

GAMBLING

ON TRUST LANDS *A proposal for a Kapolei casino resort being considered by the Hawaiian Home Lands commission could include a golf course, theme park, aquarium and more*

By Dan Nakaso

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The state Department of Hawaiian Home Lands wants a lone exception to Hawaii's ban on all forms of gambling to create a destination resort in Kapolei that would allow 24/7 gambling, liquor, a golf course and even aquariums, theme parks and sporting events.

Forms of gambling could include cards, dice, tiles, dominoes and electronic games, according to a 58-page draft bill that will be fleshed out before the DHHL Commission on Monday.

The commission is then scheduled to vote Tuesday on whether to endorse the concept. If approved, a bill could be considered by Gov. David Ige to be included as part of his package to legislators for their upcoming session, which begins in January.

The idea to carve out a DHHL exception to Hawaii's ban on gambling is designed to inject a new source of revenue for the troubled Hawaiian Home Lands program.

The program was created a century ago to return Hawaiians with 50% Native Hawaiian blood to their native lands through farming, aquaculture, pasture lands and housing, but has a current wait list of over 28,000 people, including some who have been waiting decades.

Under the proposal, a casino resort operator would be granted a 20-year gaming license with the option for another 20 years to operate a destination resort on undisclosed DHHL land in Kapolei "that offers a wide variety of leisure and entertainment products besides casino gaming" according to the draft bill, "ranging from restaurants, convention services, golf or other outdoor activities, pools and spas, retail, aquariums, theme parks, movie and live theaters, museums and sporting events."

DHHL needs over \$6 billion for infrastructure costs alone and will need "at least" another 100 years to fulfill its mandate at its current funding levels, according to the draft bill.



"They treat us not as beneficiaries," Soo said. "They treat us as welfare recipients, that's what I get from Hawaiian Home Lands: 'We know better than you. Let us do what is best for you.' This is a pretty big thing."

Former DHHL Commissioner Kama Hopkins, who served from 2011 to 2014, said that he supports "any way that the department can make revenue. They need the money. It's not like they don't need the money. They need the money."

A “wagering tax” of 45% would be imposed on all gross gaming revenues. Out of that, 75% would be directed to the Hawaiian home operating fund; 5% to the Native Hawaiian rehabilitation fund; 15% into the state general fund; and 5% into a new state gaming fund.

The 58-page draft bill goes into sometimes minute details about a host of gambling-related topics, such as the creation and powers of a new gaming commission and the members’ salary levels.

But it only spends one sentence on potential gambling-related social ills when it talks about an unidentified portion of gaming fund revenue being used for “a compulsive gamblers program and for public security at the integrated resort.”

The draft bill calls for the resort operator to recruit Native Hawaiian employees and work with the University of Hawaii to train casino and resort managers. ‘Long odds’ of passing

Hawaii and Utah are the only states that outlaw all forms of legal gambling. And the latest effort by DHHL is hardly the first to legalize some form of gambling on DHHL land.

In 2010, a similar bill was proposed to allow an exception for DHHL to have gambling on multiple Hawaiian Home Lands parcels and, similarly, create a Hawaiian Gaming Commission.

That same year saw another bill die that would have created a statewide gaming commission and permit each county to allow gambling. Another bill would have allowed slot machines and video poker in “resort areas” and at the Honolulu airport. Another bill in 2010 would have allowed a single “stand-alone” casino in Waikiki, but not in a hotel.

DHHL’s latest gambling proposal “is something that’s been proposed for many years,” said state Sen. Chris Lee, (D, Hawaii Kai-Waimanalo-Kailua). As a state representative in 2010, Lee voted against the DHHL casino bill.

“It ends up hurting residents in the community more than it helps, especially those on the lower end of the economic spectrum who need help the most and can’t afford the negative ills of casino-associated problems, such as gambling addiction and crime,” he said.

And when it comes to Hawaii’s once-hot tourism industry, a casino “would definitely change or harm

But Hopkins also said, “I go to Vegas like anybody else. Do I think that sets a great example? I’m not too comfortable answering it. ... It’s unfortunate that we have to look to something in Hawaii (to fund DHHL) that many people don’t think is a good thing.”

If he were on the commission next week, Hopkins said, “I would recommend we defer this.”

A destination resort that would be the only place in Hawaii to find legal gambling round-the-clock, 365 days a year is certain to draw customers from traditional island hotels and resorts.

Mufi Hannemann, chief executive officer and president of the Hawaii Lodging & Tourism Association, said “something as controversial and complex as this program really calls for a comprehensive communitybased planning approach. Those who stand to benefit, as well as those who are opposed and stand to be negatively affected, all need to be at the table for this discussion to take place in any meaningful way.”

Spotlight on housing

State Rep. Gene Ward, (R, Hawaii Kai-Kalama Valley), voted against the 2010 DHHL gambling bill and is likely to do so again if it reaches the Legislature.

“It shows desperation,” Ward said. “It doesn’t pass the smell test. And it would be another side-stepping or a cheap excuse for the obligation that the federal and state governments had 100 years ago to put Hawaiians back on the land. Hawaiians need to get housing.”

Ward was among others who believe DHHL’s proposal could never be restricted to just one casino.

“It’s the camel’s nose under the tent and an under-handed thing,” he said. “It’s a lose-lose. It will spoil the whole state.”

But Ward appreciated that the debate over a casino will, once again, highlight the challenge of getting Native Hawaiians on their land.

“It’s good to draw attention to the embarrassment of the Hawaiian housing issue,” he said.

Hawaii's brand on the world stage," Lee said. "Hawaii has a very specific brand as a destination."

State Sen. President Ron Kouchi said it would be difficult to restrict gambling to a single resort in Kapolei.

"The moment you put gaming on your books at any point, whether bingo or lottery, you cannot stop Native American Indians from putting gaming operations of any type" on any property they own, Kouchi said.

"Realistically, I think it would be long odds that something like this could pass," he said.

Kouchi also did not appreciate the Home Lands Commission's schedule to take up such a controversial issue the week of Christmas and on the eve of the next legislative session.

Need for input

Former Honolulu Fire Department spokesman Richard Soo — who lives on homestead land in the Kalawahine section of the Papakolea homestead on Oahu — called himself "a gambling person. ... I'm not against a casino here, but I would rather have been consulted as a beneficiary," especially on the location.

The first notice of the casino plan came late Tuesday when DHHL included the issue on its upcoming agendas for Monday and Tuesday, with no additional details of the plan.



A proposal to have a casino on trust land is aimed at adding a new source of revenue for the state Department of Hawaiian Home Lands, which needs over \$6 billion for infrastructure costs, according to a draft bill. Pictured are the department's offices in Kapolei.

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