

STAND. COM. REP. NO.

220

Honolulu, Hawaii

FEB 09 , 2023

RE: H.B. No. 643
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,



MARK M. NAKASHIMA, Chair



