STAND. COM. REP. NO. 242

Honolulu, Hawaii FEB 11 2025

RE: S.B. No. 50 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 50 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- Establish as a deceptive practice advertising, displaying, or offering a price for goods or services that does not include all mandatory fees or charges, subject to certain exceptions;
- (2) Repeal the definition of "vehicle license recovery fees";
- (3) Limit to vehicle license and registration fees and weight taxes the fees and taxes that a motor vehicle lessor may pass on to a lessee;
- (4) Amend the prorated amount of vehicle license and registration fees and weight taxes that a motor vehicle lessor may pass on to a lessee; and
- (5) Repeal the requirement that rental car companies submit annual audits to the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.



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Your Committee received testimony in opposition to this measure from Avis Budget Group, Enterprise Mobility, and CTIA.

Your Committee received comments on this measure from the Department of the Attorney General, Department of Commerce and Consumer Affairs, and Turo.

Your Committee finds that deceptive trade practices are detrimental to consumers. Your Committee further finds that while there are both state and federal regulations, more is needed to ensure that consumers are given clear, accurate, and transparent information to guide their purchasing decisions. The goal of this measure is to protect consumers from practices that will undermine their ability to make informed commercial decisions.

Accordingly, your Committee has amended this measure by:

- (1) Deleting Part II of the measure which would have:
 - (A) Repealed the definition of "vehicle license recovery fees";
 - (B) Limited to vehicle license and registration fees and weight taxes the fees and taxes that a motor vehicle lessor may pass on to a lessee;
 - (C) Amended the prorated amount of vehicle license and registration fees and weight taxes that a motor vehicle lessor may pass on to a lessee; and
 - (D) Repealed the requirement that rental car companies submit annual audits to the Office of Consumer Protection of the Department of Commerce and Consumer Affairs; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 50, as amended herein, and



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recommends that it pass Second Reading in the form attached hereto as S.B. No. 50, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

> Respectfully submitted on behalf of the members of the Committee on Transportation and Culture and the Arts,

CHRIS LEE, Chair



The Senate Thirty-Third Legislature State of Hawaiʻi

Record of Votes Committee on Transportation and Culture and the Arts TCA

| Bill / Resolution No.:* | Committee Referral: | | | Date: | |
|--|---------------------|--------------|-----------------|----------|-------------|
| 5850 | TCA, CPN | | | 02/06/25 | |
| The Committee is reconsidering its previous decision on this measure. | | | | | |
| If so, then the previous decision was to: | | | | | |
| The Recommendation is: | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused |
| LEE, Chris (C) | | V | | | |
| INOUYE, Lorraine R. (VC) | | | | | |
| ELEFANTE, Brandon J.C. | | | | | |
| KANUHA, Dru Mamo | | V | | | |
| DECORTE, Samantha | | \checkmark | | | |
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| TOTAL | | 4 | Ø | Ø | 1 |
| Recommendation: | | | | | |
| Adopted Not Adopted | | | | | |
| Chair's or Designee's Signature: | | | | | |
| | | | | | denrod |
| File with Committee R | <u>eport Cler</u> k | s UTICE L | Prafting Agency | Committe | e File Copy |

*Only <u>one</u> measure per Record of Votes