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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~~]:

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) Shall not charge an issuance fee for a certificate  
12 upon purchase; and

13 (3) Shall not charge a back-end service fee for dormancy  
14 or inactivity~~[.]~~ during the first twenty-four months  
15 after the date of issuance of the 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



1 upon a sales receipt transferred to the purchaser of the  
2 electronic card upon the completed transaction. The expiration  
3 date shall be not less than two years after the date of  
4 issuance. If the gift certificate does not have an expiration  
5 date, it shall be valid in perpetuity.

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

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

14 (1) The existence of any back-end service fees, including  
15 but not limited to dormancy or inactivity fees, and  
16 replacement fees; and

17 (2) The timing and amount of any back-end service fees,  
18 including but not limited to dormancy or inactivity  
19 fees, and replacement fees.

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



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

3            "Certificate issuer" or "issuer" means a restaurant or a  
4 person engaged in the business of offering services or goods for  
5 sale at retail who sells gift certificates to customers~~[+]~~, or  
6 any entity that issues electronic cards with a banked dollar  
7 value.

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

18            SECTION 2. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20            SECTION 3. This Act shall take effect on July 1, 2034.



**Report Title:**

Trade Regulation and Practice; Gift Certificates

**Description:**

Prohibits a gift certificate issuer from charging back-end service fees for dormancy or inactivity within 24 months after date of issuance of the certificate. Prohibits issuance fees charged upon purchase of a certificate. Requires disclosure of back-end service fees. (HB936 HD2)

