

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 102
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 102, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RESTAURANTS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit third-party restaurant reservation services from listing, advertising, promoting, or selling restaurant reservation services without first obtaining a written agreement from the applicable restaurant authorizing the action; and
- (2) Establish civil penalties.

Your Committee received testimony in support of this measure from Booking Holdings, Inc. and one individual.

Your Committee received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that the recent proliferation of restaurant piracy negatively impacts restaurants, their employees, and diners. Most restaurants run on razor-thin profit margins, and a few no-shows on any given day, often the byproduct of



reservation piracy, can mean an independent restaurant is unprofitable or employees are unable to earn the income they rely on. Unauthorized restaurant reservation listings by third-party restaurant reservation services can also hurt consumers through misleading advertisements, promotions, or false reservation sales. By requiring written authorization from a restaurant permitting advertising from a third-party restaurant reservation service, this measure will protect both restaurants and consumers from predatory reservation behaviors.

Your Committee notes that this measure, as written, does not take into account legitimate reservation listings by authorized third-parties on other websites. Your Committee also notes that the cause of action in this measure omits cases where the pirating platform either charges no fee or only charges a fee to the seller, not the diner. To ensure that these issues are addressed, your Committee believes that amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Allowing a contractual designee of a restaurant to agree on behalf of the restaurant for a third-party restaurant reservation service to list, advertise, promote, or sell reservations for the restaurant;
- (2) Clarifying that the civil action established by this measure applies to a third-party restaurant reservation service that charges a person fees or any price by, or through, the third-party service for a reservation that is listed, advertised, promoted, or sold in violation of the requirements established by this measure; and
- (3) Making a technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 102, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 102, S.D. 2.



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

Karl Rhoads

KARL RHOADS, Chair



