

STAND. COM. REP. NO.

1651

Honolulu, Hawaii

MAR 22

, 2019

RE: S.B. No. 763

S.D. 2

H.D. 1

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

Sir:

Your Committees on Economic Development & Business and
Agriculture, to which was referred S.B. No. 763, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ADVERTISING AND MARKETING,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Business, Economic Development & Tourism (DBEDT), in consultation with the Department of Agriculture (DOA), to conduct a study to assess the impact of companies selling products in the United States using place-based marketing without any material ties to the State; and
- (2) Appropriate funds for the study.

DOA, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Hawaii Coffee Association, Na Mea Hawai'i, Hawaiian Craft Brewers Guild, Kauai Beer Company, Maui Brewing Co., and Shaka Tea testified in support of this measure. A concerned individual testified in opposition to this measure. DBEDT and Rancho Aloha provided comments on this measure.



Should your Committee on Finance deliberate this measure further, your Committees on Economic Development & Business and Agriculture respectfully request that it consider appropriating \$250,000 to conduct the study. However, your Committees have serious concerns regarding that amount and requests that your Committee on Finance examine whether \$250,000 is an appropriate and necessary amount to conduct the study.

Your Committees find that while a study that determines the type of brand infringement that is occurring will be useful, DBEDT may not be the proper entity to make policy recommendations of this nature because any subsequent actions by the State would probably be judicial in nature with regard to copyright and trademark law.

Your Committees have amended this measure by:

- (1) Removing language that requires DBEDT to make policy recommendations, including proposed legislation, based on its findings from the study;
- (2) Changing its effective date to July 1, 2112; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 763, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 763, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Economic
Development & Business and
Agriculture,



RICHARD P. CREAGAN, Chair



ANGUS L.K. MCKELVEY, Chair



