

By: West

S.B. No. 468

A BILL TO BE ENTITLED

AN ACT

relating to requiring retail merchants to disclose certain merchandise return policies.

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

SECTION 1. Title 12, Business & Commerce Code, as effective April 1, 2009, is amended by adding Chapter 606 to read as follows:

CHAPTER 606. MERCHANDISE RETURN POLICIES

Sec. 606.001. APPLICABILITY OF CHAPTER. This chapter applies only to a retail merchant who has a policy, as to any item of goods sold, of not providing a cash refund or store credit, or any combination of cash refund or store credit, or of not allowing an equal exchange, for the full purchase price of the item if it is returned with a receipt or other document evidencing proof of purchase at least seven days after the date of sale.

Sec. 606.002. INAPPLICABILITY OF CHAPTER TO CERTAIN GOODS. This chapter does not apply to the sale of:

- (1) food;
- (2) flowers and plants;
- (3) perishable goods;
- (4) goods marked "as is," "no returns accepted," "all sales final," or with similar language;
- (5) goods used or damaged after purchase;
- (6) customized goods received as ordered;
- (7) goods not returned with their original package; or

1           (8) goods that cannot be resold due to health  
2 considerations.

3           Sec. 606.003. REQUIRED DISCLOSURE REGARDING REFUNDS,  
4 CREDITS, OR EXCHANGES. (a) A retail merchant shall conspicuously  
5 disclose the merchant's policy of not providing a full cash refund  
6 or store credit or not allowing an equal exchange for returned items  
7 under the policy. The disclosure, at a minimum, must state:

8           (1) whether a cash refund, store credit, or equal  
9 exchange will be authorized for the full purchase price of returned  
10 items;

11           (2) the period to which the policy applies;

12           (3) the types of items covered by the policy; and

13           (4) any other restriction or condition that applies to  
14 the refund, credit, or exchange.

15           (b) The disclosure required by Subsection (a) must be:

16           (1) posted on a sign at:

17           (A) each cash register and sales counter at the  
18 retail merchant's location; or

19           (B) each public entryway at the retail merchant's  
20 location;

21           (2) placed on a sales receipt provided by the retail  
22 merchant for the purchase of an item to which the policy applies; or

23           (3) placed on any order form provided by the retail  
24 merchant for the purchase of an item to which the policy applies.

25           Sec. 606.004. ENFORCEMENT. (a) If on or before the 30th day  
26 after the date of purchase the customer returns, or attempts to  
27 return, an item to which the policy applies to a retail merchant who

1 does not comply with Section 606.003, the customer is entitled to,  
2 at the customer's election, a cash refund, store credit, or equal  
3 exchange for the full purchase price of the returned item.

4 (b) If a retail merchant denies a refund, credit, or  
5 exchange requested by a customer under Subsection (a), the retail  
6 merchant is liable to the customer for:

7 (1) an amount equal to two times the amount of the  
8 purchase price of the returned item;

9 (2) reasonable attorney's fees; and

10 (3) court costs.

11 Sec. 606.005. ADDITIONAL DUTIES, RIGHTS, AND REMEDIES. The  
12 duties, rights, and remedies provided by this chapter are in  
13 addition to any other duties, rights, and remedies provided by  
14 state law.

15 SECTION 2. This Act takes effect September 1, 2009.