

Honolulu, Hawaii  
January 30, 2018

RE: H.B. No. 1623  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1623 entitled:

"A BILL FOR AN ACT RELATING TO FRANCHISE INVESTMENT LAW,"

begs leave to report as follows:

The purpose of this measure is to clarify consumer confusion and misunderstanding with regard to national advertising campaigns by:

- (1) Requiring an in-state franchisee to disclose at its entrance or storefront that it is not participating in a specific promotion or discount offered by a nationwide franchise; and
- (2) Prohibiting a franchisor from limiting or placing conditions on a franchisee making the required disclosure.

AARP Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs provided comments.

Your Committee notes that Department of Commerce and Consumer Affairs raised concerns that the disclosure requirements contained in this measure might not have been placed in the most appropriate chapter of the Hawaii Revised Statutes. Your Committee was

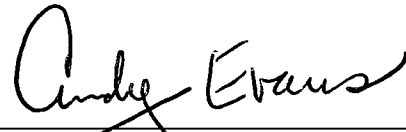


informed by the Department that discussions to resolve this question are ongoing. Your Committee notes that any ultimate resolution must remain within the bounds of the subject matter expressed in this measure's title. Accordingly, your Committee respectfully requests that the Committee on Consumer Protection and Commerce consider these concerns further should it decide to continue deliberations on this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1623, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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CINDY EVANS, Chair



State of Hawaii  
House of Representatives  
The Twenty-ninth Legislature

Record of Votes of the Committee on Economic Development & Business

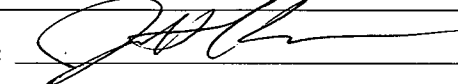
Bill/Resolution No.: <b>HB 1623</b>	Committee Referral: <b>EDB, CPC</b>	Date: <b>1/26/18</b>
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The committee is reconsidering its previous decision on the measure.

The recommendation is to:  Pass, unamended (as is)      Pass, with amendments (HD)      Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. EVANS, Cindy (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. HOLT, Daniel	/			
4. ICHIYAMA, Linda	/			
5. JOHANSON, Aaron Ling				/
6. YAMASHITA, Kyle T.	/			
7. MATSUMOTO, Lauren Kealohilani	✓			
<b>TOTAL (7)</b>	<b>6</b>			<b>1</b>

The recommendation is:  Adopted      Not Adopted  
If joint referral, \_\_\_\_\_ committee acronym(s) did not support recommendation.

Vice Chair's or designee's signature: \_\_\_\_\_  


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