

A Bill for an Act Relating to the Licensing of Travel 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 TRAVEL AGENCIES

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

- (1) “Department” means the department of regulatory agencies.
- (2) “Director” means the director of regulatory agencies.
- (3) “Travel Agency” means any sole proprietorship, organization, trust, group, association, partnership, corporation, society or combination of such, which for compensation or other consideration, acts or attempts to act as an intermediary between a person seeking to purchase travel services and any person seeking to sell travel services. Travel agency does not include an air or ocean carrier, or an officially appointed agency of an air or ocean carrier.
- (4) “Sales representative” means any employee or agent of a travel agency who arranges for the purchase or sale of travel services but does not include a salaried employee of a licensed travel agency.

Sec. -2 License required. No travel agency or sales representative shall engage in the business of selling travel services without a license obtained under this chapter and the rules of the director.

Sec. -3 Application for license. Every person seeking a license to act as a travel agency or sales representative shall file a written application with the director which shall contain the required information in the form prescribed by the director.

Sec. -4 License fees, renewals. (a) An applicant for a license to act as a travel agency shall pay a non-refundable fee of \$100 and an additional fee of \$20 for each permanent branch office.

(b) Applicants for a license to act as a sales representative shall pay a non-refundable fee of \$20.

(c) Licenses for both agencies and sales representatives shall expire on June 30 of each odd-numbered year and the biennial renewal fees shall be \$100 for agencies, \$20 for each permanent branch office of a licensed agency, and \$20 for sales representatives.

(d) The fee for an original license issued during an even-numbered year shall be one-half of the biennial fees.

Sec. -5 Issuance and transfer of license. (a) Upon receipt of an application for a license to conduct a travel agency or to act as a sales representative, the director may order the issuance of the license provided that the application is complete and in proper form.

(b) Licenses shall not be transferable except upon approval of the director.

(c) Licenses for travel agencies shall be valid only as to the travel agency and the premises provided in the application and permanent branch offices. The location of the agency shall not be changed without the written consent of the director and any change of location shall be endorsed on the license.

Sec. -6 Posting. Every license to conduct a travel agency and licenses of all sales representatives of travel agencies shall be posted in a conspicuous place in the main room of the agency. Any advertisement by a travel agency shall state the license number of the agency.

Sec. -7 Bond. (a) Each travel agency and sales representative receiving a license shall give to the director and keep in force a bond or bonds with sufficient surety or sureties approved by the director, conditioned:

- (1) That the licensee shall not violate any of the provisions of this chapter or any rule promulgated pursuant thereto;
- (2) That the licensee shall not violate any provision of any consumer protection statutes; and
- (3) That the licensee shall faithfully, promptly, and truly refund all fees illegally or incorrectly obtained from customers to the director.

(b) The licensee shall maintain bonds in the following amounts:

- (1) A sum of not less than \$10,000 for travel agencies; and
- (2) A sum of not less than \$1,000 for sales representatives.

Sec. -8 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 pursuant to chapter 91. Cause shall mean any violation of any provision of this chapter or rule of the director.

Sec. -9 Reconsideration. In the absence of appeal and within ten days after mailing or delivery of notice of decision made pursuant to sections -5 and -8 to all interested parties, the director may, for good cause, on his own motion or upon application of any interested party reconsider the decision.

Sec. -10 Appeals. Any person affected by a decision made pursuant to sections -5 and -8 may appeal to the circuit court as provided in section 91-14.

Sec. -11 Stay of enforcement. In no case shall an application for reconsideration or an appeal to the circuit court act as a supersedeas or stay unless the director or the circuit court so orders.

Sec. -12 Rules. The director may make, amend or repeal rules pursuant to chapter 91, as he may deem proper to fully effectuate the provisions of this chapter.

Sec. -13 Records and reports. Every travel agency shall keep accurate and up-to-date records on all travel arrangements made for customers. The records required by law or rules shall be preserved by the agency for a period of at least two years.

Sec. -14 Restitution. Any person who engages in an unlawful act or practice which violates any provision of this chapter or rules promulgated pursuant thereto may be ordered by a court of proper jurisdiction to make

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restitution to all individual consumers injured by the act or practice.

Sec. -15 Penalties. Any person who engages in an unlawful act or practice which violates any provision of this chapter or rules promulgated pursuant thereto shall be fined a sum of not less than \$500 nor more than \$2,500 for each unlawful act or practice, which sum shall be collected in a civil suit brought by the office of consumer protection.”

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

(Approved May 27, 1975.)