

STAND. COM. REP. NO.

1427

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 562
S.D. 1
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 562, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DECEPTIVE TRADE PRACTICES,"

begs leave to report as follows:

The purpose of this measure is to establish that charging shipping and delivery charges that exceed the actual cost to ship or deliver a commodity to a consumer in Hawaii constitutes an unfair and deceptive practice.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association and Retail Merchants of Hawaii. Your Committee received comments on this measure from the Chamber of Commerce Hawaii and Matson Navigation Company, Inc.

Your Committee finds that Hawaii consumers are often unfairly treated by online merchants' imposition of shipping costs. Many of these retailers impose an arbitrary shipping cost to Hawaii residents that does not correlate with their actual cost of shipping. This measure will ensure that Hawaii consumers are not unfairly assessed arbitrary shipping charges by requiring

2021-2752 SB562 HD2 HSCR HMSO



merchants to apply the actual shipping cost, which will facilitate transparency in consumer transactions.

Your Committee has amended this measure by changing the effective date to January 1, 2050, 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 S.B. No. 562, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 562, S.D. 1, H.D. 2.

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



AARON LING JOHANSON, Chair



