

JAN 19 2018

# A BILL FOR AN ACT

RELATING TO FRANCHISE INVESTMENT LAW.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1. Chapter 482E, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§482E- Advertising campaigns; non-participation. (a)**

If a franchisee does not participate in a specific advertising campaign of the franchise in which a discount or a promotion is offered, the franchisee shall disclose its non-participation at its entrance or storefront with signage of a size sufficient to be clearly visible to the general public.

(b) No franchisor may impose a restriction or condition upon the franchisee, whether by the terms of the franchise agreement or by other device or practice, in making the required disclosure under subsection (a)."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.



# S.B. NO. 2061

1 SECTION 4. This Act shall take effect upon its approval.

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# S.B. NO. 2061

**Report Title:**

Franchisee; Advertising Campaigns; Non-participation

**Description:**

Requires franchisees to disclose their non-participation in advertising campaigns of the franchisor in which discounts or promotions are offered. Prohibit franchisors from limiting or restricting the disclosures.

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