

STAND. COM. REP. NO.

489

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 1219
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 1219 entitled:

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

begs leave to report as follows:

The purpose of this measure is to prohibit agreements that
include introductory free trial periods for the purchase of
periodic delivery of goods, services, or internet access unless
the consumer explicitly and affirmatively consents to being billed
for automatic renewal, continuous delivery, or service beyond the
last date of the free trial period.

The Department of Commerce and Consumer Affairs provided
comments on this measure.

You Committee would like to note that the intent of this
measure is to continue legislative policies aimed at enhancing
state protection of seniors, who are often the target of fraud and
other unfair and deceptive business practices.

Your Committee has amended this measure by deleting its
contents and inserting provisions:

- (1) Moving the affirmative consent requirement from Chapter
481B, Hawaii Revised Statutes, regarding Unfair and



Deceptive Practices, to Chapter 481, Hawaii Revised Statutes, regarding Fair Trade Regulations;

- (2) Expanding the scope of the affirmative consent provision to include all automatic renewal or continuous service agreements;
- (3) Specifying additional procedures for persons selling or offering automatic renewal or continuous services, including among other things:
 - (A) Required contact information for such persons;
 - (B) Conspicuous disclosure and customer knowledge requirements for acknowledgements presented by such persons in an agreement for the continuation of an offered renewal or continuous service; and
 - (C) Requirements for material changes made by such persons to an automatic renewal or continuous service agreement, including the method by which the customer may cancel the agreement; and
- (4) Changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1219, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. McKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 489

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1219	Committee Referral: CPC, JUD	Date: 02/18/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. WOODSON, Justin H. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CREAGAN, Richard P.	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. KAWAKAMI, Derek S.K.				
9. LEE, Chris	✓			
10. NAKASHIMA, Mark M.	✓			
11. OSHIRO, Marcus R.	✓			
12. SAN BUENAVENTURA, Joy A.	✓			
13. TAKAYAMA, Gregg	✓			
14. YAMANE, Ryan I.	✓			
15. FUKUMOTO CHANG, Beth	✓			
16. MCDERMOTT, Bob	✓			
TOTAL (16)	15			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
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