

**ACT 174**

**H. B. NO. 494**

A Bill for an Act Relating to the Regulation of Escort Agencies.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
ESCORT AGENCIES**

**Sec. -1. Definitions.** As used in this chapter:

- (1) “Director” means the director of regulatory agencies.
- (2) “Escort agency” means any individual, agent, partnership, corporation, or association, engaged in the business of providing escorts or companions for social occasions upon request by an applicant for a fee.
- (3) “Applicant” means any person who uses the services of an escort agency to secure an escort or companion for a social occasion for himself.

**Sec. -2. License required.** No person shall engage in the business of an escort agency without a license under this chapter and compliance with the rules and regulations of the director of regulatory agencies.

**Sec. -3. License Fee.** Every escort agency shall pay an annual license fee of \$25.

- (1) The fee shall be paid to the director on or before July 1 of each year.
- (2) Failure to pay the annual license fee shall constitute a forfeiture of license.
- (3) Fees collected by the director shall be deposited in the general fund of the State.

**Sec. -4. Bond.** Each licensed escort agency shall give and keep in force a bond with the director in the penal sum of \$5,000 with good and sufficient surety or sureties approved by the director, conditioned:

- (1) That the licensee shall not violate this chapter.
- (2) That the licensee shall faithfully, promptly, and truly refund all fees illegally or incorrectly obtained from applicants to the director.

**Sec. -5. Application for license.** Every individual, agent, partnership, corporation, or association seeking a license to operate an escort agency shall file a written application with the director which shall contain such information and shall be in such form as the director may prescribe.

**Sec. -6. Issuance of license.** Upon receipt of an application for a license to conduct an escort agency, the director may order the issuance of the license provided that the application is complete and in proper form.

Every license issued shall be valid only as to the escort agency and premises named therein. The location of an escort agency shall not be changed without the written consent of the director and such change of location shall be endorsed on the license.

The license shall not be transferable except on approval of the director.

**Sec. -7. Termination of license.** Every license to conduct an escort agency shall be valid under the terms set forth in the license. The license shall expire on June 30 of each year.

**Sec. -8. Posting.** Every license to conduct an escort agency together

with a copy of the fee schedule shall be posted in a conspicuous place in the main room of the agency.

**Sec. -9. Records and Reports.** Every escort agency shall keep records and make such reports with respect to the operation of the business as the director by rule or regulation may prescribe. Such records as required by regulation shall be preserved by the agency and kept in the office of the escort agency for a period of at least two years.

**Sec. -10. Fees.** The director shall have the power to make rules and regulations as to the fees that escort agencies may charge. No escort agency shall charge, receive, or attempt to collect any fee in excess of that established by the director.

**Sec. -11. Restitution of illegal fees.** Whenever in the course of an investigation made pursuant to this chapter, it is determined that there has been an illegal collection of fees, the escort agency shall refund the fee illegally collected upon the order of the director or his authorized representative. Failure to refund the fee shall constitute a violation of this chapter subject to the penalties provided herein.

**Sec. -12. Director's rights.** The director and his authorized representatives may enter any office, building, premises, or other place in which an escort agency is operated for the purpose of making investigations for the proper enforcement of this chapter and such rules and regulations as the director may prescribe. No person shall refuse the director or his authorized representative admittance to any such office, building, premises, or other place. The director and his authorized representatives shall for the purpose of examination have access to and the right to copy any book, account, receipt, contract, or other paper or document relating to the business of conducting an escort agency. Every person shall furnish to the director or his authorized representative such information relating to the business of conducting an escort agency. The rights as specified above shall be limited to regular business hours and at such other times as the director feels will be necessary to effectuate the purpose of this chapter.

**Sec. -13. Revocation and cancellation.** Any license may be revoked or canceled for cause at any time by the director after affording all interested parties reasonable opportunity for a fair hearing. Cause means violation of this chapter or rule or regulation of the director.

**Sec. -14. Reconsideration.** In the absence of appeal and within ten days after mailing or delivery of notice of decision made pursuant to sections -6 and -13 to the parties entitled thereto, the director may, for good cause, on his own motion or upon application of any interested party reconsider the decision.

**Sec. -15. Appeals from director's decision.** Any person deeming himself aggrieved by the decision of the director made pursuant to this chapter may appeal from the decision by filing a written notice of appeal to the appropriate circuit court within ten days after mailing or delivery of notice of decision.

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**Sec. -16. Rules and regulations.** The director may make, amend, or repeal such rules and regulations, pursuant to chapter 91, as he may deem proper to effectuate this chapter.

**Sec. -17. Penalties.** Any escort agency which violates this chapter shall be fined not more than \$1,000 or imprisoned not more than six months.”

SECTION 2. This Act shall take effect upon its approval.

(Approved July 8, 1969.)