

ACT 16

S.B. NO. 854

A Bill for an Act Relating to Unfair and Deceptive Practices.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 481B-5, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 481B-5 Refunds.** (a) Any person engaged in the business of offering goods for sale at retail who accepts the return of goods, which goods were paid for at the time of purchase by cash, check, credit card, or by charging the purchase price to a credit account administered by the person making the sale,

shall refund the full amount of the payment, including any ancillary charges or taxes incident to the purchase returned, in the following manner:

- (1) If payment was made in cash, in cash at the time of the return of goods;
- (2) If payment was made by check, in cash at the time of the return of goods; provided that if the check has not cleared the bank on which it is drawn, the refund may be delayed until the check has cleared;
- (3) If payment was made by credit card, by credit to the purchaser's credit card account;
- (4) If payment was made by charging a credit account administered by the person making the sale, by credit to the purchaser's credit account;

provided that before making the refund, the person accepting the return of goods may require proof of purchase at his place of business by sales slips, receipts, or other evidence of purchase of the goods returned.

(b) Any person engaged in the business of offering goods for sale at retail who accepts the return of goods but limits the period during which goods may be returned to less than sixty days after the date of purchase or delivery shall post conspicuous signs in his place of business bearing the words "No refund after (insert number of days) days from date of (insert "purchase" or "delivery", as appropriate)", or words or phrases of similar import to inform customers of the limitation of the period during which the return of goods will be accepted.

(c) Any person engaged in the business of offering goods for sale at retail who excludes a certain category or type of goods from the refund policy shall post conspicuous signs in his place of business identifying that type of goods, bearing the words 'No refunds on (insert type description) goods,' or words or phrases of similar import to advise customers of the exclusion policy.

(d) Any person engaged in the business of offering goods for sale at retail who does not accept the return of goods shall post conspicuous signs in his place of business bearing the words "All sales final", or "No refunds", or words or phrases of similar import to inform customers that no return of goods will be accepted.

(e) Signs required in subsections (b), (c) and (d) shall be posted in the selling areas of the business in locations reasonably calculated to bring the signs to the attention of customers.

(f) Any violation of the foregoing subsections shall constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce under section 480-2.

(g) This section shall not apply to goods which are damaged after sale, of a type which are unsuitable for resale after any use, or which have been retained by the purchaser in excess of sixty days after purchase."

**SECTION 2.** Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

**SECITON 3.** This Act shall take effect upon its approval.

(Approved May 3, 1977.)

\*Edited accordingly.