted by the commission as requiring a  
3 license to provide goods or services regarding the realty,  
4 construction, maintenance, or business of a proposed or existing  
5 integrated resort on a regular or continuing basis, including  
6 security businesses, manufacturers, distributors, persons who  
7 service gaming devices or equipment, garbage haulers,  
8 maintenance companies, food purveyors, and construction  
9 companies.

10 "Supplier's license" means a license that authorizes a  
11 supplier to furnish any equipment, devices, supplies, or  
12 services to a licensed integrated resort permitted under this  
13 chapter.

14 "Wagerer" means a person who plays a gambling game  
15 authorized under this chapter.

16 § -3 **Hawaii gaming commission.** (a) There is  
17 established the Hawaii gaming commission, which shall be a body  
18 corporate and a public instrumentality of the State for the  
19 purpose of implementing this chapter. The commission shall be  
20 placed within the department of Hawaiian home lands for  
21 administrative purposes only. The department shall not direct  
22 or exert authority over the day-to-day operations or functions

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1 of the commission. The commission shall consist of five members  
2 as follows:

- 3 (1) A member of the Hawaiian homes commission; and  
4 (2) Four members to be appointed by the governor with the  
5 advice and consent of the senate under section 26-34.  
6 At least one of the members shall be native Hawaiian  
7 as defined in the Hawaiian Homes Commission Act; one  
8 member shall have experience in corporate finance and  
9 securities; one member shall have experience in  
10 criminal investigations and law enforcement; one  
11 member shall have experience in legal and policy  
12 issues related to gaming; and one member may have  
13 professional experience in gaming regulatory  
14 administration or gaming industry management.

15 Appointments of initial commission members shall be made within  
16 one year of the effective date of this Act. The commission  
17 shall select a member to be chairperson by a two-thirds vote.

18 (b) No person shall be appointed as a member of the  
19 commission or continue to be a member of the commission if the  
20 person:

- 21 (1) Is an elected state official;

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- 1           (2) Is licensed by the commission pursuant to this  
2           chapter, or is an official of, has a financial  
3           interest in, or has a financial relationship with, any  
4           gaming operation subject to the jurisdiction of the  
5           commission pursuant to this chapter;
- 6           (3) Is related to any person within the second degree of  
7           consanguinity or affinity who is licensed by the  
8           commission pursuant to this chapter; or
- 9           (4) Has been under indictment, convicted, plead guilty or  
10          nolo contendere, or forfeited bail for a felony or a  
11          misdemeanor involving gambling or fraud under the laws  
12          of this State, any other state, or the United States  
13          within the ten years prior to appointment, or a local  
14          ordinance in a state involving gambling or fraud that  
15          substantially corresponds to a misdemeanor in that  
16          state within the ten years prior to appointment.
- 17          (c) The term of office of a commission member shall be  
18          four years or until a successor is appointed and shall be  
19          eligible for reappointment; provided, however, that no  
20          commission member shall serve more than eight years. Vacancies  
21          in the commission shall be filled for the unexpired term in like  
22          manner as the original appointments; provided that the governor

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1 shall have ninety days following the occurrence of a vacancy to  
2 appoint a successor member to the commission. A person  
3 appointed to fill a vacancy in the office of a commission member  
4 shall serve for only the unexpired term of such commission  
5 member. The governor may remove a commission member if the  
6 commission member:

7 (1) Is guilty of malfeasance in office;

8 (2) Substantially neglects the duties of a commission  
9 member;

10 (3) Is unable to discharge the powers and duties of the  
11 commission member's office;

12 (4) Commits gross misconduct; or

13 (5) Is convicted of a felony.

14 (d) Members of the commission shall be a resident of the  
15 state of Hawaii and, while serving on the commission, shall not:

16 (1) Hold, or be a candidate for, federal, state, or local  
17 elected office;

18 (2) Hold an appointed office in a federal, state, or local  
19 government, except for the chairman of the Hawaiian  
20 homes commission; or

21 (3) Serve as an official in a political party.

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1 (e) The commission, subject to chapter 92, shall hold at  
2 least one meeting in each quarter of the State's fiscal year.  
3 The commission shall hold its initial meeting within one year of  
4 the effective date of this Act. Special meetings may be called  
5 by the chairperson or any three members upon seventy-two hours  
6 written notice to each member. Three members shall constitute a  
7 quorum, and a majority vote of the five members present shall be  
8 required for any final determination by the commission. The  
9 commission shall keep a complete and accurate record of all its  
10 meetings.

11 (f) The members shall serve on a part-time basis. The  
12 compensation of the part-time members shall be eighty per cent  
13 of the hourly wage paid the chairman of the Hawaiian homes  
14 commission. For each hour engaged in the official duties of the  
15 commission, each part-time member of the commission shall be  
16 paid an hourly wage at the percentage rate specified in this  
17 section based on the hourly wage paid the chairman of the  
18 Hawaiian homes commission; provided that compensation shall not  
19 exceed eighty per cent of the total regular working hours in a  
20 month; provided further that part-time members shall not be  
21 entitled to any vacation, sick leave, or other benefits except  
22 as provided in this section. All commissioners shall receive

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1 their necessary expenses for travel and incidentals that shall  
2 be paid from appropriations provided the commission for such  
3 purposes.

4 (g) Before assuming the duties of office, each member of  
5 the commission shall take an oath that the member shall  
6 faithfully execute the duties of office according to the laws of  
7 the State.

8 (h) The commission shall appoint a person to serve as the  
9 executive director of the commission and who shall be subject to  
10 the commission's supervision. The commission shall appoint an  
11 interim executive director within ten days of the commission's  
12 initial meeting who shall be exempt from paragraphs (3) and (4)  
13 such that the interim executive director may be a current public  
14 employee or regulator official from a similar body in another  
15 state who temporarily undertakes the role of interim executive  
16 director. The executive director shall:

- 17 (1) Hold office at the will of the commission;  
18 (2) Be exempt from chapters 76 and 89;  
19 (3) Devote full time to the duties of the office;  
20 (4) Not hold any other office or employment;  
21 (5) Perform any and all duties that the commission  
22 assigns; and

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1           (6) Receive an annual salary at an amount set by the  
2                   commission, and shall be reimbursed for expenses  
3                   actually and necessarily incurred in the performance  
4                   of the executive director's duties.

5           (i) Except as otherwise provided by law, the executive  
6 director may:

7           (1) Hire assistants, other officers, and employees, who  
8                   shall be exempt from chapters 76 and 89 and who shall  
9                   serve at the will of the executive director; and

10          (2) Appoint committees and consultants necessary to carry  
11                   out the functions and duties of the commission under  
12                   this chapter; provided that no person shall be hired  
13                   or appointed under this subsection who:

14                   (A) Is an elected state official;

15                   (B) Is licensed by the commission pursuant to this  
16                   chapter or is an official of, has a financial  
17                   interest in, or has a financial relationship  
18                   with, any gaming operation subject to the  
19                   jurisdiction of this commission pursuant to this  
20                   chapter;

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1 (C) Is related to any person within the second degree  
2 of consanguinity or affinity who is licensed by  
3 the commission pursuant to this chapter; or

4 (D) Has been under indictment, convicted, pled guilty  
5 or nolo contendere, or forfeited bail for a  
6 felony or misdemeanor concerning gambling or  
7 fraud under the laws of this State, any other  
8 state, or the United States within the last ten  
9 years, or a local ordinance in any state  
10 involving gambling or fraud that substantially  
11 corresponds to a misdemeanor in that state within  
12 the ten years prior to employment.

13 (j) The salaries of employees hired pursuant to subsection  
14 (i) shall be set by the executive director.

15 (k) The commission shall adopt rules in accordance with  
16 chapter 91 establishing a code of ethics for its employees that  
17 shall include restrictions on which employees are prohibited  
18 from participating in or wagering on any casino game or casino  
19 gaming operation subject to the jurisdiction of the commission.  
20 The code of ethics shall be separate from and in addition to any  
21 standards of conduct set forth pursuant to chapter 84.

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1           §    -4 **Staff.** (a) The executive director shall keep  
2 records of all proceedings of the commission and shall preserve  
3 all records, books, documents, and other papers belonging to the  
4 commission or entrusted to the commission's care.

5           (b) In addition to persons hired under section    -3(i),  
6 the commission may employ any personnel that may be necessary to  
7 carry out its duties under this chapter.

8           §    -5 **Powers of the commission.** (a) The commission  
9 shall have all powers necessary to fully and effectively  
10 supervise all casino gaming operations, including the power to:

11           (1) Administer, regulate, and enforce the system of casino  
12 gaming established by this chapter. The commission's  
13 jurisdiction shall extend to every person,  
14 association, corporation, partnership, trust, and any  
15 other entity with a financial interest in or holding a  
16 license under this chapter, or required under this  
17 chapter to hold a license in casino gaming operations  
18 in the state;

19           (2) Issue a forty-year gaming license to operate an  
20 integrated resort pursuant to this chapter;

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- 1           (3) Determine the types and numbers of occupational and  
2           supplier's licenses to be permitted under this  
3           chapter;
- 4           (4) Adopt standards for the licensing of all persons under  
5           this chapter subject to the qualification and  
6           standards set forth herein, to issue licenses, and to  
7           establish and collect fees for these licenses;
- 8           (5) Provide for the collection of all taxes imposed  
9           pursuant to this chapter, and to collect, receive,  
10          expend, and account for all revenues derived from  
11          casino gaming;
- 12          (6) Enter at any time without a warrant and without notice  
13          to a gaming licensee, the premises, offices,  
14          integrated resort, or other places of business of a  
15          gaming licensee, or supplier licensee, where evidence  
16          of the compliance or noncompliance with this chapter  
17          or rules is likely to be found. Entry is authorized  
18          to:
- 19                (A) Inspect and examine all premises wherein casino  
20                gaming or the business of gaming or the business  
21                of a supplier is conducted, or where any records  
22                of the activities are prepared;

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- 1 (B) Inspect, examine, audit, impound, seize, or  
2 assume physical control of, or summarily remove  
3 from the premises all books, ledgers, documents,  
4 writings, photocopies or correspondence records,  
5 videotapes, including electronically or digitally  
6 stored records, money receptacles other  
7 containers and their contents, equipment in which  
8 the records are stored, or other gaming related  
9 equipment and supplies on or around the premises,  
10 including counting rooms;
- 11 (C) Inspect the person, and inspect, examine, and  
12 seize personal effects present in an integrated  
13 resort licensed under this chapter, or any holder  
14 of a licensed integrated resort; and
- 15 (D) Investigate and deter alleged violations of this  
16 chapter or rules;
- 17 (7) Investigate alleged violations of this chapter or  
18 rules and to take appropriate disciplinary action  
19 against a gaming licensee or a holder of an  
20 occupational or supplier license for a violation, or  
21 institute appropriate legal action for enforcement, or  
22 both;

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- 1           (8) Be present, through its inspectors and agents, any  
2                   time gaming operations are conducted in an integrated  
3                   resort for the purpose of certifying the gaming  
4                   licensee's revenue, receiving complaints from the  
5                   public, and conducting other investigations into the  
6                   conduct of the casino gaming and the maintenance of  
7                   the equipment as from time to time the commission may  
8                   deem necessary and proper;
- 9           (9) Adopt appropriate standards for an integrated resort  
10                   as well as for electronic or mechanical gaming  
11                   devices;
- 12          (10) Require that records including financial or other  
13                   statements of a gaming licensee under this chapter be  
14                   kept in the manner prescribed by the commission and  
15                   that a licensee involved in the ownership or  
16                   management of casino gaming operations submit to the  
17                   commission an annual balance sheet and profit and loss  
18                   statement, a list of the stockholders or other persons  
19                   having a five per cent or greater beneficial interest  
20                   in the gaming activities of the licensee, and any  
21                   other information the commission deems necessary to  
22                   effectively administer this chapter;

