

STAND. COM. REP. NO. **3354**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 2458
H.D. 3
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 H.B. No. 2458, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO SURVEILLANCE PRICING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit persons from using surveillance pricing in the sale of food; and
- (2) Exempt certain discounts and restaurants.

Your Committee received testimony in support of this measure from the Hawai'i Public Health Institute, Hawai'i Children's Action Network Speaks!, Hawai'i Food+ Policy, Consumer Reports, Hawai'i Hunger Action Network, Hawai'i Appleseed Center for Law and Economic Justice, TechEquity Action, and four individuals.

Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawai'i, Albertsons Companies, and TechNet.

Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Uber Technologies, and Towards Justice.



Your Committee finds that residents in the State are under serious financial strain due to the increasing cost of groceries and basic necessities. Your Committee further finds that surveillance pricing exacerbates the affordability crisis as it enables companies to use personal information to determine an individual's willingness to pay for a good or service, allowing companies to charge different prices to different consumers for the same products. Your Committee also finds that as a retail practice, surveillance pricing obscures the base price of everyday items and weakens a consumer's ability to make responsible and financially sound decisions. This measure will prohibit surveillance pricing to protect consumers in the State from these predatory pricing practices.

Your Committee acknowledges the concern raised in discussion during the hearing on this measure, that due to the complex nature of surveillance pricing and the ambiguity of the extent to which companies utilize the practice, more data and information is necessary for any future legislation to effectively address these practices in the State. Your Committee believes that at this time, a study evaluating the utilization of surveillance pricing in the State would be more appropriate to address this issue. Thus, amendments to this measure are necessary to address this concern.

Your Committee has amended this measure by:

- (1) Deleting language that would have codified in statute:
 - (A) The prohibition of persons using surveillance pricing in the sale of food; and
 - (B) Exemptions for certain discounts and restaurants;
- (2) Inserting language requiring the Office of Consumer Protection of the Department of Commerce and Consumer Affairs to conduct a study to determine the extent to which companies operating in the State deploy surveillance pricing practices to be submitted to the Legislature;



- (3) Inserting a blank appropriation to be expended by the Department of Commerce and Consumer Affairs for the Office of Consumer Protection to conduct the study;
- (4) Amending section 1 to reflect its amended purpose;
- (5) Inserting an effective date of January 1, 2077, to encourage further discussion; and
- (6) 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 H.B. No. 2458, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, H.D. 3, 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



