
A BILL FOR AN ACT

RELATING TO HUMAN TRAFFICKING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature recognizes that slavery and
2 human trafficking, which exist worldwide including in Hawaii,
3 are crimes under state, federal, and international law. The
4 legislature finds that these crimes persist partly because they
5 are often hidden from public view and are thus difficult to
6 uncover and track. However, in recent years, significant
7 efforts have been made to capture and punish the perpetrators of
8 these crimes, and to ensure that victims are provided with
9 necessary protections and rights.

10 The legislature also finds that consumers and businesses
11 are inadvertently supporting slavery and human trafficking by
12 purchasing products that have been manufactured with forced
13 labor or child labor. For example, in September 2009, the
14 United States Department of Labor released a report, as mandated
15 by the Trafficking Victims Protection Reauthorization Acts of
16 2005 and 2008, that named one hundred twenty-two products from
17 fifty-eight countries believed to be produced with forced labor



1 or child labor, in violation of international standards.
2 However, without publicly available disclosures, consumers are
3 unable to determine which companies are making efforts to ensure
4 that their product supply chains are free of slavery and human
5 trafficking. As a result, consumers are prevented from making
6 better purchasing decisions that would discourage demand for
7 tainted products.

8 The legislature further finds that California and other
9 jurisdictions have turned to corporate self-regulation as a
10 strategy to address slavery and human trafficking. The
11 California Transparency in Supply Chains Act requires retailers
12 and manufacturers with annual worldwide gross receipts of more
13 than \$100,000,000 to publicly disclose on their websites the
14 activities they conduct to address slavery and human trafficking
15 in their supply chains. The United Kingdom's Modern Slavery Act
16 has similar requirements for companies with a turnover of more
17 than thirty-six million pounds.

18 Accordingly, the purpose of this Act is to ensure that
19 large retailers and manufacturers provide consumers with
20 information regarding efforts to eradicate slavery and human
21 trafficking from their supply chains.



1 SECTION 2. Title 26 of the Hawaii Revised Statutes is
2 amended by adding a new chapter to be appropriately designated
3 and to read as follows:

4 "CHAPTER

5 TRANSPARENCY IN SUPPLY CHAINS

6 § -1 Definitions. As used in this chapter:

7 "Doing business" has the same meaning as provided in
8 section 235-92.

9 § -2 Mandatory disclosure. (a) Every retail seller and
10 manufacturer doing business in this State and having annual
11 worldwide gross receipts that exceed \$100,000,000 shall
12 disclose, as set forth in subsection (c), its efforts to
13 eradicate slavery and human trafficking from its direct supply
14 chain for tangible goods offered for sale.

15 (b) The disclosure described in subsection (a) shall be
16 posted on the retail seller's or manufacturer's website with a
17 conspicuous and easily understood link to the required
18 information placed on the website's homepage. If the retail
19 seller or manufacturer does not have a website, the retail
20 seller or manufacturer shall provide, upon a consumer's request,



1 a written disclosure within thirty days of receipt of the
2 consumer's request.

3 (c) The disclosure described in subsection (a) shall, at a
4 minimum, disclose the extent to which the retail seller or
5 manufacturer does each of the following:

6 (1) Engages in verification of product supply chains to
7 evaluate and address risks of human trafficking and
8 slavery; provided that the disclosure shall specify
9 whether the verification was conducted by a third
10 party;

11 (2) Conducts audits of suppliers to evaluate supplier
12 compliance with company standards for trafficking and
13 slavery in supply chains; provided that the disclosure
14 shall specify whether the audit was independent and
15 unannounced;

16 (3) Requires direct suppliers to certify that materials
17 incorporated into the product comply with laws
18 regarding slavery and human trafficking that are
19 applicable to the country or countries in which the
20 suppliers are doing business;



1 (4) Maintains internal accountability standards and
2 procedures for employees or contractors who to meet
3 company standards regarding slavery and human
4 trafficking; and

5 (5) Provides company employees and management with
6 training on slavery and human trafficking, including
7 training with respect to mitigating risks within the
8 supply chains of products.