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- 1           (11) Conduct hearings, issue subpoenas for the attendance  
2                   of witnesses and subpoenas duces tecum for the  
3                   production of books, records, and other pertinent  
4                   documents, and to administer oaths and affirmations to  
5                   the witnesses, when, in the judgment of the  
6                   commission, it is necessary to administer or enforce  
7                   this chapter. The executive director or the executive  
8                   director's designee may issue subpoenas and administer  
9                   oaths and affirmations to witnesses;
- 10          (12) Eject or exclude, or authorize the ejection or  
11                   exclusion of, any person from an integrated resort  
12                   where the person is in violation of this chapter or  
13                   where the person's conduct or reputation is such that  
14                   the person's presence within the integrated resort, in  
15                   the opinion of the commission, may call into question  
16                   the honesty and integrity of the gaming operation or  
17                   interfere with the orderly conduct thereof or any  
18                   other action that, in the opinion of the commission,  
19                   is a detriment or impediment to the gaming operations;  
20                   provided that the propriety of that ejection or  
21                   exclusion shall be subject to subsequent hearing and

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1 determination by the commission as prescribed by  
2 rules;

3 (13) Permit a gaming licensee of casino gaming operations  
4 to use a wagering system whereby wagerers' money may  
5 be converted to tokens, electronic cards, or chips,  
6 which shall be used only for wagering within the  
7 integrated resort;

8 (14) Suspend, revoke, or restrict licenses, to require the  
9 removal of a licensee or an employee of a licensee for  
10 a violation of this chapter or rule, or for engaging  
11 in a fraudulent practice;

12 (15) Impose and collect fines against a licensee for each  
13 violation of this chapter, any rules adopted by the  
14 commission, or for any other action which, in the  
15 commission's discretion, is a detriment or impediment  
16 to casino gaming operations;

17 (16) Establish minimum levels of insurance to be maintained  
18 by a licensee;

19 (17) Delegate the execution of any of its powers for the  
20 purpose of administering and enforcing this chapter;  
21 and

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1 (18) Adopt rules pursuant to chapter 91 to implement this  
2 chapter.

3 (b) Rules adopted under this chapter may include but need  
4 not be limited to rules that:

5 (1) Govern, restrict, approve, or regulate the casino  
6 gaming authorized in this chapter;

7 (2) Promote the safety, security, and integrity of casino  
8 gaming authorized in this chapter;

9 (3) License and regulate, consistent with the  
10 qualifications and standards set forth in this  
11 chapter, persons participating in or involved with  
12 casino gaming authorized in this chapter; and

13 (4) Authorize any other action that may be reasonable or  
14 appropriate to enforce this chapter and rules adopted  
15 under this chapter.

16 This section is not intended to limit warrantless inspections  
17 except in accordance with constitutional requirements.

18 § -6 **Member, employee, or agent of commission; conduct**  
19 **generally.** (a) By January 31 of each year, each member of the  
20 commission shall prepare and file with the commission a  
21 disclosure form in which the member shall:

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- 1           (1) Affirm that the member or the member's spouse, parent,  
2                    child, or child's spouse is not a member of the board  
3                    of directors of, financially interested in, or  
4                    employed by a licensee or applicant;
- 5           (2) Affirm that the member continues to meet all other  
6                    criteria for commission membership under this chapter  
7                    or the rules adopted by the commission;
- 8           (3) Disclose any legal or beneficial interest in any real  
9                    property that is or may be directly or indirectly  
10                   involved with gaming operations authorized by this  
11                   chapter; and
- 12           (4) Disclose any other information that may be required to  
13                   ensure that the integrity of the commission and its  
14                   work is maintained.
- 15           (b) By January 31 of each year, the executive director  
16 shall prepare and file with the commission a disclosure form in  
17 which the executive director shall:
- 18           (1) Affirm the absence of financial interests prohibited  
19                    by this chapter;
- 20           (2) Disclose any legal or beneficial interest in any real  
21                    property that is or may be directly or indirectly

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1           involved with gaming or gaming operations authorized  
2           by this chapter;

3           (3) Disclose whether the employee or the employee's  
4           spouse, parent, child, or child's spouse is  
5           financially interested in or employed by a supplier  
6           licensee, or an applicant for a supplier's license,  
7           under this chapter; and

8           (4) Disclose any other information that may be required to  
9           ensure that the integrity of the commission and its  
10          work is maintained.

11          (c) A new or current employee or agent of the commission  
12 shall obtain written permission from the executive director  
13 before continuing outside employment held at the time the  
14 employee begins to work for the commission. Permission shall be  
15 denied, or permission previously granted shall be revoked, if  
16 the nature of the work is considered to or does create a  
17 possible conflict of interest with the commission or otherwise  
18 interferes with the duties of the employee or agent for the  
19 commission.

20          (d) An employee or agent of the commission granted  
21 permission for outside employment shall not conduct any business  
22 or perform any activities, including solicitation, related to

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1 outside employment on premises used by the commission or during  
2 the employee's working hours for the commission.

3 (e) As used in this section:

4 "Outside employment" includes the following:

5 (1) Operation of a proprietorship;

6 (2) Participation in a partnership or group business  
7 enterprise; or

8 (3) Performance as a director or corporate officer of any  
9 for-profit corporation, or banking or credit  
10 institution.

11 § -7 **Authorization of limited gaming.** Casino gaming  
12 shall only be permitted in one integrated resort on Hawaiian  
13 home lands designated for commercial use on the island of Oahu  
14 excluding lands west of Ko Olina. Any application for a gaming  
15 license to operate the integrated resort shall include a  
16 development plan for the integrated resort.

