

STAND. COM. REP. NO.

517

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 68
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 68 entitled:

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

begs leave to report as follows:

The purpose of this measure is to prohibit a merchant in the State from adopting a warranty policy requiring a purchaser to pay an additional fee to obtain a repair, replacement, or refund for goods returned without a warranty.

The Department of Commerce and Consumer Affairs and an individual supported this measure. Retail Merchants of Hawaii opposed this measure. The Department of the Attorney General ("AG") submitted comments.

The AG raised concerns that this measure, as received, may be subject to a Commerce Clause challenge because the term "merchant" may include merchants that do not have a physical presence in the State, but do business in the State via electronic commerce. To address this concern, the AG suggested defining "merchant in the State" to clarify that this measure only applies to merchants with a physical presence in the State.



Your Committee has amended this bill by:

- (1) Defining "merchant in the State" to clarify that this measure only applies to merchants with a physical presence in the State; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion.

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 H.B. No. 68, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 68, H.D. 1, and be referred to your Committee on Judiciary.

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



ROY M. TAKUMI, Chair



