
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, as the cost of
2 living continues to increase in the State, it is necessary for
3 the State to intervene in markets where retailers and goods and
4 services providers are treating consumers unfairly. The ability
5 to identify the price of a good or service is a necessity for a
6 properly functioning economy. Consumers look for prices to
7 comparison shop and to weigh what a good or service might be
8 worth. Most consumers rely on price to answer critical
9 questions around how much they are able to spend and save, and
10 how they will meet their basic needs and those of their
11 families.

12 The legislature also finds that consumers increasingly face
13 widespread and growing unfair and deceptive fee practices that
14 make it harder to identify how much something will ultimately
15 cost. Unfortunately, the Internet and the ability to purchase
16 goods or services online have only exacerbated the practice of
17 charging mandatory junk fees that are not disclosed until after



1 the transaction begins. The practice of charging junk fees and
2 other undisclosed mandatory costs is called "drip pricing".
3 Drip pricing is most prevalent in practices involving fees for
4 live-event tickets and short-term lodging and other places of
5 temporary sleeping accommodations, such as hotels, motels, inns,
6 short-term rentals, and vacation rentals.

7 The legislature further finds that according to the Federal
8 Trade Commission, in the last few years alone, tens of thousands
9 of Americans have expressed displeasure upon discovering the
10 cost of their hotel stays were significantly higher than
11 expected due to hidden resort fees and other mandatory charges
12 in addition to the advertised price. Consumers have also
13 complained about purchasing tickets to a live-event online and
14 finding out that the quoted ticket price had almost doubled by
15 the time they reached the final checkout page. Consumers have
16 confronted a host of mysterious, mandatory charges labeled as
17 "convenience", "processing", or "service" fees that are
18 nondescriptive and confusing. These practices are frustrating
19 for consumers when they shop for travel and entertainment,
20 especially because these purchases can represent significant
21 expenditures to their already strained finances.



1 The legislature additionally finds that the Federal Trade
2 Commission issued a final rule on January 10, 2025, to address
3 certain unfair or deceptive practices involving fees or charges
4 for live-event tickets and short-term lodging. This final rule
5 serves as a guidance for the State to enhance its consumer
6 protection laws and allow consumers to make better informed
7 decisions when purchasing live-event tickets or deciding where
8 to stay on a short-term basis by leveling the playing field for
9 honest businesses in these industries that truthfully and
10 transparently disclose their pricing information.

11 Accordingly, the purpose of this Act is to:

- 12 (1) Make it an unfair or deceptive act or practice for
13 businesses to offer, display, or advertise the price
14 of live-event tickets or short-term lodging without
15 clearly and conspicuously disclosing the total price
16 as prominently or more prominently than other pricing
17 information, except the final amount of payment; and
18 (2) Make it an unfair or deceptive act or practice for
19 businesses to misrepresent any fees or charges in any
20 offer, display, or advertisement for the sale of live-
21 event tickets and short-term lodging.



SECTION 2. Chapter 481B, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§481B- Live-event tickets; short-term lodgings; total price; disclosure required; prohibited. (a) It is an unfair or deceptive practice in violation of section 480-2 and a violation of this part for any business to offer, display, or advertise any price of a covered good or service without clearly and conspicuously disclosing the total price.

(b) In any offer, display, or advertisement that represents the price of a covered good or service, a business shall disclose the total price more prominently than any other pricing information, except when the final amount of payment for the transaction is displayed, the final amount of payment shall be disclosed more prominently than, or as prominently as, the total price.

(c) A business shall disclose clearly and conspicuously, before the consumer consents to pay for any covered good or service:

(1) The nature, purpose, and amount of any fee or charge imposed on the transaction that has been excluded from



1 the total price and the identity of the good or
2 service for which the fee or charge is imposed; and

3 (2) The final amount of payment for the transaction.

4 (d) For purposes of meeting the clearly and conspicuously
5 requirements under subsection (c), the disclosure shall:

6 (1) In any communication that is solely visual or solely
7 audible, the disclosure shall be made through the same
8 means through which the communication is presented.

9 In any communication made through both visual and
10 audible means, such as a television advertisement, the
11 disclosure shall be presented simultaneously in both
12 the visual and audible portions of the communication
13 even if the representation requiring the disclosure is
14 made in only one means;

15 (2) A visual disclosure, by its size, contrast, location,
16 the length of time it appears, and other
17 characteristics, shall stand out from any accompanying
18 text or other visual elements so that the visual
19 disclosure is easily noticed, read, and understood;

20 (3) An audible disclosure, including by telephone or
21 streaming video, shall be delivered in a volume,



1 speed, and cadence sufficient for ordinary consumers
2 to easily hear and understand the audible disclosure;

3 (4) In any communication using an interactive electronic
4 medium, such as the Internet, a mobile application, or
5 software, the disclosure shall be unavoidable;

6 (5) The disclosure shall use diction and syntax
7 understandable to ordinary consumers and shall appear
8 in each language in which the representation that
9 requires the disclosure appears;

10 (6) The disclosure shall comply with these requirements in
11 each medium through which the disclosure is received,
12 including all electronic devices and face-to-face
13 communications; and

14 (7) The disclosure shall not be contradicted or mitigated
15 by, or inconsistent with, anything else in the
16 communication;

17 provided that when the representation or sales practice targets
18 a specific audience, such as children, older adults, or the
19 terminally ill, members of that group shall be considered
20 ordinary consumers.



1 (e) In any offer, display, or advertisement for a covered
2 good or service, it shall be an unfair or deceptive act or
3 practice in violation of section 480-2 and a violation of this
4 part for any business to misrepresent any fee or charge,
5 including but not limited to:

6 (1) The nature, purpose, amount, or refundability of any
7 fee or charge; and

8 (2) The identity of the good or service for which the fee
9 or charge is imposed.

10 (f) For the purposes of this section:

11 "Ancillary good or service" means any additional goods or
12 services offered to a consumer as part of the same transaction.

13 "Business" means a person that offers goods or services,
14 including but not limited to online, in mobile applications, or
15 at physical locations.

16 "Clearly and conspicuously" refers to a required disclosure
17 that is easily noticeable (i.e., difficult to miss) and easily
18 understandable by ordinary consumers.

19 "Covered good or service" means:

20 (1) Live-event tickets; or



1 (2) Short-term lodging, including temporary sleeping
2 accommodations at a hotel, motel, inn, short-term
3 rental, vacation rental, or other place of lodging.

4 "Government charges" means the fees or charges imposed on
5 the transaction by a federal, state, tribal, or local government
6 agency, department, or unit.

7 "Pricing information" means any information relating to an
8 amount that a consumer may pay.

9 "Shipping charges" means the fees or charges that
10 reasonably reflect the amount a business incurs to send physical
11 goods to a consumer, including through the United States Postal
12 Service, private mail and shipping services, or by freight.

13 "Total price" means the maximum total of all fees or
14 charges that a consumer shall pay for any good or service and
15 any mandatory ancillary good or service; provided that
16 government charges, shipping charges, and fees or charges for
17 any optional ancillary good or service may be excluded."

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

21 SECTION 4. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Consumer Protection; Unfair or Deceptive Acts or Practices;
Live-Event Tickets; Short-Term Lodging; Disclosures; Total
Price; Junk Fees

Description:

Makes it an unfair or deceptive act or practice for businesses to: offer, display, or advertise the price of live-ticket events or short-term lodging without clearly and conspicuously disclosing the total price; and misrepresent any fees or charges in any offer, display, or advertisement for the sale of live-event tickets or short-term lodging. Effective 7/1/3000. (HD1)

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