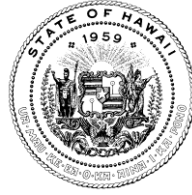


# HB760 HD2

Measure Title: RELATING TO CONSUMER PROTECTION.  
Report Title: Full-Service Restaurants; Non-Participation; Franchise Advertising Campaign  
Description: Requires full-service franchise restaurants to disclose their non-participation in national advertising campaigns that offer a promotion or discount with a sign at the entrance or storefront. (HB760 HD2)  
Companion: [SB1330](#)  
Package: None  
Current Referral: CPH  
Introducer(s): TAKUMI, ICHIYAMA



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Commerce, Consumer Protection, and Health  
Friday, March 15, 2019  
9:00 a.m.  
State Capitol, Conference Room 229**

**On the following measure:  
H.B. 760, H.D. 2, RELATING TO CONSUMER PROTECTION**

Chair Baker and Members of the Committee:

My name is Stephen Levins, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection. The Department supports this bill.

The purpose of this bill is to require a full-service franchise restaurant to disclose its non-participation in the franchisor's national advertising campaigns that offer promotions or discounts by posting a sign at the restaurant's entrance or storefront. H.D. 2 removes the exception that when the national advertising campaign discloses that the discount or promotion does not apply to the franchisee's restaurant, the restaurant is not required to disclose.

Customers of full-service restaurants who patronize a restaurant because a national advertising campaign is offering a discount on food or beverage may be misled if the offer is not available in Hawaii. Although national advertisements generally

Testimony of DCCA

H.B. 760, H.D. 2

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disclose geographic restrictions in television commercials, the disclosure often appears for an instant in tiny print. Due to this inadequate disclosure, patrons of full-service restaurants may be misled to believe that a national offer applies in Hawaii, when it does not. This measure will be beneficial to Hawaii consumers by informing them that a promotion does not apply, prior to their entering the restaurant, and will alleviate unnecessary misunderstanding between restaurants and patrons.

Thank you for the opportunity to testify on this bill.



**Kelii Gouveia, Chairman** – Duke's Waikiki      **Tom Jones, Incoming Chair** – Gyotaku  
**Tammy Fukugawa, Vice Chair** – TS Restaurant      **Dirk Koeppenkastrop, Secretary** – IL Gelato Hawaii  
**Michael Miller, Treasurer** – Tiki's Grill & Bar      **Tyler Roukema, Past Chair** – Outrigger Canoe Club

**Sheryl Matsuoka**, Executive Director      **Leila Morinaga**, Executive Assistant      **Holly Kessler**, Director of Membership Relations

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To: Sen. Rosalyn H. Baker, Chair  
Sen. Stanley Chang, Vice Chair  
Committee on Commerce, Consumer Protection, and Health

From: Victor Lim, Legislative Lead  
Hawaii Restaurant Association

Subj: HB 760 HD2 Non-Participation of Advertising of Full Service Franchise Restaurants

Date: March 13, 2019

The Hawaii Restaurant Association representing over 3,600 restaurants here stand opposed to HB760 HD 2 that will require full-service franchise restaurants here in Hawaii to disclose their non participation that offer a promotion or discount with a sign at the entrance or store front.

It is a given fact that the cost of doing business here is significantly higher than on the 48 contiguous states and that's why very few business here in Hawaii is able to honor what it on TV. This is regulated by the Federal Trade Commission where the advertising messages need to communicate the exception (...at participating restaurants, and or except AK and HI).

Based on the FTC jurisdiction on this, we feel that this bill should not be passed out of committee. Thank you for giving us the ability to share our view.



**HB-760-HD-2**

Submitted on: 3/12/2019 9:40:58 PM

Testimony for CPH on 3/15/2019 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lois Crozer	Individual	Support	No

Comments: