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## 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 service fees, including but not limited to dormancy or  
13 inactivity fees, and replacement fees; and

14 (2) The timing and amount of any initial issuance fees,  
15 back-end service 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:





**Report Title:**

Trade Regulation and Practice; Gift Certificates

**Description:**

Prohibits a gift certificate issuer from charging service fees for dormancy or inactivity within 6 months after date of issuance of the certificate. Requires disclosure of fees on electronic card or certificate.

