

ACT 255

H.B. NO. 521

A Bill for an Act Relating to Unfair and Deceptive Practices by Commercial Mail Order Buying Clubs.

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

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

“Sec. 481B-1.5 Same, commercial mail order buying clubs. (a) Any person who is regularly engaged in the business of selling or offering for sale goods, property, or merchandise through a mail order scheme whereby the purchaser contracts or promises to buy a certain quantity of such goods, property, or merchandise periodically over a certain period of time with an option to make certain purchases or to choose alternative goods, property, or merchandise shall, for each separate order and before delivery of any item, supply the purchaser with an order form stating the various options available to the purchaser. No such person shall send to any purchaser such goods, property, or merchandise except pursuant to an order duly made by the purchaser on such an order form.

(b) The receipt of any goods, property, or merchandise sent in violation of subsection (a) shall for all purposes be deemed an unconditional gift to the recipient who may use or dispose of the same in any manner he sees fit without any obligation on his part to the sender. Violation of subsection (a) is unlawful and shall be subject to the penalty provided in Section 481B-4.”

SECTION 2. Section 481B-4, Hawaii Revised Statutes, is amended to read:

“Sec. 481B-4 Penalty. Any person who violates this chapter shall be fined not more than \$500 for each violation or imprisoned not more than one year or both.”

SECTION 3. Statutory material to be repealed is bracketed.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.*

SECTION 4. This Act shall take effect upon its approval.

(Approved June 17, 1974.)

*Edited accordingly.