

JAN 17 2020

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that prices for hotel
2 rooms and other transient accommodations are often advertised at
3 a certain rate and it is not until later in the buying process
4 that the consumer discovers that there are additional mandatory
5 fees that were not included in the advertised room rate. These
6 mandatory fees are sometimes called resort fees, cleaning fees,
7 or facility fees and are in addition to advertised room rates.
8 Such fees are becoming more commonplace as the number of places
9 that charge them continues to rise.

10 The legislature notes that the Federal Trade Commission has
11 the authority under section 5 of the Federal Trade Commission
12 Act to regulate unfair or deceptive acts that impact commerce.
13 In 2012 and 2013, the Federal Trade Commission sent warning
14 letters to thirty-five hotel operators and eleven online travel
15 agents, stating that mandatory resort fees could confuse
16 consumers. Further, in 2017, an economist at the Federal Trade
17 Commission published an issue paper that found that requiring



1 consumers to click through additional webpages to see a hotel's
2 true price may result in consumers making an incomplete or less
3 informed decision. The legislature finds that advertising that
4 does not reflect the actual cost of a stay at a hotel and other
5 transient accommodations is unfair and deceptive.

6 The purpose of this Act is to prohibit the unfair and
7 deceptive advertising of rates for transient accommodations by
8 requiring the advertised rate for such accommodations to include
9 all mandatory fees.

10 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is
11 amended by adding a new section to part I to be appropriately
12 designated and to read as follows:

13 "§481B- Advertising of transient accommodations rates.

14 (a) All advertisements of rates for transient accommodations
15 shall include in the advertised rate all mandatory fees,
16 including resort fees, cleaning fees, and facility fees, and
17 excluding those imposed by the State or county.

18 (b) As used in this section, "transient accommodations"
19 and "resort fee" shall have the same meaning as defined in
20 section 237D-1."



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1 SECTION 3. This Act does not affect rights and duties that
 2 matured, penalties that were incurred, and proceedings that were
 3 begun before its effective date.

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: Reynold H. Behr

[Handwritten signatures: one above 'DKM', and 'DKM' itself]

[Handwritten signatures: Ron F. Pol, Clarence A. Fischler, Kurt Fella, Breene Hart, ~~Don C. Smith~~ Agana, Bob, Simon Mendez Kim, Laura Turk, T. J. D. J.]



S.B. NO. 2229

Report Title:

Unfair and Deceptive Practices; Transient Accommodations; Rates;
Mandatory Fees

Description:

Requires that advertisements for rates for transient accommodations include all mandatory fees, except for taxes imposed by the State or county.

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