

Honolulu, Hawaii

APR 07 2015

RE: H.B. No. 1219  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred H.B. No. 1219, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require persons charging a consumer's credit or debit card or account with a third party for automatic renewal or continuous service to first obtain the consumer's acknowledgment and affirmative consent;
- (2) Establish notice, disclosure, and contact information requirements for automatic renewal or continuous service consumer agreements; and
- (3) Require free trial offers to clearly and conspicuously disclose how to cancel the agreement prior to the consumer being charged for goods and services.

Your Committees did not receive any testimony on this measure.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language that:



- (1) Clarifies the Lieutenant Governor's rulemaking authority relating to Commissioners of Deeds;
- (2) Authorizes the Lieutenant Governor to assess and collect fees and administrative fines relating to Commissioners of Deeds and establishes a revolving fund into which the fees and administrative fines are to be deposited;
- (3) Clarifies that the Lieutenant Governor is responsible for the commissioners of deeds program; and
- (4) Increases the surety bond requirement for Commissioners of Deeds from \$1,000 to \$10,000.

Your Committees received testimony in support of the proposed S.D. 1 from the Office of the Lieutenant Governor; Disney Vacation Development, Inc.; and American Resort Development Association - Hawai'i. Your Committees received comments on the proposed S.D. 1 from the Department of the Attorney General.

Your Committees find that Act 277, Session Laws of Hawaii 2013 (Act 277), established the commissioners of deeds program within the Office of the Lieutenant Governor. This program includes a process for the Governor to appoint individuals to serve as Commissioners of Deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to a time share interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within Hawaii. Act 277 also included protections for consumers wishing to purchase a timeshare property in Hawaii, including written notice of legal rights, bonding requirements for Commissioners of Deeds, and liabilities and limitations on liabilities for Commissioners of Deeds.

Your Committees further find that the proposed S.D. 1 addresses issues raised by a working group established to assist in implementing the program and provides the Office of the Lieutenant Governor the necessary authority and clarification to effectively implement the law while also adequately protecting consumers.

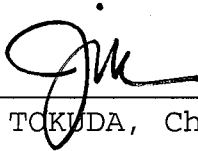
Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by:



- (1) Inserting a purpose section; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

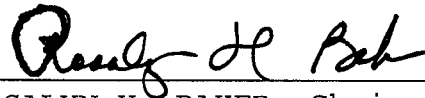
As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1219, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1219, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and Ways  
and Means,



---

JILL N. TOKUDA, Chair



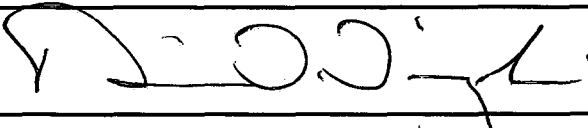
---

ROSALYN H. BAKER, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

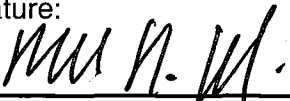
**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1219 HDI	CPN/WAM	3/31/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
KAHELE, Gilbert	✓			
KIDANI, Michelle N.				✓
NISHIHARA, Clarence K				✓
WAKAI, Glenn				✓
SLOM, Sam		✓		
<b>TOTAL</b>	3	1	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1219 HD1	CPN/WAM	3 / 31 / 15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood				✓
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil				✓
RUDERMAN, Russell E.	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	7	1	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes