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# A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1           SECTION 1. Chapter 481B, Hawaii Revised Statutes, is  
2 amended by adding a new section to part I to be appropriately  
3 designated and to read as follows:

4           "§481B- Unaffiliated and unsolicited mail and  
5 electronic mail. (a) No entity shall distribute unsolicited  
6 mail or electronic mail to a consumer that employs high pressure  
7 tactics or is reasonably likely to result in the consumer  
8 believing that the sender is affiliated with another entity that  
9 the sender is not actually affiliated with and the entity is  
10 asking the recipient to pay for goods, services, or forms of  
11 legal authorization, including but not limited to:

12           (1) An entity representing that a vehicle manufacturer, a  
13           new motor vehicle dealer, a used motor vehicle dealer,  
14           or an insurance company is asking the consumer to send  
15           money to extend a vehicle warranty or purchase a  
16           service contract;



1       (2) An entity representing that a mortgage loan  
2       originator, a mortgage loan originator company, a  
3       mortgage servicer, or an insurance company is asking  
4       the consumer to send money to extend a home warranty;  
5       or

6       (3) An entity representing that a federal, state, or  
7       county government, or its agencies, employees, or  
8       officers, is asking the consumer to send money to  
9       renew a license or registration,

10 unless the entity includes a clear and conspicuous statement as  
11 specified in subsection (b); provided that if the required  
12 statement is not included in the mail or electronic mail, any  
13 contract entered into as a result of the unsolicited mail or  
14 electronic mail shall be voidable at the option of the consumer,  
15 and any money paid by the consumer under the contract shall be  
16 refunded in full.

17       (b) The clear and conspicuous statement required by this  
18 section shall be printed or rendered in boldface, fourteen-point  
19 type and located in a position reasonably calculated to draw the  
20 attention of the reader and shall be as follows:



- 1        (1) Unless specifically provided otherwise in this  
2        subsection, the statement shall be that:
- 3        (A) The entity is not affiliated with the other  
4        entity; and
- 5        (B) The requested payment is completely optional;
- 6        (2) If a consumer is asked to send money to extend a  
7        vehicle warranty or purchase a service contract, the  
8        statement shall be that:
- 9        (A) The entity is not affiliated with the vehicle  
10       manufacturer, new motor vehicle dealer, used  
11       motor vehicle dealer, or insurance company;
- 12       (B) The extended vehicle warranty or service contract  
13       being offered is completely optional; and
- 14       (C) The consumer's existing benefits, rights, and  
15       protections will not be affected by a failure to  
16       contact the entity;
- 17       (3) If a consumer is asked to send money to extend a home  
18       warranty, the statement shall be that:
- 19       (A) The entity is not affiliated with the mortgage  
20       loan originator, mortgage loan originator  
21       company, mortgage servicer, or insurance company;



1           (B) The home warranty being offered is completely  
2           optional; and

3           (C) The consumer's existing benefits, rights, and  
4           protections will not be affected by a failure to  
5           contact the entity; and

6           (4) If a consumer is asked to send money to renew a  
7           license or registration, the statement shall be that:

8           (A) The entity is not affiliated with the federal,  
9           state, or county government, or its agencies,  
10           employees, or officers;

11           (B) The license or registration renewal being offered  
12           is completely optional; and

13           (C) The consumer's existing license or registration  
14           will not be affected by a failure to contact the  
15           entity.

16           (c) Nothing in this section shall be construed to prohibit  
17           an entity from distributing mail or electronic mail regarding  
18           legitimate communications about goods, services, or forms of  
19           legal authorization offered or managed by the entity as long as  
20           the mail does not employ high pressure tactics and is not  
21           reasonably likely to result in the consumer believing that the



1 sender is affiliated with another entity to which the entity is  
2 not actually affiliated, such as vehicle manufacturers  
3 distributing service reminders to consumers.

4 (d) For purposes of this section:

5 "Entity" means a person, firm, partnership, association, or  
6 corporation, or agent or employee thereof.

7 "High pressure tactics" means any method of marketing  
8 having the effect of or tending to induce the remittance of  
9 money through force, fright, or threat, whether explicit or  
10 implied, or undue pressure.

11 "Mortgage loan originator" has the same meaning as defined  
12 in section 454F-1.

13 "Mortgage loan originator company" has the same meaning as  
14 defined in section 454F-1.

15 "Mortgage servicer" has the same meaning as defined in  
16 section 454M-1.

17 "New motor vehicle dealer" has the same meaning as defined  
18 in section 437-1.1.

19 "Used motor vehicle dealer" has the same meaning as defined  
20 in section 437-1.1.



1       "Vehicle manufacturer" has the same meaning as  
2 "manufacturer" as defined in section 437-1.1. "Vehicle  
3 manufacturer" includes "distributor" as defined in section 437-  
4 1.1."

5       SECTION 2. New statutory material is underscored.

6       SECTION 3. This Act shall take effect on July 1, 3000.



**Report Title:**

Consumer Protection; Unsolicited Mail and Electronic Mail;  
Prohibitions

**Description:**

Prohibits entities from distributing unsolicited mail or electronic mail that employs high pressure tactics or is reasonably likely to cause a consumer to believe that the sender is affiliated with another entity that the sender is not actually affiliated with and the entity is asking the recipient to pay for goods, services, or forms of legal authorization, unless certain disclosures are met. Makes contracts that fail to meet disclosure requirements voidable at the option of the consumer. Effective 7/1/3000. (HD2)

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