

STAND. COM. REP. NO. **697**

Honolulu, Hawaii

MAR 02 2023

RE: S.B. No. 158
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 158, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to establish that charging shipping and delivery charges that exceed the actual cost charged to the seller to ship or deliver a commodity to a consumer in the State shall constitute an unfair and deceptive practice.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of 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 the State's consumers are often unfairly treated by online merchants' imposition of shipping costs as many of these retailers impose an arbitrary shipping cost that does not correlate with their actual cost of shipping. This measure addresses this improper practice to ensure that the State's consumers are not unfairly billed on shipping charges and are assessed only the actual cost of shipping, instead of a bogus rate that has nothing to do with the actual cost. Requiring a merchant to apply the actual shipping cost will facilitate transparency in consumer transactions and will help ensure that



the State's consumers no longer fall victim to the arbitrary whims of online merchants in assessing shipping charges.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 158, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 158 SD1	Committee Referral: CPN, JDC	Date: 2/23/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
TOTAL	5	—	—	—
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes