
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 information to answer
9 critical questions around how much they are able to spend and
10 save, and how they will meet their basic needs and those of
11 their 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. Drip
3 pricing is most prevalent in practices involving fees for live-
4 event tickets and short-term lodging and other temporary
5 sleeping accommodations, such as hotels, motels, inns, short-
6 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 make it an
12 unfair or deceptive act or practice for businesses to:

- 13 (1) Offer, display, or advertise the price of live-event
14 tickets or short-term lodging without clearly and
15 conspicuously disclosing the total price more
16 prominently than other pricing information, except the
17 final amount of payment; and
- 18 (2) Misrepresent any fees or charges in any offer,
19 display, or advertisement for the sale of live-event
20 tickets or short-term lodging.



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

4 "§481B- Live-event tickets; short-term lodgings; total
5 price; disclosure required; prohibited. (a) It shall be an
6 unfair or deceptive act or practice in violation of section
7 480-2 and a violation of this part for any business to
8 advertise, display, or offer any price of a covered good or
9 service without clearly and conspicuously disclosing the total
10 price.

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

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



1 (1) The nature, purpose, and amount of any fee or charge
2 imposed on the transaction that has been excluded from
3 the total price and the identity of the good or
4 service for which the fee or charge is imposed; and

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

6 (d) In any advertisement, display, or offer for a covered
7 good or service, it shall be an unfair or deceptive act or
8 practice in violation of section 480-2 and a violation of this
9 part for any business to misrepresent any fee or charge,
10 including but not limited to:

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

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

15 (e) Any advertisement, display, or offer of short-term
16 lodging or live-event tickets that complies with the provisions
17 of title 16 Code of Federal Regulations part 464 shall be deemed
18 compliant with this section.

19 (f) For the purposes of this section:

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



1 "Business" means a person that offers covered goods or
2 services, including but not limited to online, in mobile
3 applications, or at physical locations.

4 "Clearly and conspicuously" means a required disclosure
5 that is easily noticeable (i.e., difficult to miss) and easily
6 understandable by ordinary consumers, including in all of the
7 following ways:

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

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

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



- 1 (3) An audible disclosure, including by telephone or
2 streaming video, shall be delivered in a volume,
3 speed, and cadence sufficient for ordinary consumers
4 to easily hear and understand the audible disclosure;
- 5 (4) In any communication using an interactive electronic
6 medium, such as the Internet, a mobile application, or
7 software, the disclosure shall be unavoidable;
- 8 (5) The disclosure shall use diction and syntax
9 understandable to ordinary consumers and shall appear
10 in each language in which the representation that
11 requires the disclosure appears;
- 12 (6) The disclosure shall comply with these requirements in
13 each medium through which the disclosure is received,
14 including all electronic devices and face-to-face
15 communications;
- 16 (7) The disclosure shall not be contradicted or mitigated
17 by, or inconsistent with, anything else in the
18 communication; and
- 19 (8) When the representation or sales practice targets a
20 specific audience, such as children, older adults, or



1 the terminally ill, members of that group shall be
2 considered ordinary consumers.

3 "Covered good or service" means:

- 4 (1) Live-event tickets; or
5 (2) Short-term lodging, including temporary sleeping
6 accommodations at a hotel, motel, inn, short-term
7 rental, vacation rental, or other place of lodging.

8 "Government charges" means the fees or charges imposed on
9 the transaction by a federal, state, tribal, or local government
10 agency, department, or unit.

11 "Pricing information" means any information relating to an
12 amount that a consumer may pay.

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

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



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.



Report Title:

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

Description:

Makes it an unfair or deceptive act or practice for businesses to: advertise, display, or offer 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. Specifies that any advertisement, display, or offer of short-term lodging or live-event tickets in compliance with the federal Rule on Unfair or Deceptive Fees are in compliance with this Act. (CD1)

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