

Honolulu, Hawaii  
FEB 29 , 2024

RE: H.B. No. 2045  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2045 entitled:

"A BILL FOR AN ACT RELATING TO AUTOMATIC RENEWALS,"

begs leave to report as follows:

The purpose of this measure is to expand the existing law governing automatic renewal clauses to include contracts with specified terms of one month and with automatic renewal clauses under which the contracts will automatically renew with specified terms of one month.

Your Committee received testimony in opposition to this measure from the Motion Picture Association and IHRSA-the Global Health & Fitness Association. Your Committee received comments on this measure from the Service Contract Industry Council.

Your Committee finds that in contracts with automatic renewals, sellers automatically renew consumers' subscriptions when they expire, unless consumers affirmatively cancel the subscriptions. Your Committee further finds that the existing state law regarding the disclosure of an automatic renewal clause and the procedure for cancelling an automatic renewal only applies to consumer contracts with a specified term of more than one month and an automatic renewal clause under which the contract will automatically renew for a specified term of more than one month.



This measure expands the existing state law to include contracts with specified terms of one month and automatic renewals with specified terms of one month.

Your Committee has amended this measure by:

- (1) Specifying that a notice of material change must be sent to a consumer no less than thirty days before the effective date of any material change;
- (2) Exempts affiliates of insurers, providers of service contracts, and affiliates of those providers from the law governing automatic renewal clauses and continuous service clauses;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2045, H.D. 1, and be placed on the calendar for Third Reading.

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



---

MARK M. NAKASHIMA, Chair



