
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]~~:

7 (1) Shall honor the certificate for a period of at least
8 two years from the date of issuance~~[.—A certificate~~
9 ~~issuer shall not charge a service fee, including but~~
10 ~~not limited to a]~~;

11 (2) May charge an issuance fee of not more than \$2 for
12 each certificate upon purchase if the following
13 conditions are met:

14 (A) There is conspicuous disclosure of the issuance
15 fee prior to the purchase;

16 (B) The issuance fee is not deducted from the initial
17 balance of the certificate; and



1 (C) The certificate or card, or a sticker affixed to
2 the certificate or card shall contain the
3 following notice in no less than ten point font:
4 "Hawaii state law allows the issuer to assess a
5 fee of no more than \$2. If you are assessed a
6 greater fee, the issuer is covered under federal
7 laws that permit the issuer to charge more than
8 \$2. If you believe that you have been deceived,
9 you may file a complaint with the office of
10 consumer protection, located within the
11 department of commerce and consumer affairs"; and

12 (3) Shall not charge a back-end service fee for dormancy,
13 maintenance, or inactivity[-]; provided that the
14 issuer may charge a fee of not more than \$2 for
15 replacement of a certificate.

16 (b) The date of issuance and the expiration date shall be
17 clearly identified on the face of the gift certificate, or, if
18 an electronic card with a banked dollar value, clearly printed
19 upon a sales receipt transferred to the purchaser of the
20 electronic card upon the completed transaction. The expiration
21 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) Any violation of this section shall constitute an unfair
11 and deceptive act or practice in the conduct of trade or
12 commerce within the meaning of section 480-2.

13 (e) As used in this section, unless the context requires
14 otherwise:

15 "Certificate issuer" or "issuer" means a restaurant or a
16 person engaged in the business of offering services or goods for
17 sale at retail who sells gift certificates to customers[-], or
18 any entity that issues electronic cards with a banked dollar
19 value.

20 "Gift certificate" or "certificate" includes any electronic
21 card with a banked dollar value where the issuer has received
22 payment for the full banked dollar value for the future purchase



1 or delivery of goods or services, any certificate where the
2 issuer has received payment for the full face value of the
3 certificate for future purchases or delivery of goods or
4 services, and any other medium that evidences the giving of
5 consideration in exchange for the right to redeem the
6 certificate, electronic card, or other medium for goods, food,
7 or services of at least an equal value. "Gift certificate" or
8 "certificate" does not include an electronic card, code,
9 computer, or electronic access device, including a prepaid debit
10 card, payroll card, insurance claim card, and electronic
11 travelers check, which is used to withdraw or transfer funds
12 from a deposit, and that is not primarily intended for use as a
13 gift to another person."

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 on July 1, 2000.



Report Title:

Trade Regulation and Practice; Gift Certificates

Description:

Prohibits a gift certificate issuer from charging back-end service fees for dormancy, maintenance, or inactivity.

Prohibits issuance fees greater than \$2 upon purchase of a certificate. Requires disclosure of service fees. (SD1)

