
A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1 SECTION 1. The legislature finds that deceptive or
2 misleading solar sales practices undermine consumer confidence,
3 impose hardship on homeowners, and impede the State's clean
4 energy goals. This Act enhances enforcement of existing law
5 without imposing new licensing requirements on legitimate sales
6 activities.

7 Accordingly, the purpose of this Act is to:

- 8 (1) Require any person or entity selling a residential
9 solar energy device to comply with consumer protection
10 laws;
- 11 (2) Require a standardized one-page disclosure form in
12 residential solar proposals and contracts; and
- 13 (3) Prohibit any person or entity from selling a
14 residential solar energy device without holding a
15 contractor's license or having a contractual
16 affiliation with a licensed contractor.



1 SECTION 2. Section 481B-6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§481B-6 Sale of solar energy devices; disclosure**
4 **requirements[-]; sales practices.** (a) No person shall
5 advertise, offer to sell, or sell a solar energy device unless
6 the person clearly discloses separately the following
7 information concerning the sale price of the solar energy device
8 to the consumer:

9 (1) The cost of the solar energy device and accessories
10 related to the operation of the solar energy device
11 and for their installation; and

12 (2) The cost of items unrelated to the operation of the
13 solar energy device, including but not limited to,
14 "free gifts", offers to pay electric bills, rebates,
15 and other incentives designed to promote the sale of
16 the solar device.

17 (b) In addition to the requirements under subsection (a),
18 a person or entity marketing or contracting for a residential
19 solar energy device shall provide to the consumer, before
20 contract execution, a one-page standardized disclosure form in



1 plain language, which shall appear as the first page of any
2 proposal or contract and shall include:

- 3 (1) The total system cash price and financed price;
4 (2) The estimated annual energy production and
5 methodology;
6 (3) The estimated annual utility bill savings and
7 assumptions used;
8 (4) The following incentive eligibility statement:
9 "Eligibility for state and federal tax incentives
10 depends on individual circumstances and is not
11 guaranteed by the solar company.";
12 (5) Payment terms;
13 (6) The escalation rate, if applicable;
14 (7) The ownership structure, whether purchase, lease,
15 loan, or power purchase agreement;
16 (8) The name and license number of the installing
17 contractor;
18 (9) Warranty terms; and
19 (10) Consumer cancellation rights.

20 The department of commerce and consumer affairs shall design,
21 publish, and periodically update as needed, a template of the



1 standardized disclosure form described in this subsection in
2 consultation with the solar industry.

3 (c) Any person or entity that markets, sells, or solicits
4 a residential solar energy device, or that markets, sells, or
5 solicits financing products, whether loans, leases or power
6 purchase agreements, associated with a residential solar energy
7 device in the State shall comply with the consumer protection
8 requirements of this chapter and chapter 444, and any rules
9 adopted thereunder, relating to truthful advertising,
10 disclosures, contract terms, or cancellation rights.

11 (d) A person or entity that does not hold an active
12 contractor's license under chapter 444 shall not:

13 (1) Represent that the person or entity is authorized to
14 install or supervise the installation of a residential
15 solar energy device;

16 (2) Enter into or offer to enter into a contract for the
17 installation of a residential solar energy device; or

18 (3) Market, offer financing, or engage in customer
19 acquisition or lead generation activities for a
20 residential solar energy device,



1 without being contractually affiliated with a contractor holding
2 a license allowing the contractor to install a residential solar
3 energy device. The contractor's name and license number shall
4 be disclosed on all marketing materials, proposal documents, and
5 contract documents.

6 (e) A violation of this section shall constitute an unfair
7 or deceptive act or practice under chapter 480.

8 (f) Nothing in this section shall be construed to prohibit
9 solar energy device marketing, sales, or financing activities;
10 provided that the person or entity complies with the
11 requirements of subsection (d).

12 (g) The department of commerce and consumer affairs may
13 adopt rules pursuant to chapter 91 necessary for the purposes of
14 this section.

15 ~~[(b) As used in]~~ (h) For the purposes of this section,
16 "solar energy device" means any new identifiable facility,
17 equipment, apparatus, or the like ~~[which]~~ that makes use of
18 solar energy for energy storage or heating, cooling, or reducing
19 the use of other types of energy dependent upon fossil fuel for
20 its generation. "Solar energy device" does not include plug-in



1 portable solar generation devices that have maximum aggregate
2 rated power outputs of one thousand two hundred watts or less."

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

6 SECTION 4. If any provision of this Act, or the
7 application thereof to any person or circumstance, is held
8 invalid, the invalidity does not affect other provisions or
9 applications of the Act that can be given effect without the
10 invalid provision or application, and to this end the provisions
11 of this Act are severable.

12 SECTION 5. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect upon its approval.



S.B. NO. 2032
S.D. 2

Report Title:

DCCA; Rooftop Solar; Residential Solar Energy Devices; Energy Storage; Consumer Protection; Contractors; Deceptive Practices

Description:

Requires any person or entity selling a residential solar energy device to comply with consumer protection laws. Prohibits the sale of a residential solar energy device without a contractor's license or contractual affiliation with a licensed contractor. Requires a standardized disclosure form to be developed by the Department of Commerce and Consumer Affairs for use in all residential solar proposals and contracts. (SD2)

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