

JAN 17 2025

A BILL FOR AN ACT

RELATING TO DYNAMIC PRICING.

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

1 SECTION 1. The legislature finds that the increasing cost
2 of groceries and basic necessities is placing a strain on
3 Hawaii's residents. Many individuals often have to carefully
4 weigh the cost of their purchases, whether it is an item like
5 milk or fresh produce. In Hawaii, some residents must spend
6 over seventeen per cent of their household budget to put a meal
7 on the table, which is significantly higher than the national
8 average of twelve per cent, according to the United States
9 Bureau of Labor Statistics. Furthermore, the Hawaii Foodbank
10 reports that nearly one in three households is food-insecure,
11 meaning that they do not have access to sufficient or quality
12 food to meet their basic needs.

13 The legislature further finds that dynamic pricing --
14 defined as changing prices based on market fluctuations
15 involving supply and demand, the season, supply chain issues, or
16 consumer trends, including but not limited to artificial
17 intelligence-enabled pricing adjustments -- can have an adverse



1 effect on consumers, especially for low-income individuals and
2 households that rely on government assistance, such as the
3 Supplemental Nutrition Assistance Program and Special
4 Supplemental Foods Program for Women, Infants, and Children.
5 These kinds of retail practices, also known as surge pricing,
6 can obscure the base price of everyday items and can lessen the
7 power that consumers wield to make responsible and financially
8 sound decisions. Although retailers contend that dynamic
9 pricing can be used to lower the cost of goods, data has shown
10 that instead, retailers often change prices to raise their own
11 profits while leaving consumers to pay.

12 Accordingly, the purpose of this Act is to prohibit
13 retailers from using dynamic pricing in the sale of food that is
14 sold, or qualifies to be sold, as part of the Supplemental
15 Nutrition Assistance Program or Special Supplemental Foods
16 Program for Women, Infants, and Children.

17 SECTION 2. Chapter 480, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "§480- Dynamic pricing; prohibition; fines. (a) No
21 retailer shall use dynamic pricing in the sale of food that is



1 sold, or qualifies to be sold, as part of the federal
2 Supplemental Nutrition Assistance Program or Special
3 Supplemental Foods Program for Women, Infants, and Children.

4 (b) Any retailer that violates this section shall be
5 subject to a civil fine of not more than \$5,000 per item per
6 day. Each day of a continued violation of this section shall
7 constitute a distinct and separate offense. The attorney
8 general may bring an action to collect the fine.

9 (c) Any retailer that violates this section shall be
10 subject to an administrative fine of not more than \$500 for the
11 first offense and not more than \$1,000 for a second or
12 subsequent offense and the actual costs of the investigation of
13 the violation. Each day of a continued violation of this
14 section shall constitute a distinct and separate offense. The
15 director of commerce and consumer affairs may bring an action to
16 collect the fine.

17 (d) As used in this section, "dynamic pricing" means the
18 practice of fluctuating prices based on demand, the season,
19 consumer data, or other factors, including but not limited to
20 artificial intelligence-enabled pricing adjustments."



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

4 SECTION 4. New statutory material is underscored.

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

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INTRODUCED BY:

Paul Rhoads



S.B. NO. 785

Report Title:

Dynamic Pricing; Food; Prohibition

Description:

Prohibits retailers from using dynamic pricing in the sale of food that is sold, or qualifies to be sold, as part of the federal Supplemental Nutrition Assistance Program or Special Supplemental Foods Program for Women, Infants, and Children. Establishes fines.

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