

JAN 19 2007

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 certificate issuer shall not charge [~~a service~~
9 ~~fee, including but not limited to~~] a back-end service fee for
10 dormancy or inactivity[+] during the first six months after the
11 date of issuance of the gift certificate.

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



1 issuance. If the gift certificate does not have an expiration
2 date, it shall be valid in perpetuity.

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

10 (d) The issuer of a gift certificate shall disclose:

11 (1) The existence of any initial issuance fees, back-end
12 services fees, including but not limited to dormancy
13 or inactivity fees, and replacement fees; and

14 (2) The timing and amount of any initial issuance fees,
15 back-end services fees, including but not limited to
16 dormancy or inactivity fees, and replacement fees.

17 [~~d~~] (e) Any violation of this section shall constitute
18 an unfair and deceptive act or practice in the conduct of trade
19 or commerce within the meaning of section 480-2.

20 [~~e~~] (f) As used in this section, unless the context
21 requires otherwise:



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

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

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

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

17

INTRODUCED BY:

Norman Sakuma



Report Title:

Trade Regulation and Practice; Gift Certificates

Description:

Prohibits a certificate issuer from charging service fees for dormancy or inactivity within six months after the date of issuance of the certificate. Requires disclosure of fees on an electronic card or certificate.