17 § -8 **Gaming license; application; fee.** (a) The  
18 application for a gaming license under this chapter shall be  
19 made under oath on forms required by this chapter and shall  
20 include all of the following:

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- 1           (1) The name, business address, telephone number, social  
2                   security number and, where applicable, the federal tax  
3                   identification number of the applicant;
- 4           (2) The identity of any business, including, if  
5                   applicable, the state of incorporation or  
6                   registration, in which the applicant has an equity  
7                   interest of more than five per cent. If the applicant  
8                   is a corporation, partnership or other business  
9                   entity, the applicant shall identify any other  
10                  corporation, partnership, or other business entity in  
11                  which it has an equity interest of more than five per  
12                  cent, including, if applicable, the state of  
13                  incorporation or registration;
- 14          (3) An explanation whether the applicant has developed and  
15                  opened a new land-based casino within a jurisdiction  
16                  in the United States that previously did not allow  
17                  gaming, including a description of the casino, the  
18                  casino's gross revenue, and the amount of revenue the  
19                  casino has generated for state and local governments  
20                  within that jurisdiction;
- 21          (4) A statement whether the applicant has been indicted,  
22                  convicted, pled guilty or nolo contendere, or

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1           forfeited bail for any felony or for a misdemeanor  
2           involving gambling, theft or fraud. The statement  
3           shall include the date, the name and location of the  
4           court, arresting agency, prosecuting agency, the case  
5           caption, the docket number, the offense, the  
6           disposition, and the location and length of  
7           incarceration;

8           (5) A statement whether the applicant has ever been  
9           granted any license or certificate issued by a  
10          licensing authority in the State, or any other  
11          jurisdiction that has been restricted, revoked, or not  
12          renewed. The statement shall describe the facts and  
13          circumstances concerning that restriction, revocation,  
14          or nonrenewal, including the licensing authority, the  
15          date each action was taken, and the reason for each  
16          action;

17          (6) A statement whether the applicant, within the last ten  
18          years, has filed or had filed against it a civil or  
19          administrative action or proceeding in bankruptcy;

20          (7) A statement whether the applicant, within the last  
21          five tax years, has been adjudicated by a court or  
22          tribunal to have failed to pay any final amount of any

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1 income, sales, or gross receipts tax due and payable  
2 under federal, state, or local law, after exhaustion  
3 of all inter-agency appeals processes. This statement  
4 shall identify the amount of the tax, type of tax,  
5 time periods involved, and resolution;

6 (8) A statement listing the names and titles of all public  
7 officials or officers of any unit of state government  
8 or county government in the jurisdiction in which the  
9 integrated resort is to be located, and the spouses,  
10 parents, and children of those public officials or  
11 officers who, directly or indirectly, own any  
12 financial interest in, have any beneficial interest  
13 in, are the creditors of or hold any debt instrument  
14 issued by, or hold or have an interest in any  
15 contractual or service relationship with, the  
16 applicant. As used in this paragraph, "public  
17 official" or "officer" does not include a person who  
18 would be listed solely because of the person's state  
19 or federal military service;

20 (9) The name and business telephone number of any  
21 attorney, counsel, or any other person representing an  
22 applicant in matters before the commission;

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1 (10) A description of the applicant's history of, or plan  
2 for, community involvement or investment in the area  
3 where the integrated resort will be located,  
4 particularly noting any experience working with native  
5 or indigenous communities;

6 (11) A description of any proposed or approved integrated  
7 resort, including the economic benefit to the  
8 community, especially native or indigenous  
9 communities, anticipated or actual number of  
10 employees, any statement from an applicant regarding  
11 compliance with federal and state affirmative action  
12 guidelines, projected or actual admissions, projected  
13 or actual gross receipts, and scientific market  
14 research, if any; and

15 (12) A clarification of the legal operation of casino games  
16 of chance or games of other forms.

17 (b) Information provided on the application shall be used  
18 as the basis for a thorough background investigation that the  
19 commission shall conduct with respect to each applicant, but any  
20 financial information submitted by each applicant shall be kept  
21 confidential by the commission and shall not be subject to the  
22 Uniform Information Practices Act. An incomplete application

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1 shall be cause for denial of consideration by the commission and  
2 forfeiture of the non-refundable deposit.

3 (c) Applicants shall submit with their application a plan  
4 for training native Hawaiians as defined in the Hawaiian Homes  
5 Commission Act for jobs that are available at the integrated  
6 resort. The plan shall take into consideration the need to  
7 provide training to low-income persons to enable those persons  
8 to qualify for jobs that will be created in the integrated  
9 resort.

10 (d) A nonrefundable application fee of one million dollars  
11 shall be paid to the commission by an applicant at the time of  
12 filing to defray the costs associated with an applicant's  
13 background investigation conducted by the commission. If the  
14 costs of the investigation exceed one million dollars, the  
15 applicant shall pay the additional amount to the commission.

16 **§ -9 Criteria for award of the gaming license; transfer**  
17 **of license prohibited.** (a) The commission shall issue one  
18 gaming license to operate an integrated resort to the applicant  
19 that has paid the application fee required under section -8,  
20 is eligible and suitable to receive a gaming license under this  
21 chapter and the rules adopted by the commission, and best  
22 satisfies all of the following criteria:

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- 1           (1) The applicant has submitted a development plan for the  
2                   integrated resort that provides the greatest  
3                   likelihood that the applicant's facility will provide  
4                   the maximum revenue to the department of Hawaiian home  
5                   lands to develop and deliver lands, generate jobs, and  
6                   provide an economic benefit to native Hawaiians as  
7                   defined in the Hawaiian Homes Commission Act;
- 8           (2) The applicant has a history of, or a bona fide plan  
9                   for, community involvement or investment in the area  
10                  where the integrated resort will be located,  
11                  particularly noting any experience working with native  
12                  or indigenous communities;
- 13          (3) The applicant has the financial ability to purchase  
14                  and maintain adequate liability and casualty insurance  
15                  and to provide an adequate surety bond;
- 16          (4) The applicant has provided data identifying the  
17                  applicant's sources of capital and demonstrating that  
18                  the applicant has adequate capital to develop,  
19                  construct, operate, and maintain the proposed  
20                  integrated resort;
- 21          (5) The applicant has adequate capitalization to develop,  
22                  construct, operate, and maintain for the duration of

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1 the license, the proposed integrated resort in  
2 accordance with the requirements of this chapter and  
3 rules adopted by the commission and to responsibly pay  
4 off its secured and unsecured debts in accordance with  
5 its financing agreement and other contractual  
6 obligations;

7 (6) The applicant has not been indicted, convicted, pled  
8 guilty or nolo contendere, or forfeited bail for any  
9 felony or for a misdemeanor involving gambling, theft,  
10 or fraud;

11 (7) The applicant has not filed or had filed against them  
12 a proceeding for bankruptcy within the last ten years;

13 (8) The extent to which an applicant has, within the last  
14 five tax years, been, adjudicated by a court or  
15 tribunal to have failed to pay any final amount of  
16 income, sales, or gross receipts tax due and payable  
17 under federal, state, or local law, after exhaustion  
18 of all inter-agency appeals processes;

