STAND. COM. REP. NO. 3267

Honolulu, Hawaii

MAR 3 1 2008

RE: H.B. No. 2591

H.D. 1 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

## Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 2591, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to provide further clarity in the law relating to gift certificates or gift cards by excluding certain types of stored value cards that are not viewed as gift cards.

Testimony in support of this measure was submitted by First Hawaiian Bank, the Retail Merchants of Hawaii, and one private individual. Testimony in opposition to this measure was submitted the Department of Commerce and Consumer Affairs.

Section 481B-13, Hawaii Revised Statutes, prohibits merchants from charging fees for the issuance and maintenance of all gift cards. This law was enacted in large part due to concerns that consumers were being saddled with issuance and dormancy fees during their use of gift cards. Your Committee finds that the current definition for gift card is broad enough to allow it to cover other forms of stored value cards that are not truly gift cards. Amending section 481B-13, Hawaii Revised Statutes, by allowing exclusions for rebate cards, debit cards, payroll cards, prepaid calling cards, insurance claim cards, government benefit cards, transportation cards, and meal cards will provide further

clarity in the applicability of the gift certificate law and narrow the definition for gift cards.

Your Committee has amended this measure by:

- (1) Changing its effective date from July 1, 2050 to effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

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

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Affordable Housing,

RUSSELL S. KOKUBUN, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Commerce, Consumer Protection and Affordable Housing CPH

HB 2591 HDI	Committee Referral:			Date: MARCH 25, 2008	
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	and the second of the second o	$\sqrt{\lambda}$			
IGE, David Y. (VC)		<b>-</b>			
ESPERO, Will					✓
IHARA, Jr., Les					
SAKAMOTO, Norman		<u>√</u>			
TANIGUCHI, BRIAN T.		7			
TRIMBLE, Gordon		<b>√</b>			
					AN
TOTAL	Processor and Pr	4			9
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

\*Only one measure per Record of Votes