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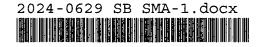
A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1 SECTION 1. The legislature finds that the restaurant 2 industry has been greatly affected by the rising costs of living 3 and doing business following the coronavirus disease 2019 4 pandemic. In particular, businesses have been challenged by the 5 increase in supply costs, utilities, and food expenses. The 6 legislature finds that businesses serve a vital role in the 7 community, and that it is important to support business efforts 8 and to encourage creative price control methods that do not 9 detract from consumer satisfaction.

10 The legislature finds that as restaurants and food service 11 establishments find new ways to operate in the face of these 12 challenges, some restaurants have included an additional hidden 13 fee in bills, referred to as a "Supply Chain Adjustment" fee, 14 which can be up to ten per cent of the total meal cost. The 15 public has expressed confusion about this and other additional 16 fees at establishments where the ineffective notification of



fees left patrons feeling misinformed about their choices as
 consumers.

The legislature finds that increasing prices to keep up with supply costs is a natural part of doing business. However, hiding fees from consumers and then forcing them to pay at the end of their meal or upon receiving their order is not only dishonest, but according to the office of consumer protection, a practice that is illegal.

9 The legislature finds that a clear and comprehensive notice 10 of additional fees and other details that affect the prices of 11 menu items and the total bill for restaurant patrons would 12 function to protect consumers and provide restaurants the 13 opportunity to strategize their approach to offsetting business 14 costs.

Accordingly, the purpose of this Act is to:
(1) Require each food establishment to clearly and
conspicuously display, in each advertisement and when
a price is first shown to a customer, the total price
of the food or beverage provided, including any
mandatory fees a customer would incur during the



1	transaction, which shall not change during the		
2	purchase process; and		
3	(2) Require the department of commerce and consumer		
4	affairs to adopt rules to carry out this Act.		
5	SECTION 2. Chapter 481B, Hawaii Revised Statutes, is		
6	amended by adding a new section to part I to be appropriately		
7	designated and to read as follows:		
8	" <u>§481B-</u> Food establishment fees and surcharges;		
9	disclosure requirements. (a) Each food establishment shall		
10	clearly and conspicuously display, in each advertisement and		
11	when a price is first shown to a customer, the total price of		
12	the food or beverage provided, including any mandatory fees a		
13	customer would incur during the transaction, which shall not		
14	change during the purchase process.		
15	(b) A food establishment shall not impose on a customer or		
16	advertise any mandatory fees that are excessive or deceptive for		
17	any food or beverage offered by the food establishment.		
18	(c) The department of commerce and consumer affairs shall		
19	adopt rules pursuant to chapter 91 to carry out the purposes of		
20	this section.		
21	(d) As used in this section:		



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S.B. NO. 2694

1	"Cus	tomer" means a person who purchases food or beverages	
2	from a food establishment.		
3	"Food establishment " means an eating establishment,		
4	including but not limited to restaurants, coffee shops,		
5	cafeterias, sandwich stands, and food trucks, that gives or		
6	offers for sale food to the public, guests, or employees, as		
7	well as k	itchens and catering facilities in which food is	
8	prepared	on the premises for serving elsewhere. The term "food	
9	establishment" includes a bar area within any restaurant or		
10	outdoor a	rea of a restaurant.	
11	"Man	datory fee" includes:	
12	(1)	Any fee or surcharge that a customer is required to	
13		pay to purchase the food or beverage being advertised;	
14	(2)	A fee or surcharge that is not reasonably avoidable;	
15	(3)	A fee or surcharge that a reasonable customer would	
16		not expect to be included with the purchase of the	
17		food or beverage being advertised; or	
18	(4)	Any other fee or surcharge determined appropriate by	
19		the department of commerce and consumer affairs."	



SECTION 3. This Act does not affect rights and duties that
 matured, penalties that were incurred, and proceedings that were
 begun before its effective date.

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY:



Report Title:

Consumer Protection; Food Establishments; Fees and Surcharges; Disclosure Requirements; Advertising; Food and Beverages; Unfair and Deceptive Practices

Description:

Requires each food establishment to clearly and conspicuously display, in each advertisement and when a price is first shown to a customer, the total price of the food or beverage provided, including any mandatory fees a customer would incur during the transaction, which shall not change during the purchase process. Prohibits a food establishment from imposing on a customer or advertising any mandatory fees that are excessive or deceptive for any food or beverage offered by the food establishment.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

