



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection and Commerce  
and the  
House Committee on Judiciary**

**Wednesday, February 12, 2019  
2:35 p.m.  
State Capitol, Conference Room 329**

**On the following measure:  
H.B. 761, H.D. 1, RELATING TO CONSUMER PROTECTION**

Chair Takumi, Chair Lee, and Members of the Committees:

My name is Stephen Levins, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection. The Department offers comments on this bill.

The purpose of this bill is to specify that businesses may provide proof of purchase only in electronic form, unless a consumer requests it in paper form. Its primary benefit is that it will alleviate the use of unnecessary paper that may not be able to be recycled.

Many retailers now offer their customers the option of receiving receipts electronically by email or text message. Customers provide their email addresses or mobile numbers at the point of sale or on the retailer's mobile app. Besides offering customers the convenience of receiving receipts digitally, electronic receipts are a

means to obtain consumers' email addresses and mobile numbers for marketing purposes. In view of this, privacy advocates have cautioned consumers not to give personal information too freely.

Consumers who provide retailers with their personal information are at risk of having it compromised by unauthorized third parties. Criminals can use stolen email addresses to develop phishing attacks aimed at a store's customers. Recent examples of unauthorized access of personal information include infiltration of the databases of major retailers, including Macy's, Bloomingdales, Sears, Kmart, Best Buy, Saks Fifth Avenue, and Whole Foods. It would be imperative for all retailers who offer electronic receipts to have adequate safeguards in place that protect their customers' data.

Given the above, it may be premature to enact this measure into law at this time. Thank you for the opportunity to testify on this bill.



1050 Bishop St. PMB 235 | Honolulu, HI 96813  
P: 808-533-1292 | e: info@hawaiiifood.com

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**Paul Kosasa**, ABC Stores, *Advisor*  
**Barry Taniguchi**, KTA Superstores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*

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TO:

Committee on Consumer Protection & Commerce, and Committee on Judiciary  
Rep. Roy M. Takumi and Rep. Chris Lee, Chairs  
Rep. Linda Ichiyama and Rep. Joy A. San Buenaventura, Vice Chairs

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: Wednesday, Feb. 12, 2019  
TIME: 2:35pm  
PLACE: Conference Room 329

RE: HB761 HD1 Relating to Consumer Protection

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

This measure requires businesses to provide proof of purchase in electronic form, unless a consumer requests it in paper form.

**Many customers are tourists who may be unwilling or unable to share their contact info due to language differences.**

**The process of collecting an email or phone number for each individual consumer will make wait times much longer.**

Large operations may offer loyalty programs tied to phone numbers but not all consumers are willing or able to give out personal information. Many smaller operations may not have an adequate system to maintain this level of data.

This type of regulation is not really necessary and will likely be overly costly for many small businesses and very difficult to implement in high tourist areas.

Considering that the vast majority of brick and mortar use paper receipts this bill would mandate a change in a vital part of the business transaction for a large number of businesses.

How would enforcement prove a violation when a customer is given a choice?

What happens when there is spotty Wi-Fi, Internet or equipment failure?

We thank you for the opportunity to testify.

Love Life!



HB 761 HD1 RELATING TO CONSUMER PROTECTION  
House Committees on Consumer Protection and Commerce and  
Judiciary  
February 12, 2019, 2:35pm State Capitol

Corporate Office  
P.O. Box 1166  
Kailua, HI 96734  
Phone: (808) 484-5890  
Fax: (808) 484-5896  
corporate@downtoearth.org

**Oahu Locations**

Honolulu  
2525 South King Street  
Honolulu, HI 96826  
Phone: (808) 947-7678  
Fax: (808) 943-8491  
honolulu@downtoearth.org

Kailua  
201 Hamakua Drive  
Kailua, HI 96734  
Phone: (808) 262-3838  
Fax: (808) 263-3788  
kailua@downtoearth.org

Pearlridge  
98-211 Pali Momi Street  
Suite 950  
Aiea, Hawaii 96701  
Phone: (808) 488-1375  
Fax: (808) 488-4549  
pearlridge@downtoearth.org

Kapolei  
4460 Kapolei Parkway  
Kapolei, Hawaii 96707  
Phone: (808) 675-2300  
Fax: (808) 675-2323  
kapolei@downtoearth.org

