

ACT 131

H.B. NO. 1316

A Bill for an Act Relating to Refunds and Exchanges.

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:

“[[§481B-5]] Refunds[.] and exchanges. (a) Any person engaged in the business of offering goods for sale at retail shall elect one of the following return policies:

- (1) Accept the return of goods for refund;
- (2) Accept the return of goods for refund or exchange; provided that the refund or exchange shall be at the option of the purchaser;
- (3) Accept the return of goods for exchange only; or
- (4) Not accept the return of goods for refund or exchange.

[(a)] (b) Any person engaged in the business of offering goods for sale at retail who accepts the return of goods for refund, 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; or
- (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] the person's place of business by sales slips, receipts, or other evidence of purchase of the goods returned.

(c) Any person engaged in the business of offering goods for sale at retail who accepts the return of goods for exchange shall do so in the following manner:

- (1) The person shall credit the purchaser in the amount of the full purchase price of the returned goods, including any ancillary charges or taxes incident to the purchase.
- (2) If the purchaser does not select goods in exchange of the returned goods within thirty days of the return, the person shall make a full refund to the purchaser in cash or in accordance with subsection (b).
- (3) If the purchaser selects goods in exchange of the returned goods and the purchase price of the goods received in exchange is less than the full purchase price of the returned goods, the person shall make a refund in the amount of the difference between the prices in cash or in accordance with subsection (b).
- (4) Before accepting the return of goods for exchange, the person may require proof of purchase at the person's place of business by sales slip, receipts, or other evidence of purchase of the returned goods.

[(b)] (d) 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] the person's place of business bearing the words "No refunds or exchanges (either or both, as appropriate) 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)] (e) 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 or exchange policy shall post conspicuous signs in [his] the person's place of business identifying that type of goods, bearing the words "No refunds or exchanges (either or both, as appropriate) on (insert type description) goods[.]"], or words or phrases of similar import, to advise customers of the exclusion policy.

(f) Any person engaged in the business of offering goods for sale at retail who accepts the return of goods for exchange only, shall post conspicuous signs in the person's place of business bearing the words "Exchanges only", or words or phrases of similar import, to inform customers that only exchanges will be given.

(g) Any person engaged in the business of offering goods for sale at retail who fails to post a conspicuous sign as required by this section shall accept the return of goods from purchasers and make refunds in accordance with subsection (b).

[(d)] (h) 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] the person's place of business bearing the words "All sales final", or "No [refunds], refunds or exchanges", or words or phrases of similar import, to inform customers that no return of goods will be accepted.

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

[(f)] (j) 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)] (k) 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.

SECTION 3. This Act shall take effect on July 1, 1986.

(Approved May 12, 1986.)