STAND. COM. REP. NO.

Honolulu, Hawaii

, 2023 FEB 09

H.B. No. 643 RE:

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 643 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 Retail Merchants of Hawaii.

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

Your Committee has amended this measure by:

- (1) Clarifying that the measure applies to shipping charges imposed on goods;
- (2) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 643, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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

MARY 1. NAKASHIMA. Chair

## State of Hawaii House of Representatives The Thirty-second Legislature

HSLR220

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: H/3 643	CPC, JHA	Date:	2/2/2	023
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)			Pakk BEAR ES	
2. SAYAMA, Jackson D. (VC)				
3. AMATO, Terez			rituur anta a anatan ja para an	
4. BELATTI, Della Au				
			and the state of historical and the	
5. HASHEM, Mark J.				
6. HUSSEY-BURDICK, Natalia				
7. GATES, Cedric Asuega				
8. LOWEN, Nicole E.				
9. ONISHI, Richard H.K.				
and the state of t				
10. TAM, Adrian K.				
11. PIERICK, Elijah				
TOTAL (11)	6	D		4
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				