
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. A certificate issuer shall not charge a service
7 fee, including but not limited to a service fee for dormancy or
8 inactivity. Any activation or issuance fee charged shall not
9 exceed the lesser of ten per cent of the face value of the
10 certificate or \$5.

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 five years after the date of
17 issuance; provided that the expiration date of certificates



1 issued only in paper form shall be not less than two years after
2 the date of issuance. If the gift certificate does not have an
3 expiration date, it shall be valid in perpetuity.

4 (c) For any gift certificate with a remaining balance less
5 than \$5, the certificate issuer shall redeem the remaining value
6 of the gift certificate for cash.

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

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

17 [~~e~~] (f) 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. "Gift certificate" or
11 "certificate" does not include a card, certificate, or other
12 medium that is:

- 13 (1) Used solely for telephone services;
- 14 (2) Reloadable and not marketed or labeled as a gift card,
15 gift certificate, or certificate;
- 16 (3) A loyalty, award, or promotional gift card;
- 17 (4) Not marketed to the general public; or
- 18 (5) Redeemable solely for admission to events or venues at
19 a particular location or group of affiliated
20 locations, which may also include services or goods
21 obtainable:



- 1 (A) At the event or venue after admission; or
- 2 (B) In conjunction with admission to such events or
- 3 venues, at specific locations affiliated with and
- 4 in geographic proximity to the event or venue.

5 "Service fee" means a periodic fee, charge, or penalty for
6 holding or use of a gift certificate, but does not include a
7 one-time initial activation or issuance fee."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on January 1, 2020.



Report Title:

Gift Certificates; Cash Redemption

Description:

Requires a certificate issuer to redeem the remaining value of a gift certificate for cash if the gift certificate has a balance of less than \$5. Takes effect 1/1/2020. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

