

Honolulu, Hawaii

Feb 28, 2008

RE: H.B. No. 2591
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2591 entitled:

"A BILL FOR AN ACT RELATING TO GIFT CERTIFICATES,"

begs leave to report as follows:

The purpose of this bill is to help consumers maximize the value of gift certificates by requiring retailers to pay out in cash the balance of any gift certificate worth less than \$5, if requested by the customer.

The Department of Commerce and Consumer Affairs and First Hawaiian Bank testified in support of this bill. Retail Merchants of Hawaii, Gyotaku Japanese Restaurants, and a concerned individual opposed this measure.

Concerns were raised regarding the potential difficulties this bill may pose for smaller retailers who may struggle with the costs of providing cash back even on amounts less than \$5 per gift card. Your Committee also received testimony noting the purchase of gift cards that have a starting value of \$5 or less.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision requiring retailers to pay out in cash the balance of any gift certificate worth less than \$5, if requested by the customer;



- (2) Clarifying the gift certificate law by adding to the list of gift certificates and cards that are exempt from that law; and
- (3) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2591, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



