
A BILL FOR AN ACT

RELATING TO DECEPTIVE PRACTICES.

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

1 SECTION 1. The legislature finds that while most merchants
2 selling cosmetics accept returns or exchanges, a growing number
3 do not. This small subset of merchants has generated frequent
4 consumer complaints to the office of consumer protection within
5 the department of commerce and consumer affairs. These
6 merchants have reportedly used high-pressure sales tactics and
7 frequently target out-of-state visitors.

8 The legislature further finds that existing consumer
9 protection laws under section 481B-5.5, Hawaii Revised Statutes,
10 require merchants to post a conspicuous sign informing
11 purchasers of any return or refund limitations. However, some
12 merchants selling cosmetics operate under the belief that
13 visitors are unfamiliar with these requirements and unlikely to
14 pursue legal remedies for violations. Consumers also report
15 that signs stating "no refunds" or "all sales final" are often
16 missing, too small to read, or not visible at the location where
17 the transaction is completed. Recent complaints also show an



1 increase in merchants selling costly LED light therapy devices,
2 often for thousands or even hundreds of thousands of dollars,
3 purported to provide cosmetic benefits such as acne treatment,
4 skin rejuvenation, collagen stimulation, or wound healing.
5 Consumers commonly learn only after purchase that returns are
6 not permitted, resulting in significant financial harm.
7 Therefore, the legislature finds that greater transparency,
8 accountability, and consumer protections are necessary for
9 transactions involving cosmetics.

10 The purpose of this Act is to:

- 11 (1) Require merchants that sell cosmetics to accept
12 returns of new or unopened goods within specified
13 timeframes;
14 (2) Clarify the definition of a "conspicuous sign"; and
15 (3) Require a merchant that sells cosmetics and receives
16 three or more warning letters from the office of
17 consumer protection for failing to post a conspicuous
18 sign to post a return and refund policy sign.

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



1 "§481B- Cosmetics; returns and refunds; mandatory
2 signage; office of consumer protection. (a) Any merchant that
3 sells cosmetics and receives three or more warning letters from
4 the office of consumer protection for failing to post a
5 conspicuous sign as required by section 481B-5.5 shall:

6 (1) Post visible return and refund policy signs at the
7 entrance of the store, and up to five additional signs
8 throughout the store; and

9 (2) Ensure that no fewer than one sign is visible from
10 each point of sale.

11 (b) The signs shall be distributed to the merchant by the
12 office of consumer protection at no charge to the merchant.

13 Each sign shall:

14 (1) Be no less than twenty inches in height and thirty
15 inches in length;

16 (2) Have a yellow background with black letters and
17 numbers no less than three inches in height; and

18 (3) Contain the following language, "Refunds accepted
19 within 30 days of purchase. Between 30 and 60 days of
20 purchase, the merchant may choose whether to provide a



1 refund, merchandise credit, or exchange. No returns
2 accepted after 60 days."

3 (c) The merchant shall be reminded of the signage
4 requirement in this section in each warning letter issued by the
5 office of consumer protection."

6 SECTION 3. Section 481B-5.5, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§481B-5.5 Returns for refunds, merchandise credits, and**
9 **exchanges.** (a) As used in this section, unless the context
10 otherwise requires:

11 "Ancillary charges" includes all charges paid to the
12 merchant that are necessary for the use of the goods for their
13 purchased purpose and all sums paid for agreements for service,
14 warranty, or replacement.

15 "Conspicuous sign" means a sign posted in the merchant's
16 place of business in a [~~location reasonably calculated to bring~~
17 ~~the sign to the attention of~~] manner designed to ensure that it
18 is noticed by purchasers before a purchaser makes a purchase.

19 "Conspicuous sign" includes a written disclosure on the
20 merchant's website and a sign with a boldface type of a minimum
21 size of fourteen points:



1 (1) Attached to the item itself;

2 (2) Affixed to each cash register or point of sale;

3 (3) Situated to be clearly visible to the buyer from the
4 cash register, payment terminal, or digital device
5 used to process sales and issue receipts to the
6 purchaser; and

7 (4) Posted at each store entrance used by the public.