19 (9) The extent to which the applicant meets other  
20 standards for the issuance of a gaming license that  
21 the commission may have adopted by rule;

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- 1           (10) To ensure the continued integrity of Hawaii collegiate  
2           athletics, neither the applicant, nor any parent or  
3           subsidiary of the applicant permits wagering on Hawaii  
4           collegiate athletics in Hawaii or any other  
5           jurisdiction where they hold a license;
- 6           (11) The adequacy of the applicant's plan for creating  
7           partnerships with the University of Hawaii and  
8           existing educational institutions for training native  
9           Hawaiians as defined in the Hawaiian Homes Commission  
10          Act for jobs, including management positions, that are  
11          available at the integrated resort and the extent to  
12          which the plan considers the need to provide training  
13          to low-income persons to enable those persons to  
14          qualify for jobs that will be created in the  
15          integrated resort; and
- 16          (12) The caliber of the proposed integrated resort,  
17          including the proposed integrated resort's aesthetic  
18          appearance, amount of economic benefit to the  
19          community, especially native or indigenous  
20          communities, anticipated or actual number of  
21          employees, compliance with federal and state

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1 affirmative action guidelines, and projected or actual  
2 gross receipts.

3 (b) An applicant shall be ineligible to receive a gaming  
4 license if the applicant or any employee:

5 (1) Has been convicted of a felony under the laws of this  
6 State, any other state, or the United States;

7 (2) Has been convicted of any violation under part III of  
8 chapter 712, or substantially similar laws of another  
9 jurisdiction;

10 (3) Knowingly submitted an application for a license under  
11 this chapter that contains false information;

12 (4) Is a member or employee of the commission;

13 (5) Has had revoked a license to own or operate gaming  
14 facilities in this State or any other jurisdiction; or

15 (6) Is not, or has not consented to be, subject to the  
16 laws and jurisdiction of the state.

17 (c) To demonstrate financial ability, the applicant may  
18 include the economic resources available directly or indirectly  
19 to the gaming license applicant.

20 (d) Simultaneous with an applicant's submission of an  
21 application, each applicant that is a natural person shall  
22 submit to the commission on fingerprint cards issued by the

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1 Federal Bureau of Investigation or in digital format two sets of  
2 fingerprints for each applicant.

3 (e) The commission shall establish a process to facilitate  
4 and expedite the approval of the necessary licenses and permits  
5 for the integrated resort. The commission may establish its own  
6 procedures for the issuance of liquor licenses for any holder of  
7 a gaming license under this chapter and the holder of a gaming  
8 license shall not be subject to any requirement of the Honolulu  
9 liquor commission as to the approval of forms of  
10 live/professional music, dancing, and entertainment; provided  
11 that all other state laws and county ordinances relating to  
12 liquor are met.

13 (f) Once issued, the gaming license issued pursuant to  
14 this chapter shall be nontransferable and shall be valid only  
15 for the person or entity in whose name it was issued and for the  
16 operation of the integrated resort on Hawaiian home lands  
17 designated for commercial use on the island of Oahu excluding  
18 lands west of Ko Olina.

19 § -10 **Purpose of the gaming license.** The gaming  
20 licensee shall have the following obligations:

21 (1) Ensure the proper operation and conduct of casino  
22 games of chance or games of other forms;

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1 (2) Manage and conduct gaming activities that are licensed  
2 by the commission;

3 (3) Operate and conduct casino games of chance or games of  
4 other forms in a fair and honest manner without  
5 criminal influence;

6 (4) Employ staff that have the appropriate qualifications;  
7 and

8 (5) Safeguard and ensure the department of Hawaiian home  
9 lands and the State of Hawaii's interests in land  
10 lease and tax revenue from the operation of the  
11 integrated resort.

12 § -11 **Applicability of Hawaii law.** (a) The integrated  
13 resort property and licensee shall be exclusively governed by  
14 the laws of the State of Hawaii.

15 (b) The integrated resort with the gaming license  
16 recognizes and accepts the exclusive jurisdiction of the court  
17 of the State of Hawaii in case of any potential dispute or  
18 conflict of interests.

19 (c) The integrated resort with the gaming license must  
20 comply with applicable laws of the State of Hawaii and waives  
21 the right to apply regulations of a place other than Hawaii

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1 which exempt the licensee from performing obligations or acts  
2 that must be performed or are imposed.

3       §   -12   **Participation in the operation of gambling in**  
4 **other jurisdictions.** (a) The integrated resort with the gaming  
5 license must inform the commission of its participation in the  
6 operation of casino games of chance or games of other forms in  
7 any other jurisdictions, including participation in the  
8 operation through a management contract, or of such intent. If  
9 the licensee is aware that any of its directors or controlling  
10 shareholders, or any shareholder that directly or indirectly  
11 holds the equivalent of five per cent or more of its share  
12 capital has the intent to participate in the operation of casino  
13 games or games or other forms in any other jurisdictions, the  
14 licensee must inform the commission immediately.

15       (b) For the purpose of this section, the licensee must  
16 submit to the commission or procure to obtain and submit to the  
17 commission, as the case may be, any documents, information or  
18 materials that may be requested, except those that are  
19 considered as confidential by law.

20       §   -13   **Supplier's licenses.** (a) No person shall furnish  
21 equipment, devices, or supplies to the licensed integrated  
22 resort under this chapter unless the person has first obtained a

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1 supplier's license pursuant to this section. The commission may  
2 issue a supplier's license to any person, firm, or corporation  
3 who pays a nonrefundable application fee as set by the  
4 commission upon a determination by the commission that the  
5 applicant is eligible for a supplier's license and upon payment  
6 by the applicant of a license fee, the amount to be set by the  
7 commission and adjusted to market conditions from time to time.  
8 Supplier's licenses shall be renewable annually upon payment of  
9 the annual license fee and a determination by the commission  
10 that the licensee continues to meet all of the requirements of  
11 this chapter.

12 (b) The holder of a supplier's license may sell or lease,  
13 or contract to sell or lease, gaming equipment and supplies to  
14 any licensee involved in the ownership or management of casino  
15 gaming operations.

16 (c) Casino gaming supplies and equipment shall not be  
17 distributed unless supplies and equipment conform to standards  
18 adopted by rules of the commission.

19 (d) A person, firm, or corporation shall be ineligible to  
20 receive a supplier's license if:

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- 1           (1) The person has been convicted of a felony under the  
2                    laws of this State, any other state, or the United  
3                    States;
- 4           (2) The person has been convicted of any violation under  
5                    part III, chapter 712, or substantially similar laws  
6                    of another jurisdiction;
- 7           (3) The person has knowingly submitted an application for  
8                    a license under this chapter that contains false  
9                    information;
- 10          (4) The person is a member of the commission;
- 11          (5) The firm or corporation is one in which a person  
12                    described in paragraph (1), (2), (3), or (4) is an  
13                    officer, director, or managerial employee;
- 14          (6) The firm or corporation employs a person described in  
15                    paragraph (1), (2), (3), or (4) that participates in  
16                    the management or operation of casino gaming  
17                    authorized under this chapter; or
- 18          (7) The license of the person, firm, or corporation issued  
19                    under this chapter, or a license to own or operate  
20                    casino gaming facilities in any other jurisdiction,  
21                    has been revoked.
- 22          (e) A supplier shall:

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- 1           (1) Furnish to the commission a list of all equipment,  
2                    devices, and supplies offered for sale or lease in  
3                    connection with games authorized under this chapter;  
4           (2) Keep books and records for the furnishing of  
5                    equipment, devices, and supplies to casino gaming  
6                    operations separate and distinct from any other  
7                    business that the supplier might operate;  
8           (3) File quarterly returns with the commission listing all  
9                    sales and leases;  
10          (4) Permanently affix its name to all its equipment,  
11                    devices, and supplies, used for casino gaming  
12                    operations; and  
13          (5) File an annual report with the commission listing its  
14                    inventories of casino gaming equipment, devices, and  
15                    supplies.  
16          (f) Any person who knowingly makes a false statement on an  
17 application is guilty of a misdemeanor.

18           §   -14   **Occupational license.**   (a) The commission may  
19 issue an occupational license to an applicant upon:

- 20           (1) The payment of a nonrefundable application fee set by  
21                    the commission;

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1 (2) A determination by the commission that the applicant  
2 is eligible for an occupational license; and

3 (3) Payment of an annual license fee in an amount set by  
4 the commission.

5 (b) To be eligible for an occupational license, an  
6 applicant shall:

7 (1) Be at least twenty-one years of age if the applicant  
8 performs any function involved in casino gaming by  
9 patrons. Any applicant seeking an occupational  
10 license for a non-gaming function shall be at least  
11 eighteen years of age;

12 (2) Not have been convicted of a felony offense in any  
13 jurisdiction or a crime involving dishonestly or moral  
14 turpitude; and

15 (3) Have met standards for the holding of an occupational  
16 license as provided in rules adopted by the  
17 commission, including background inquiries and other  
18 requirements.

19 (c) Each application for an occupational license shall be  
20 on forms prescribed by the commission and shall contain all  
21 information required by the commission. The applicant shall set  
22 forth in the application whether the applicant:

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- 1           (1) Has been issued prior gaming-related licenses in any  
2                   jurisdiction;
- 3           (2) Has been licensed in any other jurisdiction under any  
4                   other name, and if so, the name and the applicant's  
5                   age at the time; and
- 6           (3) Has had a permit or license issued from any other  
7                   jurisdiction suspended, restricted, or revoked, and if  
8                   so, for what period of time.
- 9           (d) Each applicant shall submit with the application two  
10           sets of the applicant's fingerprints. The commission shall  
11           charge each applicant a fee to defray the costs associated with  
12           the search and classification of fingerprints obtained by the  
13           commission with respect to the application.
- 14           (e) The commission may refuse to grant an occupational  
15           license to any person:
- 16           (1) Who is unqualified to perform the duties required of  
17                   the applicant;
- 18           (2) Who fails to disclose or states falsely any  
19                   information called for in the application;
- 20           (3) Who has been found guilty of a violation of this  
21                   chapter or whose prior casino gaming related license  
22                   or application has been suspended, restricted,

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1           revoked, or denied for just cause in any other  
2           jurisdiction; or

3           (4) For any other just cause.

4           (f) The commission may suspend, revoke, or restrict any  
5 occupational licensee:

6           (1) For any violation of this chapter;

7           (2) For any violation of the rules of the commission;

8           (3) For any cause which, if known to the commission, would  
9           have disqualified the applicant from receiving a  
10          license;

11          (4) For default in the payment of any obligation or debt  
12          due to the State or the county; or

13          (5) For any other just cause.

14          (g) A person who knowingly makes a false statement on an  
15 application is guilty of a misdemeanor.

16          (h) Any license issued pursuant to this section shall be  
17 valid for a period of one year from the date of issuance and  
18 shall be renewable annually upon payment of the annual license  
19 fee and a determination by the commission that the licensee  
20 continues to meet all of the requirements of this chapter.

21          §   -15   **Temporary supplier and occupational licenses.**   (a)

22 Upon written request of a person applying for a supplier or

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1 occupational license under this chapter, the executive director  
2 shall issue a temporary license to the applicant and permit the  
3 applicant to undertake employment with, conduct business  
4 transactions with, and provide goods and services to licensees,  
5 gaming license applicants, and holders of certificates of  
6 suitability; provided that all of the following provisions are  
7 met:

- 8 (1) The applicant has submitted to the commission a  
9 completed application, an application fee, and all  
10 required disclosure forms and other required written  
11 documentation and materials;
- 12 (2) Preliminary review of the application and a criminal  
13 history check by the executive director or the  
14 commission staff does not reveal that the applicant or  
15 the applicant's key persons, local and regional  
16 managerial employees or sales and service  
17 representatives, or substantial owners have been  
18 convicted of a felony or misdemeanor that would  
19 require denial of the application or may otherwise be  
20 ineligible, unqualified, or unsuitable to permit  
21 licensure under this chapter; and

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1           (3) There is no other apparent deficiency in the  
2                   application that may require denial of the  
3                   application.

