THE SENATE THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII

S.B. NO. 2082

JAN 1 7 2024

#### A BILL FOR AN ACT

RELATING TO THE LABELING OF PRODUCTS.

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

| 1  | SECT       | ION 1. Section 201-3.5, Hawaii Revised Statutes, is           |
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| 2  | amended to | o read as follows:  |
| 3  | "[+]       | <pre>§201-3.5[+] "Hawaii Made" program for manufactured</pre> |
| 4  | products   | oversight; "Hawaii Made" trademark. (a) The                   |
| 5  | departmen  | t of business, economic development, and tourism shall        |
| 6  | administe  | r and oversee a "Hawaii Made" program for manufactured        |
| 7  | products a | and shall hold ownership of the "Hawaii Made"                 |
| 8  | trademark  |   |
| 9  | (b)        | For purposes of this section, the department of               |
| 10 | business,  | economic development, and tourism shall:                      |
| 11 | (1)        | Promote consumer demand for "Hawaii Made" products;           |
| 12 | (2)        | Coordinate manufacturing of "Hawaii Made" products;           |
| 13 | (3)        | Coordinate and promote distribution channels for              |
| 14 |            | "Hawaii Made" products;                                       |
| 15 | (4)        | Ensure that appropriate patents and copyrights are            |
| 16 |            | acquired for "Hawaii Made" products; and                      |



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| 1  | (5) Identify new funding opportunities to promote the             |
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| 2  | expansion of "Hawaii Made" products.                              |
| 3  | (c) No person shall:  |
| 4  | (1) Keep, offer, display or expose for sale, or solicit           |
| 5  | for the sale of any item, product, souvenir, or other             |
| 6  | merchandise that:   |
| 7  | (A) Is labeled "Hawaii Made"; [ <del>or</del> ]                   |
| 8  | (B) Is labeled "made in Hawaii"; or                               |
| 9  | [(B)] (C) By any other means, represents the origin of            |
| 10 | the item as being from any place within the                       |
| 11 | State; or   |
| 12 | (2) Use the phrase "Hawaii Made" <u>or "made in Hawaii"</u> as an |
| 13 | advertising or media tool,  |
| 14 | for any item that has not been manufactured, assembled,           |
| 15 | fabricated, or produced within the State and that has not had at  |
| 16 | least fifty-one per cent of its wholesale value added by          |
| 17 | manufacture, assembly, fabrication, or production within the      |
| 18 | State, including Hawaii-sourced goods, services, and              |
| 19 | intellectual property $[+]$ ; provided that any calculation to    |
| 20 | determine whether a non-perishable good has had at least fifty-   |
| 21 | one per cent of its wholesale value added by production within    |



| 1  | the State shall include operating and overhead expenses incurred |
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| 2  | and spent within the State.                                      |
| 3  | (d) Subsection (c) notwithstanding, no person shall keep,        |
| 4  | offer, display, expose for sale, or solicit the sale of any      |
| 5  | perishable consumer commodity that is labeled "made in Hawaii",  |
| 6  | "produced in Hawaii", or "processed in Hawaii" or that by any    |
| 7  | other means represents the origin of the perishable consumer     |
| 8  | commodity as being from any place within the State, or use the   |
| 9  | phrase "made in Hawaii", "produced in Hawaii", or "processed in  |
| 10 | Hawaii" as an advertising or media tool for any perishable       |
| 11 | consumer commodity, unless the perishable consumer commodity is  |
| 12 | wholly or partially manufactured, processed, or produced within  |
| 13 | the State from raw materials that originate from inside or       |
| 14 | outside the State and at least fifty-one per cent of the         |
| 15 | wholesale value of the perishable consumer commodity is added by |
| 16 | manufacture, processing, or production within the State.         |
| 17 | (e) The attorney general may bring an action against any         |
| 18 | person or entity who violates subsection (c) or (d).             |
| 19 | (f) For the purposes of this section, "perishable consumer       |
| 20 | commodity" has the same meaning as defined in section 486-1."    |



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| 1  | SECTION 2. Section 486-1, Hawaii Revised Statutes, is               |
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| 2  | amended by deleting the definition of "craft item".                 |
| 3  | [""Craft item" means any consumer commodity that is not an          |
| 4  | agricultural commodity or a perishable consumer commodity that      |
| 5  | is manufactured, assembled, fabricated, or produced by an           |
| 6  | individual working alone or a small group of individuals working    |
| 7  | collaboratively and that is produced by hand or by using simple     |
| 8  | tools. Craft item does not include a consumer commodity that is     |
| 9  | mass-produced or an item that is merely assembled from two or       |
| 10 | more mass produced consumer commodities."]                          |
| 11 | SECTION 3. Section 486-119, Hawaii Revised Statutes, is             |
| 12 | repealed.   |
| 13 | ["§486-119 Hawaii-made products; Hawaii-processed                   |
| 14 | <b>products.</b> (a) No person-shall-keep, offer, display or expose |
| 15 | for sale, or solicit for the sale of any item, product,             |
| 16 | souvenir, or any other merchandise that is labeled "made in         |
| 17 | Hawaii" or that by any other means misrepresents the origin of      |
| 18 | the item as being from any place within the State, or uses the      |
| 19 | phrase "made in Hawaii" as an advertising or media tool for any     |
| 20 | craft item that has not been manufactured, assembled,               |
| 21 | fabricated, or produced within the State and that has not had at    |



| 1  | least fifty-one per cent of its wholesale value added by         |
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| 2  | manufacture, assembly, fabrication, or production within the     |
| 3  | State.   |
| 4  | (b) Subsection (a) notwithstanding, no person shall keep,        |
| 5  | offer, display, expose for sale, or solicit the sale of any      |
| 6  | perishable consumer commodity that is labeled "made in Hawaii",  |
| 7  | "produced in Hawaii", or "processed in Hawaii" or that by any    |
| 8  | other means represents the origin of the perishable consumer     |
| 9  | commodity as being from any place within the State, or use the   |
| 10 | phrase "made in Hawaii", "produced in Hawaii", or "processed in  |
| 11 | Hawaii" as an advertising or media tool for any perishable       |
| 12 | consumer commodity, unless the perishable consumer commodity is  |
| 13 | wholly or partially manufactured, processed, or produced within  |
| 14 | the State from raw materials that originate from inside or       |
| 15 | outside the State and at least fifty one per cent of the         |
| 16 | wholesale-value of the perishable consumer commodity is added by |
| 17 | manufacture, processing, or production within the State."]       |
| 18 | SECTION 4. There is appropriated out of the general              |
| 19 | revenues of the State of Hawaii the sum of \$ or so              |
| 20 | much thereof as may be necessary for fiscal year 2024-2025 for   |
| 21 | the promotion and development of the "Hawaii Made" brand.        |



1 The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of 2 3 this Act.

4 SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored. 5

6 SECTION 6. This Act shall take effect on July 1, 2024.

INTRODUCED BY:



#### Report Title:

DBEDT; Department of the Attorney General; Hawaii Made Program; Made in Hawaii with Aloha Program; Hawaii-Made Products; Hawaii-Processed Products; Appropriation

#### Description:

Merges the Made in Hawaii with Aloha branding program with the Hawaii Made program under the Department of Business, Economic Development, and Tourism. Specifies that the Department of the Attorney General shall be responsible for enforcement of the program. Repeals the Made in Hawaii with Aloha program. Clarifies that calculations to determine whether a nonperishable good labeled "Hawaii Made" or "made in Hawaii" has met the requirement that at least 51% of the wholesale value of the product is added by production within the State include operating and overhead expenses incurred and spent within the State. Appropriates funds.

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