A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

SECTION 1. Section 481B-5.5, Hawaii Revised Statutes, is amended by amending subsection (1) to read as follows:

"(1) Any return policies adopted by the merchant pursuant to this section that limits the purchaser's ability to obtain a refund shall not apply if the goods were damaged or defective prior to the time of sale, unless the merchant was aware of the damage or defect and notified the purchaser of the damage or defect in writing prior to the time of sale. No warranty policy adopted by a merchant in the State shall require a purchaser to pay an additional fee to obtain a repair, replacement, or refund for goods returned pursuant to the warranty.

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

(1) Is created under the laws of the State, including but not limited to chapters 414, 414D, 415A, 425, 425E, or 428;

(2) Is authorized to transact business in the State; and
(3) Possesses a current, unexpired State of Hawaii general excise tax license."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.
Report Title:
Merchandise; Returns; Unfair and Deceptive Trade Practices; Warranty Policy; Repair; Replacement; Refund

Description:
Prohibits a merchant in the State from adopting a warranty policy that requires a purchaser to pay an additional fee to obtain a repair, replacement, or refund for goods returned pursuant to the warranty. (SD1)

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