Kakaako  
500 Keawe St.  
Honolulu, HI 96813  
Phone: (808) 465-2512  
Fax: (808) 465-2305  
kakaako@downtoearth.org

**Maui Location**

Kahului  
305 Dairy Road  
Kahului, HI 96732  
Phone: (808) 877-2661  
Fax: (808) 877-7548  
kahului@downtoearth.org

Aloha Rep. Roy M. Takumi, CPC Chair, Rep. Linda Ichiyama, CPC Vice Chair, Rep. Chris Lee, JUD Chair, Rep. Joy A. San Buenaventura, JUD Vice Chair, and Committee Members,

**Down to Earth *Organic and Natural* testifies in opposition of HB 761 HD1.**

Down to Earth *Organic and Natural* has six locations on Oahu and Maui. Since we opened in 1977, we have supported healthy lifestyles and preservation of the environment by selling local, fresh, organic and natural food, and by promoting a vegetarian lifestyle.

We are opposed to HB 761 HD1 because receipts are still the most convenient form of proof of purchase for allowing customers to see what they have paid for, confirm the price they have paid, prove that they have paid (which is important with the current reusable bag policies), and easily allow them to keep records and return items.

Although electronic receipts are helpful to some people in some circumstances, requiring electronic receipts will cause a burden to retailers and slow down check out lines as cashiers request customer email addresses. An alternative to the current language of HB 761 HD1 would be to require retailers who include coupons and other information besides just the purchase history on their receipts, to offer customers an electronic version alternative.

Thank you for the opportunity to comment on this bill.

Alison Riggs  
Public Policy & Government Relations Manager  
Down to Earth

2525 S. King St., Suite 309  
Honolulu, HI 96826

Phone (808) 824-3240  
Fax (808) 951-8283  
E-mail: [alison.riggs@downtoearth.org](mailto:alison.riggs@downtoearth.org)

[www.downtoearth.org](http://www.downtoearth.org)

## ichiyama1 - Kaishu

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**From:** Brian Christensen <brian@pintsizehawaii.com>  
**Sent:** Monday, February 11, 2019 12:10 PM  
**To:** CPCtestimony  
**Subject:** Testimony in Opposition HB761 HD1, CPC and JUD

Dear CPC Testimony Testimony,

To  
Committee on Consumer Protection & Commerce, and Committee on Judiciary Rep. Roy M. Takumi and Rep. Chris Lee,  
Chairs Rep. Linda Ichiyama and Rep. Joy A. San Buenaventura, Vice Chairs

Re: HB761 HD1 Relating to Consumer Protection  
Position: Oppose

Chairs Takumi and Lee, and members of the Committee,

Thank you for the opportunity to testify. This measure requiring businesses to give electronic receipts as the default, unless a customer specifically requests a paper receipt, would have a lot of negative consequences.

Asking cashiers to collect electronic information from every customer would be inconvenient and time consuming for everyone, making the checkout process much longer, and lines much longer. If there is a situation where a customer doesn't speak English, or an email address or phone number is misunderstood or mis-entered for any reason, it would be even worse. The simple process of buying a single item could end up taking several minutes to complete, instead of a few seconds.

This measure also incorrectly assumes that all businesses have the means to send electronic receipts and store the data necessary to do this. The truth is that many small businesses in Hawaii simply don't have the equipment or the means to implement what this bill is asking.

For these reasons I ask that you please do not pass this measure.

Thank you again for the opportunity to submit testimony.

Sincerely,

Brian Christensen  
99-1287 Waiua Pl  
Aiea, HI 96701  
brian@pintsizehawaii.com

## ichiyama1 - Kaishu

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**From:** James Chan <jim@hawaiianchipcompany.com>  
**Sent:** Monday, February 11, 2019 1:13 PM  
**To:** CPCtestimony  
**Subject:** Testimony in Opposition HB761 HD1, CPC and JUD

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear CPC Testimony Testimony,

To  
Committee on Consumer Protection & Commerce, and Committee on Judiciary Rep. Roy M. Takumi and Rep. Chris Lee,  
Chairs Rep. Linda Ichiyama and Rep. Joy A. San Buenaventura, Vice Chairs

Re: HB761 HD1 Relating to Consumer Protection  
Position: Oppose

Chairs Takumi and Lee, and members of the Committee,

Thank you for the opportunity to testify. This measure requiring businesses to give electronic receipts as the default, unless a customer specifically requests a paper receipt, would have a lot of negative consequences.

