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PRESENTATION OF THE
OFFICE OF CONSUMER PROTECTION

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

FEBRUARY 11, 2015
2:30 PM

TESTIMONY ON H.B. 1219, RELATING TO CONSUMER PROTECTION.

TO THE HONORABLE ANGUS McKELVEY, CHAIR,
AND TO THE HONORABLE JUSTIN WOODSON, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs (“DCCA”), Office of Consumer Protection (“OCP”) supports the intent of H.B. 1219, Relating to Consumer Protection, and offers the following comments for the Committee’s consideration.

H.B. 1219 would prohibit agreements that include introductory free trial periods for the purchase of periodic delivery of goods, services, or internet access unless the consumer explicitly and affirmatively consents to being billed for automatic renewal, continuous delivery, or service beyond that last date of the free trial period. Agreements that fail to include such a consent provision will be void and unenforceable.

The proposed legislation described above is laudable. Clear disclosure of all terms and conditions in a consumer contract is a fundamental tenet of consumer

protection law. Businesses should not be allowed to slip in binding contractual language without the knowledge of consumers and no consumer should be laden with an legal obligation that they don't understand or affirmatively accept.

In order to ensure that the underlying policies of this Bill comport with existing governing authority, however, existing statutory language contained in Chapter 481B of the Hawaii Revised Statutes ("H.R.S.") may need to be harmonized. In particular, H.R.S. section 481B-1 regarding Unsolicited Goods and H.R.S. section 481B-1.5 regarding Commercial Mail Order Buying Clubs are existing provisions that the OCP would ask the Committee to consider with respect to any overlap or duplication of oversight arising from H.B. 1219's provisions. In this regard, the OCP suggests that House Bill No. 1219 be passed out unamended, allowing it to have sufficient time to reconcile this Bill with existing laws that may regulate the same conduct.

Thank you for the opportunity to support the intent of H.B. 1219.

Aloha, I am writing in support of HB1219.

I currently choose to perform Music Entertainment services as an independent contractor under the name Brad Kawakami DBA No'eau Productions. Through this business, I serve multiple clients in a given tax year and am not an employee of my customers. I realize this means that I do not receive employment benefits and that I am required to have my own materials and equipment, insurance, health coverage, etc.

In a changing economic environment, being an independent contractor allows me to be my own boss, pick and choose my schedule, flexibility to take off when needed. I also have the freedom to work with different booking agencies as well, which in turn allows me to be more profitable.

Therefore, I support HB1213 to make it clear that I am an Independent Contractor to the clients who are interested in hiring me, as well as the state.

Thank you for the opportunity to provide testimony and please support HB1213.

Sincerely,

Bradley N.T. Kawakami