

STAND. COM. REP. NO.

506

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1035
S.D. 1

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

Sir:

Your Committee on Economic Development and Tourism, to which
was referred S.B. No. 1035 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit businesses from offering, displaying, or advertising any price of a live-event ticket or short-term lodging without clearly and conspicuously disclosing the maximum total of all fees or charges; provided that government charges, shipping charges, and fees or charges for optional goods or services may be excluded;
- (2) Require businesses to disclose clearly and conspicuously certain information, including the final amount of payment, before the consumer consents to pay for the live-event ticket or short-term lodging; and
- (3) Establish that misrepresentation of any fees or charges in offers, displays, or advertisements for live-event tickets or short-term lodging by businesses constitutes an unfair or deceptive practice.



Your Committee received testimony in support of this measure from one individual.

Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that Hawaii has and continues to face an increasing cost of living that has put stress on local communities. As prices of goods and services continue to rise, it is necessary for the State to provide a structure that protects consumers from deceptive fee practices that dramatically inflate the final costs of many goods and services. Your Committee further finds that the additional "convenience", "processing", or "service" fees are vague and unfair to consumers. Accordingly, this measure offers additional protection to consumers by requiring businesses to increase the transparency in their pricing information for live-event tickets and smart short-term lodging.

Your Committee acknowledges the concerns raised by the Office of Consumer Protection (OCP) regarding the discrepancies between this measure and the Federal Trade Commission's (FTC) Rule on Unfair or Deceptive Fees, 16 C.F.R. Part 464, that is scheduled to take effect on May 10, 2025. Your Committee finds that this issue raises concerns that merit further consideration and respectfully requests that subsequent Committees to which this measure is referred examine the matter.

Your Committee has amended this measure by:

- (1) Clarifying that the disclosure of the final amount of payment shall be more prominent than the total price; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1035, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B.



No. 1035, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development and Tourism
EDT

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1035</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">EDT, CPN/IDC</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">1-30-25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol				✓
KIM, Donna Mercado	✓			
AWA, Brenton				✓
TOTAL	3	0	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

***Only one measure per Record of Votes**