8 "Cosmetics" means all articles intended to be rubbed,
9 poured, sprinkled, or sprayed on, introduced into, or otherwise
10 applied to the human body or any part thereof for cleansing,
11 beautifying, promoting attractiveness, or altering the
12 appearance. "Cosmetics" includes but is not limited to skin
13 moisturizers, perfumes, lipsticks, nail polishes, makeup,
14 cleansing shampoos, permanent waves, hair colors, deodorants,
15 and LED light therapy devices, as well as any substance intended
16 for use as a component of a cosmetic product.

17 "Exchange" means a transaction between a merchant and a
18 purchaser in which a previously purchased item is exchanged for
19 another item.

20 "Full amount of the payment" includes the amount paid for
21 the returned goods, including any ancillary charges or taxes



1 incident to the purchase of the returned goods, and without any
2 deduction for restocking of the merchant's inventory, or for
3 administration of the refund, exchange, or merchandise credit.

4 "LED light therapy device" includes any instrument that
5 employs light-emitting diodes to produce wavelengths on the
6 visible light or infrared spectrums for various cosmetic
7 purposes, including acne treatment, skin rejuvenation, collagen
8 production stimulation, and cutaneous wound healing.

9 "Merchandise credit" means the crediting to the purchaser
10 of the full amount of the payment upon return of the goods and
11 allowing the purchaser to purchase goods from the merchant with
12 the merchandise credit, or applying to the purchaser's credit
13 account with the merchant, in the amount of the merchandise
14 credit.

15 "Merchant" means any person engaged in the business of
16 offering goods for sale to purchasers at retail.

17 "Point of sale" means the location or system where a retail
18 transaction is completed. It involves the exchange of goods or
19 services for payment and typically includes equipment such as
20 cash registers, payment terminals, and digital devices used to
21 process sales and issue receipts to customers.



1 "Proof of purchase" means a sales slip, receipt, credit
2 card slip, or any other documentation that substantiates the
3 sale of the goods from the merchant and the amount of payment.

4 "Purchaser" means a natural person who is returning goods
5 that were purchased or received primarily for personal, family,
6 or household purposes.

7 "Refund" means the return to the purchaser of the full
8 amount of the payment upon return of the goods, in accordance
9 with this section.

10 "Repacking and transportation charges" means the charges
11 for repacking, pick up, and transportation of goods previously
12 delivered, unpacked, and set up by the merchant at the direction
13 of the purchaser.

14 "Return" or "return of goods" means the acceptance by the
15 merchant of goods from a purchaser, whether for refund,
16 merchandise credit, or exchange, and includes the cancellation
17 of a custom or special order before the merchant is obligated to
18 make payment on the order and the cancellation of a layaway.

19 (b) Except as provided in this section, all merchants
20 shall accept the return of goods for refund, merchandise credit,
21 or exchange, giving purchasers rights that are no less than



those provided in this section. ~~[The]~~ Notwithstanding
subsection (c), the merchant may:

(1) Choose one of the following policies by posting a
conspicuous sign notifying purchasers of any one of
the following limitations:

(A) Refunds only;

(B) Refunds or merchandise credit only;

(C) Exchanges or merchandise credit only; or

(D) No refunds, merchandise credits, or exchanges;

and

(2) Place specific limitations on the policy adopted by
posting a conspicuous sign notifying the purchasers of
any limitations allowed by subsections ~~[(e), (d),]~~
(e), ~~[and]~~ (f) ~~[-]~~, (g), and (h).

(c) Notwithstanding subsection (p) to the contrary, all
merchants that sell cosmetics shall accept the return of goods
for refund, merchandise credit, and exchange, giving purchasers
rights that are no less than those provided in this section. A
merchant that sells cosmetics shall:



(1) Provide the purchaser with a receipt of goods purchased either by hard copy, electronic mail, or text message;

(2) Provide refunds for returns of new or unopened cosmetics made within thirty days of the original purchase date; or

(3) Provide refunds, merchandise credits, or exchanges for returns of new or unopened cosmetics made between thirty and sixty days after the original purchase date.

Any attempt by a purchaser to return goods to a merchant that sells cosmetics, made within the time prescribed by this subsection, shall preserve the purchaser's rights to relief under this section. The purchaser's rights under this section are cumulative to the remedies or penalties available under all other laws of the State.

(d) Subsection (c) shall not apply to merchants that sell cosmetics if the merchant has:

(1) A class 4 retail dealer license granted by the liquor commission pursuant to section 281-31(e); or



1 (2) A pharmacy on their premises, permitted by the board
2 of pharmacy pursuant to section 461-14.

3 [~~(e)~~] (e) Any merchant not subject to subsection (c) who
4 does not accept the return of goods shall post conspicuous signs
5 bearing the words "All sales final", or "No returns for refunds,
6 merchandise credits, or exchanges", or words or phrases of
7 similar import, to inform customers that no return of goods
8 shall be accepted.

9 [~~(d)~~] (f) Any merchant who limits the period during which
10 goods may be returned to less than sixty days after the date of
11 purchase or delivery shall post conspicuous signs informing
12 purchasers of the limitation of the period during which the
13 return of goods shall be accepted.

14 [~~(e)~~] (g) Any merchant who excludes a certain category or
15 type of goods from its return policy shall post one or more
16 conspicuous signs identifying that type of goods.

17 [~~(f)~~] (h) Any merchant who excludes custom or specially
18 ordered goods from its return policy shall post conspicuous
19 signs, or otherwise notify the purchaser, with the purchaser's
20 written acknowledgment, of the return policy. For custom or
21 specially ordered goods, the policy may allow the merchant to



1 accept the return of the goods and to charge the purchaser for
2 the cost of shipping if the charge is disclosed prior to the
3 purchase.

4 ~~[(g)]~~ (i) Any person engaged in the business of offering
5 goods for sale at retail who fails to post a conspicuous sign as
6 required by this section shall accept the return of goods from
7 purchasers and make refunds in accordance with subsection (h).

8 ~~[(h)]~~ (j) All merchants, except as provided in subsection
9 ~~[(e)]~~ (e), shall handle returns for refunds in the following
10 manner:

11 (1) If payment was made in cash, the refund shall be made
12 in cash at the time of the return of goods, except
13 that if the amount to be returned exceeds \$25, cash
14 refunds may be made by check issued within ten days of
15 the date of the return;

16 (2) If payment was made by check, the refund shall be made
17 in cash upon acceptance of the returned goods by the
18 merchant, or by check issued within ten days of the
19 acceptance of the returned goods by the merchant,
20 except that if the purchaser's check has not cleared
21 the bank on which it was drawn, the refund may be



1 delayed for no more than ten days after the date the
2 purchaser's check has cleared; provided that the
3 merchant shall have complied with this provision if
4 the check is mailed to the purchaser at the address
5 provided by the purchaser within the ten-day period;

6 (3) If payment was made by credit card, the refund shall
7 be made by credit to the purchaser's credit card
8 account; provided that the merchant shall initiate the
9 submittal of the charge card credit memo or other
10 appropriate documentation to the merchant's financial
11 institution within five banking business days after
12 the return of goods or, at the merchant's option, the
13 refund may be made in cash at the time of the return
14 of the goods or by check issued and mailed within ten
15 days of the acceptance of the returned goods; or

16 (4) If payment was made by charging a credit account
17 administered by the merchant, the refund shall be made
18 by credit to the purchaser's credit account initiated
19 at the time of the return of the goods.



1 ~~[(i)]~~ (k) All merchants, except as provided in subsection
2 ~~[(e)]~~ (e), shall handle returns for merchandise credit in the
3 following manner:

4 (1) If the purchaser does not select goods in exchange for
5 the returned goods within thirty days of the return,
6 the merchant shall make a full refund to the purchaser
7 in cash or in accordance with subsection ~~[(h)]~~ (j).

