
A BILL FOR AN ACT

RELATING TO GIFT CERTIFICATES.

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

1 SECTION 1. Section 481B-13, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§481B-13 Gift certificates.** (a) Any restaurant or
4 person engaged in the business of offering services or goods for
5 sale at retail may allow customers to purchase gift
6 certificates; provided that the certificate issuer shall honor
7 the certificate for a period of at least two years from the date
8 of issuance. [A] Except as set forth in subsection (d), a
9 certificate issuer shall not charge a service fee, including but
10 not limited to a service fee for dormancy or inactivity.

11 (b) The date of issuance and the expiration date shall be
12 clearly identified on the face of the gift certificate, or, if
13 an electronic card with a banked dollar value, clearly printed
14 upon a sales receipt transferred to the purchaser of the
15 electronic card upon the completed transaction. The expiration
16 date shall be not less than two years after the date of
17 issuance. If the gift certificate does not have an expiration
18 date, it shall be valid in perpetuity.



1 (c) Gift certificates that are issued as part of an
2 awards, loyalty, or promotional program, or to a not-for-profit
3 charity organization, where no money or anything of value is
4 given to the issuer by the consumer in exchange for the gift
5 certificate, are exempt from this section; provided that the
6 expiration date, if any, appears on the gift certificate or
7 accompanying printed receipt.

8 (d) The issuer of a certificate or electronic card with a
9 banked dollar value or face value usable with multiple
10 unaffiliated sellers of goods or services may charge:

11 (1) A transaction fee for the initial issuance and for
12 each occurrence of adding value to the card or
13 certificate;

14 (2) A replacement fee; or

15 (3) A service, dormancy, or inactivity fee no earlier than
16 twelve months after the initial issuance or the most
17 recent adding of value.

18 (e) The issuer of a certificate or electronic card subject
19 to subsection (d) shall disclose:

20 (1) At the time of sale:

21 (A) All transaction fees for initial issuance which
22 shall be clearly disclosed and identified on the



1 face of the certificate or, if an electronic
2 card, clearly printed upon a sales receipt
3 transferred to the purchaser of the electronic
4 card upon the completed transaction; and
5 (B) The timing and amount of all dormancy or
6 inactivity fees which shall be displayed
7 prominently upon the face of the certificate or
8 electronic card;

9 and

10 (2) The timing and amount of all replacement fees,
11 services fee, and dormancy or inactivity fees which
12 shall be clearly identified on the certificate or
13 electronic card.

14 [~~(d)~~] (f) Any violation of this section shall constitute
15 an unfair and deceptive act or practice in the conduct of trade
16 or commerce within the meaning of section 480-2.

17 [~~(e)~~] (g) As used in this section, unless the context
18 requires otherwise:

19 "Certificate issuer" or "issuer" means a restaurant or a
20 person engaged in the business of offering services or goods for
21 sale at retail who sells gift certificates to customers.



1 "Gift certificate" or "certificate" includes any electronic
2 card with a banked dollar value where the issuer has received
3 payment for the full banked dollar value for the future purchase
4 or delivery of goods or services, any certificate where the
5 issuer has received payment for the full face value of the
6 certificate for future purchases or delivery of goods or
7 services, and any other medium that evidences the giving of
8 consideration in exchange for the right to redeem the
9 certificate, electronic card, or other medium for goods, food,
10 or services of at least an equal value."

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2050.



HB 1980
HD1

Report Title:

Trade Regulation and Practice; Gift Certificates

Description:

Provides exemption to prohibition against charging service fees for gift certificates by authorizing issuer of an electronic card or certificate with multiple unaffiliated sellers to charge certain fees to card holders. Requires disclosure of fees on electronic card or certificate. (HB1980 HD1)