9 § -3 Remedy. (a) The exclusive remedy for a violation
10 of this chapter shall be an action brought by the attorney
11 general for injunctive relief.

12 (b) Nothing in this section shall limit remedies available
13 for a violation of any other state or federal law."

14 SECTION 3. Chapter 231, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

17 "§231- Attorney general; list of disclosures; annual
18 submission deadline. (a) Notwithstanding any provision of law,
19 the department shall make available to the attorney general a
20 list of retail sellers and manufacturers that are required to



1 disclose efforts to eradicate slavery and human trafficking
2 pursuant to section -2.

3 (b) Each list required by this section shall be submitted
4 annually to the attorney general by November 30 of each year.

5 The list shall contain the names of the following:

6 (1) Any retail seller or manufacturer that had gross
7 receipts in Hawaii or worldwide of more than
8 \$100,000,000 during the previous tax year according to
9 the original tax return filed with the department by
10 the retail seller or manufacturer; and

11 (2) Any retail seller or manufacturer that:

12 (A) Had gross receipts in Hawaii of more than
13 \$10,000,000 during the previous tax year
14 according to the original tax return filed with
15 the department by the retail seller or
16 manufacturer;

17 (B) Is a publicly traded corporation or is a wholly
18 owned subsidiary of a publicly traded
19 corporation; and

20 (C) Had revenues in excess of \$100,000,000 during the
21 previous tax year according to the Form 10-K



1 report filed with the United States Securities
2 and Exchange Commission by the parent corporation
3 or the retail seller or manufacturer.

4 (c) Each annual list required by this section shall
5 include the following information for each retail seller or
6 manufacturer:

7 (1) Entity name; and

8 (2) State of Hawaii general excise taxpayer identification
9 number."

10 SECTION 4. Section 231-1, Hawaii Revised Statutes, is
11 amended by adding a new definition to be appropriately inserted
12 and to read as follows:

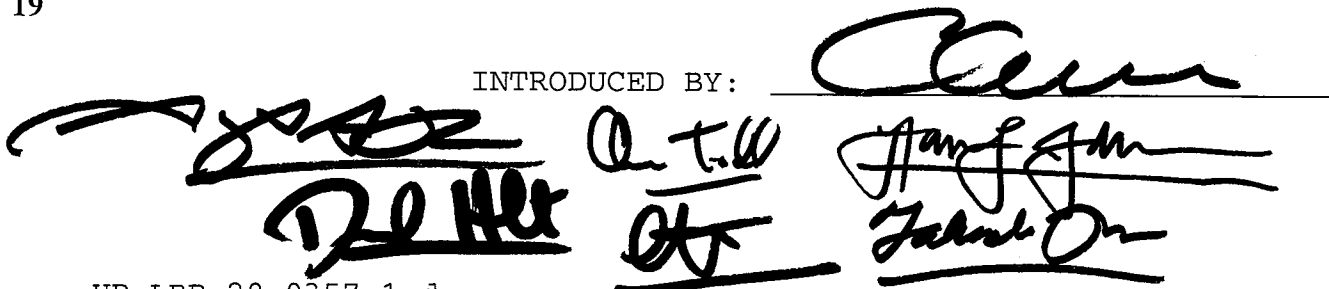
13 "Publicly traded corporation" shall have the same meaning
14 as in section 414-313(f)."

15 SECTION 5. New statutory material is underscored.

16 SECTION 6. This Act shall take effect upon its approval;
17 provided that section 2 of this Act shall take effect on
18 January 1, 2021.

19

INTRODUCED BY:





H.B. NO. 2271

Report Title:

Human Trafficking; Disclosures; DOTAX; AG

Description:

Requires large retailers and manufacturers to provide consumers with information regarding efforts to eradicate slavery and human trafficking from their supply chains. Requires the Department of Taxation to annually submit to the Department of the Attorney General a list of retail sellers and manufacturers that are required to make disclosures.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

