



50 YEARS OF GAMING:

LESSONS FOR 50TH STATE

Prepared for Tourism & Gaming Working Group

July 2, 2026

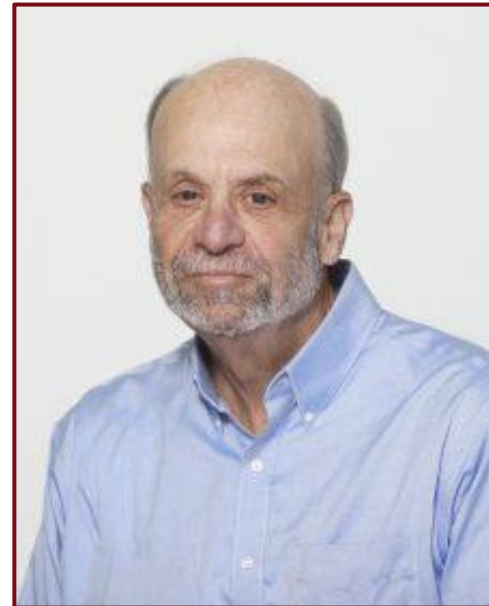


SPECTRUM
GAMING GROUP®

Independent Research and Professional Services

MICHAEL POLLOCK: A HALF-CENTURY OF EXPERIENCE

- Journalist
- Author
- Regulator
- Consultant
- Policy Wonk

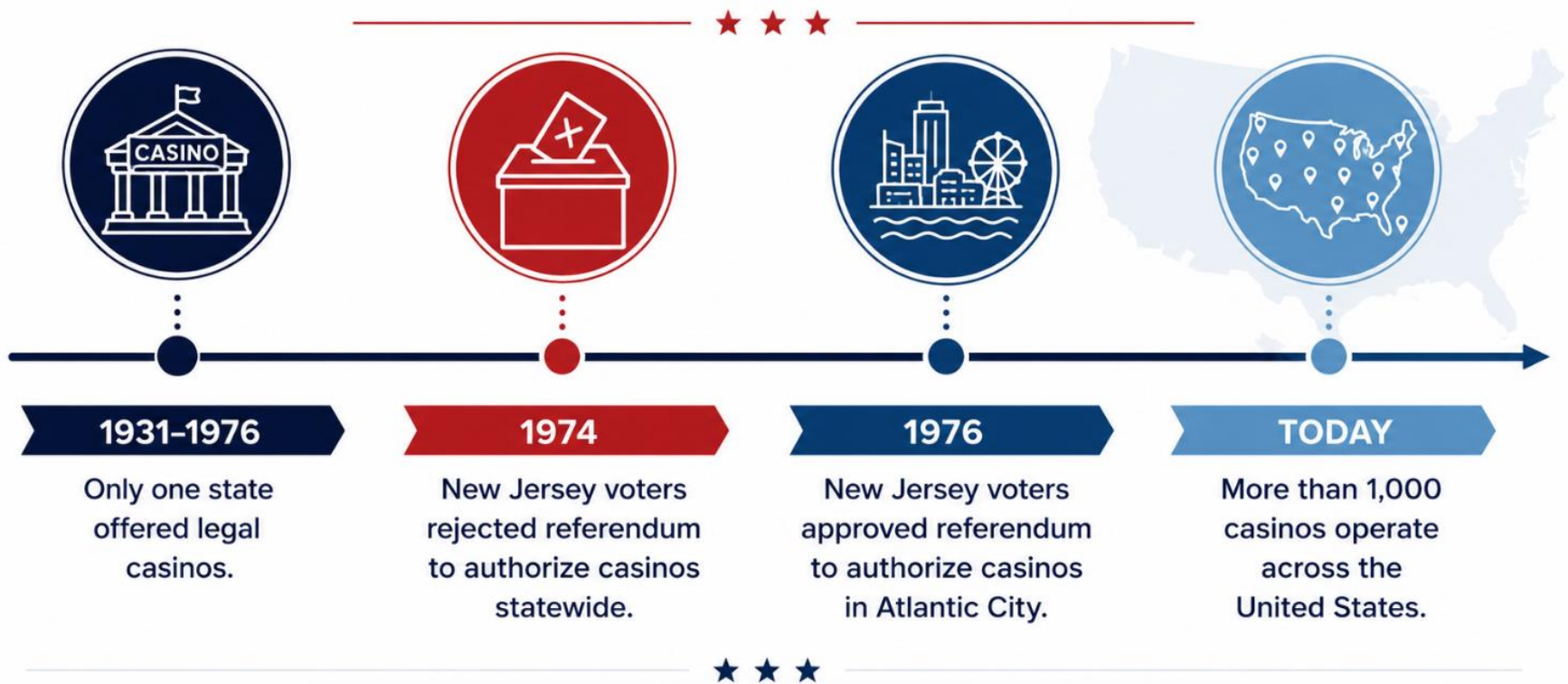


SPECTRUM GAMING GROUP

- Independent research and professional services firm founded in 1993
 - Serving public, private sector clients in more than 50 countries on 6 continents
- Former regulators, law-enforcement professionals, casino executives, attorneys, financial analysts, investigators, accountants and public policy experts
- Retained by national, state governments in all aspects of gaming, including casinos, igaming, lotteries, sports betting
- Experience, expertise in advising public-sector clients about gaming industry and gaming-related regulatory start-up and expansion issues
 - Preparation and implementation of strategic public policy planning reports to efficiently, effectively regulate gaming
- **Neither pro-gaming nor anti-gaming**



BRIEF HISTORY OF LEGAL GAMING



LEARNING HARD LESSONS

- ✓ One chance to get it right
- ✓ Gaming cannot solve all problems, nor meet every challenge
- ✓ Work of legislators, policymakers does not end when gaming is authorized
- ✓ Authorization is the starting point

ISSUES TO BE ADDRESSED INCLUDE ...

- Number and location of licensed casinos
- Tax rate
- Capital-investment requirements
- Comprehensive licensure process

GAMING WORKS WHEN ...

- ✓ Goals are realistic, achievable
- ✓ Existing tourism infrastructure is robust
- ✓ Local communities are supportive
- ✓ Focus is on brick-and-mortar casinos
- ✓ It attracts significant capital investment

CORE PRINCIPLES

