

Honolulu, Hawaii

MAR 23, 2018

RE: S.B. No. 3025
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 3025, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish certain disclosure requirements for publishers of video games that contain a system of purchasing a randomized reward or consumable virtual item that can be redeemed and directly or indirectly converted to a randomized reward.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed H.D. 1 of this measure. The proposed H.D. 1 deleted the contents of this measure and inserted provisions that:

- (1) Requires franchisees to disclose their non-participation in advertising campaigns of the franchisor in which discounts or promotions are offered; and
- (2) Prohibits franchisors from limiting or restricting the disclosures.



The Office of Consumer Protection of the Department of Commerce and Consumer Affairs testified in support of the proposed H.D. 1. The Hawaii Automobile Dealers' Association testified in opposition of the proposed H.D. 1. The Hawai'i Restaurant Association provided comments on the proposed H.D. 1.

Your Committee has amended this measure by adopting the proposed H.D. 1 and by making further amendments which exempt quick service restaurants from disclosing their nonparticipation in a specific advertising campaign of the franchisor.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3025, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3025, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