4           (b) A temporary license issued under this section shall be  
5 valid for not more than one hundred and eighty days, but may be  
6 renewed upon expiration by the executive director.

7           (c) An applicant who receives a temporary license under  
8 this section may undertake employment with or supply a gaming  
9 licensee, gaming license applicants, and holders of certificates  
10 of suitability with goods and services subject to this chapter  
11 until a license is issued by the commission pursuant to the  
12 applicant's application or until the temporary license expires  
13 or is suspended or revoked. During the period of the temporary  
14 license, the applicant shall comply with this chapter and rules  
15 adopted by the commission.

16           (d) If the temporary license expires, is not renewed, is  
17 suspended or revoked, or otherwise terminates, the executive  
18 director shall immediately forward the applicant's application  
19 to the commission for action after first providing a reasonable  
20 time for the applicant to correct any apparent deficiency in its  
21 application.

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1           §   **-16 Annual report.** The commission shall submit a  
2 written annual report to the governor, the legislature, and the  
3 Hawaiian homes commission at least sixty days prior to the close  
4 of each fiscal year and shall submit any additional reports that  
5 the governor, the legislature or the Hawaiian homes commission  
6 requests. The annual report shall include:

7           (1) A statement of receipts and disbursements related to  
8               the integrated resort pursuant to this chapter;

9           (2) Actions taken by the commission; and

10          (3) Any additional information and recommendations that  
11               the commission may deem valuable or which the  
12               governor, the legislature, or the Hawaiian homes  
13               commission may request.

14          §   **-17 Hearings by the commission.** (a) Upon order of  
15 the commission, one of the commission members or a hearings  
16 officer designated by the commission may conduct any hearing  
17 provided for under this chapter related to casino gaming or by  
18 commission rule, and may recommend findings and decisions to the  
19 commission. The record made at the time of the hearing shall be  
20 reviewed by the commission, or a majority thereof, and the  
21 findings and decisions of the majority of the commission shall  
22 constitute the order of the commission in that case.

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1 (b) Any party aggrieved by an action of the commission  
2 denying, suspending, revoking, restricting, or refusing to renew  
3 a license under this chapter may request in writing a hearing  
4 before the commission within five days after service of notice  
5 of the action of the commission. Notice of the actions of the  
6 commission shall be served either by personal delivery or by  
7 certified mail, postage prepaid, to the aggrieved party. Notice  
8 served by certified mail shall be deemed complete on the  
9 business day following the date of the mailing. The commission  
10 shall conduct all requested hearings promptly and in reasonable  
11 order.

12 § -18 **Conduct of casino gaming.** Casino gaming may be  
13 conducted by the holder of a gaming license, subject to the  
14 following:

15 (1) The site of the integrated resort shall be restricted  
16 to Hawaiian home lands designated for commercial use  
17 on the island of Oahu excluding lands west of Ko  
18 Olina;

19 (2) The term of the gaming license shall be forty years  
20 and shall be renewable for additional twenty-year  
21 terms; provided that:

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- 1 (A) The integrated resort met or exceeded its  
2 commitment to provide lease payments and revenue  
3 to the department of Hawaiian home lands to  
4 develop and deliver lands, generate jobs, and  
5 provide an economic benefit to native Hawaiians  
6 as defined in the Hawaiian Homes Commission Act;
- 7 (B) The gaming licensee's actions have not caused the  
8 gaming license under this chapter to be suspended  
9 or revoked; and
- 10 (C) The applicant remains eligible and suitable for a  
11 gaming license;
- 12 (3) The integrated resort may operate twenty-four hours  
13 per day, each and every day of the year, subject to  
14 market conditions;
- 15 (4) The integrated resort license shall not include the  
16 following gaming activities:
- 17 (A) Online or mobile gaming; and
- 18 (B) Games of chance or any other gaming, betting or  
19 gambling activities on ships or planes;
- 20 (5) Minimum and maximum wagers on games shall be set by  
21 the gaming licensee with guidance and oversight  
22 through regulations by the commission;

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- 1           (6) The commission's agents may enter and inspect the  
2                   integrated resort at any time for the purpose of  
3                   determining whether the gaming licensee is in  
4                   compliance with this chapter or rules;
- 5           (7) Commission employees shall have the right to be  
6                   present in an integrated resort under the control of  
7                   the gaming licensee;
- 8           (8) Gaming equipment and supplies customarily used in  
9                   conducting casino gaming shall be purchased or leased  
10                  only from suppliers licensed under this chapter;
- 11          (9) Persons licensed under this chapter shall permit no  
12                  form of wagering on games except as permitted by this  
13                  chapter;
- 14          (10) Wagers may be received only from a person present in  
15                  an integrated resort. No person present in an  
16                  integrated resort shall place or attempt to place a  
17                  wager on behalf of another person who is not present  
18                  in the integrated resort;
- 19          (11) No person under age twenty-one shall be permitted in  
20                  an area of the integrated resort where casino gaming  
21                  is being conducted, except for a person at least  
22                  eighteen years of age who is an employee of the

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1 integrated resort. No employee under age twenty-one  
2 shall perform any function involved in casino gaming  
3 by patrons. No person under age twenty-one shall be  
4 permitted to make a wager under this chapter;

5 (12) All tokens, chips, or electronic cards used to make  
6 wagers shall only be purchased from the gaming  
7 licensee within the integrated resort. The tokens,  
8 chips, or electronic cards shall be used while within  
9 the integrated resort only for the purpose of making  
10 wagers on authorized games;

11 (13) Prior to commencing gaming operations at the  
12 integrated resort, the gaming licensee shall enter  
13 into a development agreement with the department of  
14 Hawaiian home lands, which will include at least the  
15 following terms:

16 (A) The selected licensee agrees to invest at least  
17 \$200,000,000 to develop and construct an  
18 integrated resort on the site selected by the  
19 department of Hawaiian home lands;

20 (B) The selected licensee agrees to create  
21 partnerships with local educational institutions  
22 to train native Hawaiians as defined in the

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1 Hawaiian Homes Commission Act for jobs that are  
2 available in the integrated resort;

3 (C) The gaming licensee agrees that neither the  
4 gaming licensee, nor any parent or subsidiary of  
5 the gaming licensee, will permit wagering on  
6 Hawaii collegiate athletics regardless of its  
7 legality in other jurisdictions where the  
8 licensee operates;

9 (D) All revenue under the development agreement,  
10 shall be deposited into the Hawaiian home  
11 administration account;

12 (E) The gaming licensee and the State agree that,  
13 other than the one integrated resort licensed  
14 under this chapter, the State shall not authorize  
15 any additional gaming in the State during the  
16 initial forty-year license period; and

17 (14) In addition to the above, casino gaming shall be  
18 conducted in accordance with all rules adopted by the  
19 commission.

