STAND. COM. REP. NO. 942

Honolulu, Hawaii

Moreh 2, 2007

RE: H.B. No. 936 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 936, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to expand the availability and selection of gift certificates in the marketplace while protecting consumers against deceptive service fees by:

- (1) Allowing certificate issuers to charge service fees, except for back-end service fees for dormancy or inactivity during the first 24 months after the certificate or card was issued; and
- (2) Requiring certificate issuers to disclose the existence, timing, and amount of any initial issuance fees, backend service fees, and replacement fees.

VISA U.S.A., Inc., and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Food Industry Association, and Retail Merchants of Hawaii opposed this measure.

Your Committee has amended this measure by:

- (1) Prohibiting certificate issuers from charging an issuance fee for a certificate upon purchase; and
- (2) Amending the definitions of "certificate issuer" and "issuer" to clarify that the terms include entities that issue electronic cards with a banked dollar value.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 936, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROBERT N. HERKES, Chair



## State of Hawaii House of Representatives The Twenty-fourth Legislature

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.:	Date:			Date:			
нв 936, но 1	February 28, 2007						
Committee Referral: EDB, CPC	☐ The committee is reconsidering its previous decision on the measure.						
The recommendation is to:  Pass, unamended	Pass, with amendments						
☐ Hold	<ul> <li>Pass, with amendments, for recommittal for further consideration</li> </ul>						
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. HERKES, Robert N. (C)							
2. McKELVEY, Angus L.K. (VC)							
3. CALDWELL, Kirk							
4. EVANS, Cindy							
5. GREEN, Josh, M.D.							
6. ITO, Ken							
7. LUKE, Sylvia							
8. MORITA, Hermina M.							
9. SONSON, Alex M.							
10. SOUKI, Joseph M.							
11. TSUJI, Clift							
12. YAMANE, Ryan I.							
13. YAMASHITA, Kyle T.							
14. MARUMOTO, Barbara C.			0				
15. THIELEN, Cynthia							
TOTAL	9	2	1	3			
The recommendation is:							
☐ Not Adopted							
If joint referral, did not support recommendation.							
committee acronym(s)							
Vice Chair's or designee's signature:							
16ix10 Couldness							
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