

**ACT 258**

S.B. NO. 763

A Bill for an Act Relating to Advertising and Marketing.

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

SECTION 1. (a) The department of business, economic development, and tourism, in consultation with the department of agriculture, shall conduct

a study to assess the impacts of companies selling products in the United States using place-based marketing without any material ties to the State, including:

- (1) A calculation of the resultant gross domestic product lost due to the non-sale of Hawaii-grown fresh foods and consumer packaged goods that comply with section 486-119, Hawaii Revised Statutes; and
- (2) The economic impact on Hawaii's agricultural community and local businesses actually based in the State or using Hawaii-grown ingredients.
  - (b) The study will enable the State to protect itself from economic exploitation and protect consumers against dishonest or misleading marketing.
  - (c) For the purposes of this Act, the following definitions shall apply:
 

"Gross domestic product" shall mean the total taxable sales revenues from the alleged Hawaiian products or consumer packaged goods generated by companies exploiting the Hawaii brand.

"Material ties" shall mean an ingredient or ingredients that are grown or sourced in the State and explicitly marketed as ingredients derived from the State.

"Place-based marketing" includes but is not limited to the name of any Hawaiian island or district, or marketing the product as "Hawaiian".
  - (d) The department of business, economic development, and tourism shall submit a report of findings resulting from the study to the legislature no later than twenty days prior to the convening of the regular session of 2020.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2019-2020 for the department of business, economic development, and tourism, in consultation with the department of agriculture, to conduct a study to assess the impacts of companies selling products in the United States using place-based marketing without any material ties to the State.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2019.

(Approved July 5, 2019.)