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S.B. NO. 2538

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

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:

“§481B- Offers of gifts or prizes; unlawful. (a) It shall be an unlawful practice under this chapter for any person to enforce or attempt to enforce an agreement to purchase, lease, or rent a consumer product if the offer to sell, lease, or rent was conducted in a manner not in compliance with the requirements of this chapter.

(b) It shall be an unlawful practice under this chapter for any person to offer a gift, prize, or award by means of written notice sent through the mail or by telephone with the intent to sell, lease, or rent a consumer product, or to initiate the sale, lease, or rental of a consumer product when, at the time of the offer, the consumer product and all the material terms of the sale, lease, or rental transaction, including the price, handling, shipping, delivery, or any other fee, are not clearly and conspicuously disclosed.

(c) It shall be an unlawful practice for any person to offer a gift, prize, or award by means of written notice sent through the mail or by telephone with the intent to receive a payment of any money when, at the time of the offer, all of the material terms of the transaction, including handling, shipping, delivery, or any other fee, are not clearly and conspicuously disclosed and the consumer is requested to:

(1) Further the transaction by calling a 900 number or “pay per call”; or
 (2) Send payment of any money to receive or redeem the prize.
 (d) Any offer of a prize made by means of written notice sent through the mail or by telephone shall include:

(1) Information on the odds of being able to receive the prize or if the odds are not calculable in advance, the factors used in calculating the odds;

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- (2) A statement that no purchase or payment is required to win a prize or to participate in a prize promotion; and
- (3) Instructions on how to participate without purchase or payment including an address or toll-free telephone number to which a consumer may write or call for information on how to participate.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect upon its approval.

(Approved May 1, 1996.)

Note

- 1. Edited pursuant to HRS §23G-16.5.