



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Friday, February 2, 2024 9:30 a.m.
In consideration of
SB 2239
RELATING TO CONSUMER PROTECTION

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) offers the following comments for consideration on this measure which prohibits advertising, displaying, or offering a price for a transient accommodation that does not include all taxes and fees imposed by a government entity at the time of purchase.

In the most recently available Visitor Satisfaction and Activity survey – fielded in the third quarter of 2023 – visitors who said they are unlikely to return to Hawai'i identified cost and value as some of their top reasons. We generally believe that transparency is important in this area.

We stand ready to assist with outreach to the visitor industry should this measure be enacted.

Mahalo for the opportunity to offer these comments on this measure.



February 1, 2024

The Honorable Jarrett Keohokalole
Chair
Senate Committee on Commerce and Consumer Protection
Hawai'i State Capitol, Room 205
415 S Beretania St.,
Honolulu, HI

RE: Oppose SB 2239: Relating to Consumer Protection

Dear Senator Keohokalole and members of the Committee:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to **oppose SB 2239 based on its current drafting**. While we support efforts to eliminate deceptive fees and manipulative pricing in certain industries, SB 2239 risks penalizing online marketplaces for the hotel industry's lack of transparency.

We agree that deceptive fees in industries like hotels, ticketing, and airlines, should be addressed. Inconsistent prices and a lack of transparency make it more difficult for consumers to do "apples to apples" comparisons between competing services and hinder fair competition.

Unfortunately, the bill as drafted doesn't reflect the complexity of some three-sided online marketplaces, like online lodging rental platforms, that have a fundamentally different structure. In three-sided online marketplaces - including online lodging rental and home sharing platforms - independent sellers offer and set the prices for their goods and services. The market operator connects the independent sellers with customers, and may offer additional services like order processing, safety checks, and identity verification. In these marketplaces, the sellers set the prices posted on the marketplace platform.

In the transient accommodation industry, many hotels and resorts advertise available rooms on online lodging rental or home sharing platforms. Hotels and resorts, like homeowners renting out their homes, are responsible for the list price and any applicable fees. Including hotel and resort rooms on the same platforms as short term home rentals enables consumers to compare all of their options and reduces search time.

However, under SB 2239, the platforms could be held liable if the hotel or resort failed to incorporate all resort fees or applicable taxes into the price they post on the platform. This concern could be addressed by including a safe-harbor provision for three-sided marketplaces and platforms that do not independently set prices for transient accommodation.

We support efforts to crack down on industries that deceive customers and use manipulative pricing tactics. However, marketplace platforms should not be penalized for the hotel industry's lack of transparency. We encourage you to amend the bill to address complexities of different marketplaces. Unless these differences can be addressed during the drafting stage, we urge you to **oppose SB 2239**.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Singleton". The signature is fluid and cursive, with a large initial "R" and a stylized "S".

Robert Singleton,
Director of State & Local Government Relations, Western US