8 The merchant shall not be required to return cash in
9 exchange for a merchandise credit issued pursuant to
10 this paragraph if the merchant posts a conspicuous
11 sign to notify purchasers that the merchandise credit
12 cannot be turned into cash;

13 (2) The merchandise credit shall be valid for a minimum of
14 two years; and

15 (3) Before exchanging the merchandise credit for cash or,
16 in the case of a purchaser selecting goods in exchange
17 costing less than the amount of the merchandise
18 credit, refunding the difference in cash, the merchant
19 may require proof of purchase and require the
20 surrender of the credit memo.



1 ~~[(j)]~~ (l) All merchants, except as provided in subsection
2 ~~[(e),]~~ (e), shall handle returns for exchanges in the following
3 manner:

4 (1) If the exchange involves an exchange for only size or
5 color, the exchange shall be made without regard to
6 the full amount of payment; provided that the merchant
7 may make an appropriate adjustment if the differing
8 size or color normally sells at a different price; and

9 (2) If the exchange does not involve an exchange for only
10 size or color, then if the full amount of the payment
11 for the goods received in exchange is less than the
12 full amount of the payment for the returned goods, the
13 merchant shall issue a refund or merchandise credit in
14 the amount of the difference.

15 ~~[(k)]~~ (m) In determining the full amount of the payment
16 for returns for reasons other than damaged or defective goods, a
17 deduction for repacking and transportation charges may be made
18 from the full amount of the payment, if the deduction is
19 disclosed to the purchaser prior to the purchase.

20 ~~[(l)]~~ (n) Any return policies adopted by the merchant
21 pursuant to this section that limits the purchaser's ability to



1 obtain a refund shall not apply if the goods were damaged or
2 defective prior to the time of sale, unless the merchant was
3 aware of the damage or defect and notified the purchaser of the
4 damage or defect in writing prior to the time of sale. No
5 warranty policy adopted by a merchant in the State shall require
6 a purchaser to pay an additional fee to obtain a repair,
7 replacement, or refund for goods returned pursuant to the
8 warranty.

9 As used in this subsection, "merchant in the State" means a
10 merchant that:

- 11 (1) Is created under the laws of the State, including but
12 not limited to chapters 414, 414D, 415A, 425, 425E, or
13 428;
14 (2) Is authorized to transact business in the State; and
15 (3) Possesses a current, unexpired State of Hawaii general
16 excise tax license.

17 [~~m~~] (o) A merchant is not required to accept a return
18 if:

- 19 (1) There is no proof of purchase, by sales slips,
20 receipts, or other evidence of purchase of the goods
21 returned;



(2) The purchaser has retained the goods in excess of sixty days after the purchase;

(3) The goods have been used or damaged after sale, or altered by the purchaser at the time of or after the sale; or

(4) The goods are of a type which are unsuitable for resale, pursuant to any applicable law.

~~[-n-]~~ (p) The following constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce under section 480-2:

(1) Any violation of this section; and

(2) Any act or policy that causes a compromise of the purchaser's rights and protections established by this section."

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2026-2027 for the office of consumer protection to obtain return and refund policy signs as required by this Act.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

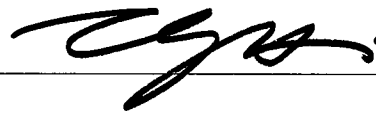


1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 2026;
4 provided that section 2 shall take effect on July 1, 2027.

5

INTRODUCED BY:



JAN 28 2026



H.B. NO. 2614

Report Title:

DCCA; Unfair and Deceptive Practices; Cosmetics; Returns and Refunds; Appropriation

Description:

Requires merchants that sell cosmetics to accept returns of new or unopened goods within specified timeframes. Clarifies the definition of "conspicuous sign" and expands required placement of return and refund policy signage. Beginning 7/1/2027, requires merchants that receive three or more warning letters from the Office of Consumer Protection for failure to post required signage to display standardized return and refund policy signs provided by the Office. Establishes exemptions for certain merchants. Appropriates funds.

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