

HB

760

HD1

A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1 SECTION 1. The purpose of this Act is to ensure that
2 customers are sufficiently aware of when an offer under a full-
3 service restaurant franchisee's advertising campaign is not
4 available in Hawaii by requiring full-service restaurant
5 franchisees to disclose their non-participation in a national
6 advertising campaign in which discounts or promotions are
7 offered.

8 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§481B- Full-service restaurant franchise; advertising
12 campaigns; non-participation. (a) If a full-service restaurant
13 franchisee does not participate in a national advertising
14 campaign of the franchisor in which a discount or promotion is
15 offered, the franchisee shall disclose its non-participation at
16 its entrance or storefront with signage of a size sufficient to
17 be clearly visible to the general public, unless the national



1 advertising campaign discloses that the discount or promotion
2 does not apply to the franchisee's restaurant.

3 (b) For the purposes of this section, "full-service
4 restaurant" means a sit-down eatery where food is served
5 directly to the customer's table and payment is made after being
6 served."

7 SECTION 3. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on April 25, 2112.



Report Title:

Full-Service Restaurants; Non-Participation

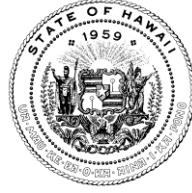
Description:

Requires full-service franchise restaurants to disclose their non-participation in national advertising campaigns that offer a promotion or discount with a sign at the entrance or storefront, unless the franchisor's advertisement states that the discount or promotion does not apply to the franchisee's restaurant.

(HB760 HD1)

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





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LT. GOVERNOR

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Wednesday, February 20, 2019
9:00 a.m.
State Capitol, Conference Room 329**

**On the following measure:
H.B. 760, H.D. 1, RELATING TO CONSUMER PROTECTION**

Chair Takumi and Members of the Committee:

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 supports this bill.

The purpose of this bill is to require full-service restaurants which do not offer discounts or promotions touted in national advertising campaigns to disclose their non-participation at the restaurants' entrance or storefront, unless the franchisor's advertisement states that the discount or promotion does not apply to the franchisee's restaurant.

Customers of full-service restaurants who patronize a restaurant because of a national advertising campaign offering a discount on food or beverage may be misled if the offer is not available in Hawaii. Although national advertisements generally disclose geographic restrictions in television commercials, the disclosure often appears for an instant in tiny print. Due to this inadequate disclosure, patrons of full-service

restaurants may be misled to believe that a national offer applies in Hawaii, when it does not. This measure will be beneficial to Hawaii consumers by informing them that a promotion does not apply, prior to their entering the restaurant, and will alleviate unnecessary misunderstanding between restaurants and patrons.

Thank you for the opportunity to testify on this bill.