Asking cashiers to collect electronic information from every customer would be inconvenient and time consuming for everyone, making the checkout process much longer, and lines much longer. If there is a situation where a customer doesn't speak English, or an email address or phone number is misunderstood or mis-entered for any reason, it would be even worse. The simple process of buying a single item could end up taking several minutes to complete, instead of a few seconds.

This measure also incorrectly assumes that all businesses have the means to send electronic receipts and store the data necessary to do this. The truth is that many small businesses in Hawaii simply don't have the equipment or the means to implement what this bill is asking.

For these reasons I ask that you please do not pass this measure.

Thank you again for the opportunity to submit testimony.

Sincerely,

James Chan  
1297 Lopaka Pl  
Kailua, HI 96734  
jim@hawaiianchipcompany.com



Testimony of Jim Yates,  
President of the Hawaii Petroleum Marketers Association

**SUPPORTING THE INTENT OF HOUSE BILL 761, HOUSE DRAFT 1,  
RELATING TO CONSUMER PROTECTION  
WITH AMENDMENTS**

House Committee on Consumer Protection & Commerce  
The Honorable Roy Takumi, Chair  
The Honorable Linda Ichiyama, Vice Chair

House Committee on Judiciary  
The Honorable Chris Lee, Chair  
The Honorable Joy San Buenaventura, Vice Chair

Tuesday, February 12, 2019 at 2:35 p.m.  
Hawaii State Capitol, Conference Room 329

Chairs Takumi and Lee, Vice Chairs Ichiyama and San Buenaventura and members of both Committees,

Thank you for this opportunity to submit written testimony on House Bill 761, House Draft 1, Relating to Consumer Protection. I am Jim Yates, president of the Hawaii Petroleum Marketers Association (“HPMA”). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands. Our membership includes individuals and companies who operate as independent marketers, jobbers or distributors of petroleum products and who buy liquid motor fuel products at the wholesale level and sell or distribute products to retail customers, other wholesalers, and other bulk consumers. HPMA’s primary purpose is to protect and advance its members’ legislative and regulatory interests in Hawaii and Washington, DC.

HB 761, HD 1 specifies that businesses may provide proof of purchase in electronic form, unless a consumer requests it in paper form.

**HPMA supports the intent on HB 761, HD 1. However, we believe that the bill, as currently presented, is in need of further refinement. We respectfully ask the Committees to consider making the following amendments for clarity:**

**§489J-\_\_ Electronic receipts.** Each proof of purchase for the retail sale of tangible personal property or for the provision of services to a consumer by a business may be provided ~~only~~ in



Testimony by the Hawaii Petroleum Marketers Association  
Supporting the Intent of H.B. 761, H.D. 1, Relating to Consumer Protection  
Senate Committee on Commerce, Consumer Protection & Health  
Hawaii State Capitol, Room 229  
Wednesday, February 13, 2019 at 9:10 a.m.  
Page 2

electronic form [~~, unless the consumer requests that the proof of purchase be provided in paper form~~].”

Thank you for considering the HPMA’s suggested amendments and for providing this opportunity to testify.



**TESTIMONY OF TINA YAMAKI  
PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 12, 2019**

**Re: HB 761 HD 1 Relating to Consumer Protection**

Good afternoon Chairperson Takumi and Chairperson Lee and members of the House Committee on Consumer Protection & Commerce and the Committee on Judiciary. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization committed to supporting the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

We understand the intent of HB 761 HD 1 Relating to Consumer Protection. This bill specifies that businesses may provide proof of purchase in electronic form, unless a consumer requests it in paper form. This is already happening in many stores with this type of capability. We do not feel that another law would be necessary.

We would like to point out that not all Point of Sales systems and cash registers are able to email customers their receipts. Often time customers have to opt into an awards program to be able to have their receipt emailed to them. Not all retailers have an awards program or an app that is able to do this. It is our understanding that these programs and apps can be very costly to create and maintain.

This practice is already being done by many retailers and we do not believe a law is needed.

We urge you to hold this bill. Mahalo for this opportunity to testify.