

1 defective prior to the time of sale, unless the merchant was
2 aware of the damage or defect and notified the purchaser of the
3 damage or defect in writing prior to the time of sale. A
4 merchant shall not charge a purchaser any fee, including a
5 processing fee or an administrative fee, to repair, replace, or
6 refund goods pursuant to this section."

7 **PART II**

8 SECTION 3. The legislature finds that consumers are often
9 confused or misled by offers a franchise makes in national
10 advertising campaigns. Furthermore, while an advertisement may
11 state that an offer is not available in Hawaii, this disclosure
12 is often in tiny print and does not sufficiently inform
13 consumers that the offer is unavailable.

14 Accordingly, the purpose of this part is to ensure that
15 consumers are sufficiently aware when an offer under a
16 franchise's advertising campaign is not available in Hawaii by:

17 (1) Requiring franchisees to disclose their non-
18 participation in advertising campaigns of the
19 franchise in which discounts or promotions are
20 offered; and



1 (2) Prohibiting franchisors from limiting or restricting
2 these disclosures.

3 SECTION 4. Chapter 481B, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§481B- Advertising campaigns; non-participation. (a)

7 If a franchisee does not participate in a specific advertising
8 campaign of the franchise in which a discount or a promotion is
9 offered, the franchisee shall disclose its non-participation at
10 its entrance or storefront with signage of a size sufficient to
11 be clearly visible to the general public.

12 (b) No franchisor may impose a restriction or condition
13 upon the franchisee, whether by the terms of the franchise
14 agreement or by other device or practice, in making the required
15 disclosure under subsection (a)."

16 PART III

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

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 7. This Act shall take effect upon its approval.



Report Title:

Merchandise; Returns; Unfair or Deceptive Trade Acts or Practices; Repair; Replacement; Refund; Franchisees; Franchisors; Advertising Campaigns; Non-participation

Description:

Part I: Prohibits a merchant from charging a purchaser any fee, including a processing fee or an administrative fee, to repair, replace, or refund damaged or defective goods. Part II: Requires franchisees to disclose their non-participation in advertising campaigns of the franchise in which discounts or promotions are offered. Prohibit franchisors from limiting or restricting the disclosures. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