20 § -19 **Wagering tax; rate; disposition.** A wagering tax  
21 shall be imposed on the gross gaming revenues of the licensee at  
22 the rate of forty-five per cent. Tax revenues collected under

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1 this section shall be divided in the following way: seventy-five  
2 per cent directed to the Hawaiian home operating fund; five per  
3 cent directed to the Native Hawaiian rehabilitation fund;  
4 fifteen per cent deposited into the state general fund; five per  
5 cent deposited into the state gaming fund.

6 § -20 **State gaming fund; disposition of taxes collected.**

7 There is established within the state treasury the state gaming  
8 fund to be administered by the commission into which shall be  
9 deposited all fees, taxes, and fines collected under this  
10 chapter. Moneys from the state gaming fund may be used to fund:

- 11 (1) A compulsive gamblers program and for public security  
12 at the integrated resort;
- 13 (2) Training for native Hawaiians as defined in the  
14 Hawaiian Homes Commission Act for jobs that are  
15 available in the integrated resort provided by local  
16 educational institutions;
- 17 (3) Road or other improvements to address any traffic  
18 issues as a result of the integrated resort; and
- 19 (4) Administrative expenses of the commission.

20 § -21 **Legislative oversight.** After the first full  
21 fiscal year of operation, the auditor shall conduct a program  
22 and financial audit of the commission. Thereafter, the auditor

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1 shall conduct a program and financial audit every four years  
2 after the initial audit is completed.

3       §   -22   **Disclosure of information.**   The commission, upon  
4 written request from any person, shall provide the following  
5 information concerning the applicant or licensee, the  
6 applicant's or licensee's products, services or gambling  
7 enterprises, and the applicant's or licensee's business holdings  
8 if the commission has the information in its possession:

- 9           (1)   The name, business address, and business telephone  
10                number;
- 11           (2)   An identification of any applicant or licensee  
12                including, if an applicant or licensee is not an  
13                individual, its state of incorporation or  
14                registration, and its corporate officers;
- 15           (3)   The name and business telephone number of any  
16                attorney, counsel, lobbyist, or any other person  
17                representing an applicant or licensee in matters  
18                before the commission; and
- 19           (4)   A description of the product or service to be supplied  
20                by, or occupation to be engaged in by, a licensee.

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1 SECTION 3. Chapter 712, Hawaii Revised Statutes, is  
2 amended by adding to part III a new section to be appropriately  
3 designated and to read as follows:

4 "§712- Casino gaming; exempted. This part shall not  
5 apply to casino gaming as authorized by chapter ."

6 SECTION 4. Section 46-80.5, Hawaii Revised Statutes, is  
7 amended by amending subsection (e) to read as follows:

8 "(e) Exemptions.

- 9 (1) Property owned by the state or county governments or  
10 entities, may be exempt from the assessment except as  
11 provided in paragraph (3);
- 12 (2) Property owned by the federal government or entities,  
13 shall be exempt from the assessment except as provided  
14 in paragraph (3);
- 15 (3) If a public body owning property, including property  
16 held in trust for any beneficiary, which is exempt  
17 from an assessment pursuant to paragraphs (1) and (2),  
18 grants a leasehold or other possessory interest in the  
19 property to a nonexempt person or entity, the  
20 assessment, notwithstanding paragraphs (1) and (2),  
21 shall be levied on the leasehold or possessory  
22 interest and shall be payable by the lessee;

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1        (4) The construction of any integrated resort or gaming  
2        facility on Hawaiian home lands designated for  
3        commercial use on the island of Oahu excluding lands  
4        west of Ko Olina authorized under chapter        shall be  
5        exempt from the assessment and any special improvement  
6        district requirements regarding redevelopment  
7        authorized by subsection (a);

8        [~~4~~] (5) The redevelopment of the Ala Wai boat harbor  
9        shall be exempt from the assessment and any special  
10       improvement district requirements authorized by  
11       subsection (a); and

12       [~~5~~] (6) No other properties or owners shall be exempt  
13       from the assessment unless the properties or owners  
14       are expressly exempted in the ordinance establishing a  
15       district adopted pursuant to this section or amending  
16       the rate or method of assessment of an existing  
17       district."

18       SECTION 5. There is appropriated out of the Hawaiian home  
19       lands trust fund the sum of \$5,000,000 or so much thereof as may  
20       be necessary for fiscal year 2022-2023 for the purpose of  
21       funding the operations of the Hawaii gaming commission; provided  
22       that the:

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1 (1) Gaming licensee shall reimburse the amount  
2 appropriated by remitting \$5,000,000 to the department  
3 of Hawaiian home lands no later than the first day on  
4 which the casino opens for operation; and

5 (2) Gaming licensee's application fee under section  
6 -8(e), Hawaii Revised Statutes, shall be applied  
7 as a credit against the \$5,000,000 amount due under  
8 this section.

9 The sum appropriated shall be expended by the department of  
10 Hawaiian home lands for the purposes of this Act.

11 SECTION 6. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act upon its approval, shall take effect  
14 on July 1, 2021.

15

16 INTRODUCED BY: \_\_\_\_\_

17

BY REQUEST

# \_\_\_\_.B. NO.\_\_\_\_

**Report Title:**

Limited Casino Gaming; Single Integrated Resort; Appropriation

**Description:**

Grants 40-year gaming license for a single integrated resort property on Hawaiian home lands designated for commercial use on the island of Oahu excluding lands west of Ko Olina.

Establishes Hawaii Gaming Commission. Imposes wagering tax on gross gaming revenue. Creates State Gaming Fund. Appropriates funds. Effective 07/1/2021

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