STAND. COM. REP. NO. 2112

Honolulu, Hawaii

FEB 0 6 2026

RE: S.B. No. 1163
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred S.B. No. 1163 entitled:

"A BILL FOR AN ACT RELATING TO PRIVACY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Prohibit the sale of geolocation information and internet browser information without consent; and

(2) Prohibit the sale of data collected through eavesdropping or an application operating in the background of a device that uses the device's microphone.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and one individual.

Your Committee received testimony in opposition to this measure from the State Privacy & Security Coalition; TechNet; Association of National Advisors; American Association of Advertising Agents, 4As; American Advertising Federation; and Digital Advertising Alliance.

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

Your Committee finds that the unregulated sale of mobile device users' geolocation information poses significant privacy and civil rights implications for the State's residents. These privacy issues are especially pressing as they relate to data pertaining to sensitive locations, such as reproductive health clinics. Your Committee further finds that data brokers selling geolocation information and personal data collected through eavesdropping can threaten users' safety, enabling harassment, stalking, and abuse. This measure safeguards the civil liberties, privacy, and public safety of the State's residents by reducing the risks associated with the sale of information improper pertaining to an individual's location and online activities.

Your Committee acknowledges the concerns raised in testimony regarding the effect of the proposed prohibitions on lawful investigations conducted by law enforcement agencies in compliance with constitutional and statutory provisions pertaining to privacy protections. Your Committee also recognizes testimony requesting that that customer proprietary network information (CPNI) and telecommunications carriers, to the extent they are acting in compliance with applicable CPNI requirements, be excluded from the application of the prohibitions, as CPNI is regulated under federal law and telecommunications carriers are subject to comprehensive and longstanding privacy obligations under federal law and regulations that strictly regulate the use, disclosure, and protection of customer proprietary network information, including location-related call information. Therefore, it is necessary to amend this measure to reflect these concerns.

Accordingly, your Committee has amended this measure by:

(1) Inserting language that exempts:

(A) Lawful investigations conducted by law enforcement agencies in compliance with any constitutional or statutory provisions relating to privacy protections;

(B) Customer proprietary network information; and

(C) Telecommunications carriers, to the extent they are acting in compliance with applicable federal Customer proprietary network information requirements;

(2) Amending section 1 to reflect its amended purpose;

(3) Inserting an effective date of January 1, 2077, to encourage further discussion; and

(4) 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 Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1163, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on behalf of the members of the Committee on Labor and Technology,

BRANDON J.C. ELEFANTE, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:*	Committee Referral:	Date:
SB1163	LBT, CPN	1-30-26

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)	✓			
LAMOSAO, Rachele (VC)	✓			
IHARA, Jr., Les	✓			
MORIWAKI, Sharon Y.	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: [signature]

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26