- Licensure, regulation must be:
 - Comprehensive
 - Effective
- Applicants have burden of proof
- Regulators have flexibility to address expected, unexpected challenges

CENTRAL ELEMENTS OF LICENSURE

- Gaming licensure is a privilege, not a right
- Applicants for licensure must demonstrate that they:
 - Meet standards of good character, honesty and integrity
 - Possess wherewithal to meet state's policy goals
 - Prioritize principles of socially responsible gaming

STARTING POINT: APPLICATION PROCESS

- Develop competitive licensing process
- Establish clear requirements:
 - Robust gaming and non-gaming growth strategies
 - Working with local businesses
 - Leveraging existing assets
 - Investing capital

HAWAII'S EXISTING ASSETS



REALISTIC GOALS FOR APPLICANTS TO MEET, EXCEED

- Expand number of visits from existing markets
- Extend length of stay
- Identify, develop new markets
- Grow MICE business
- Create incentives for US gaming visitors to earn, redeem loyalty points in Hawaii

TAX CONSIDERATIONS

- States often rely on political considerations
 - Highest rate is most easily achievable but not most effective
- Rate should be established on economic principles
- What rate(s) will:
 - Attract greater capital investment?
 - Grow both gaming, non-gaming revenue streams?

BUILDING BLOCKS OF EFFECTIVE GAMING POLICY

- Create attractive gaming option for domestic, international visitors
- Require comprehensive plans:
 - Leverage local businesses, natural attractions
 - Market to existing gaming customers
 - Grow visitor base
- Never compromise on licensing standards, gaming integrity
- Learn from gaming pioneers
- Reap benefits of greater returns on investment

CONTACT US

CONTACT US



200 Lakeside Drive, Suite 250
Horsham, PA 19044 USA



+1.609.926.5100



solutions@spectrumgaming.com

