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Hawaii legislators say no dice to bills that would allow casinos

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The state House Finance Committee agreed last night to defer a bill that would have allowed a casino on O'ahu, as lawmakers discarded gambling as an option to help with the state's budget deficit.

The committee also has decided not to hear a bill that would allow casinos on Hawaiian home lands, so lawmakers will likely not move any closer toward legalized gambling this session.

Hawai'i and Utah are the only states that do not permit some form of gambling. House lawmakers, interested in hearing ideas for new revenue, had moved the two casino bills through preliminary committee review.

But opposition from law enforcement, business leaders, social service providers and religious groups made it difficult for lawmakers to proceed. The state Senate also was not inclined to advance the casino bills.

State Rep. Marcus Oshiro, D-39th (Wahiawā), the chairman of the House Finance Committee, said he wanted some of the newer lawmakers to hear the debate since it has been a decade since the state Legislature had looked carefully at gambling.

Last night, Oshiro reached for the lyrics of country singer Kenny Rogers to help explain his decision.

"You've got to know when to hold 'em. You've got to know when to fold 'em. You have to know when to walk away," he said. "And in this case, with the hand that we were dealt, it didn't make any sense moving ahead."

Some critics have suggested that even allowing the gambling bills to get as far as the House Finance Committee created a distraction from the tools lawmakers will likely use to close the deficit. On Tuesday night, for example, the committee agreed to repeal a host of general excise and use tax exemptions for business activities and impose a 1 percent GET tax on these activities to generate \$100 million a year.

But Oshiro said it was worth having the discussion on gambling. "They got an opportunity to hear the pros and cons," he said of newer lawmakers.

State Rep. Gene Ward, R-17th (Kalama Valley, Queen's Gate, Hawai'i Kai), said he does not believe people in the Islands are prepared for legalized gambling.

"The last chips have just been taken off the table, from the Finance Committee point of view, and it's probably for the better," he said.

gaming revenue

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The bill deferred last night would have created a five-member gambling commission authorized to issue one five-year casino license on O'ahu. The state would have imposed a wagering tax on the casino, with the revenue going to the state's general fund and to help treat problem gamblers.

John Radcliffe, a lobbyist who represents Mainland gambling interests, presented lawmakers with a new study that estimated a single casino would generate \$469 million in gaming revenue, \$162 million from local residents.

project Study

Off-site spending on goods and services would reach \$311 million. The casino project could create as many as 14,065 jobs, including 3,660 at the casino.

The study, prepared by Michigan Consultants for gambling interests, projected that the state would get \$86 million a year in new tax revenue, with the largest amount coming from a casino gaming fee.

Radcliffe said the state is losing millions of dollars each year as local residents spend money on illegal gambling in the Islands or travel to Las Vegas and other gambling destinations.

"One of our biggest exports is money out of our state," he said.

But deputy attorney general Lance Goto said a casino would divert money that tourists and local residents spend on businesses and attractions, would tarnish the state's image as a place for outdoor recreation and cultural heritage, and increase crime and other social ills.

Coline Aiu, a kumu hula, told lawmakers that gambling would contribute to the death of local culture.

"The future of our children should never be mortgaged for a quick fix," she said.

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