STAND. COM. REP. NO. 2391

Honolulu, Hawaii

FEB 19 2026

RE: S.B. No. 2797
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2797 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Establish a gift card fraud law, under the scope of the unfair and deceptive practices law, which requires merchants and third-party gift card resellers to take certain steps to prevent gift card scams;

(2) Require the Office of Consumer Protection to create model notices and issue certain guidelines;

(3) Require the conspicuous provision of information regarding terms and conditions of gift certificates, regardless of whether the cards are sold in person, electronically, or telephonically; and

(4) Extend the minimum redemption period for paper gift certificates from two to four years.

Your Committee received testimony in support of this measure from AARP Hawai'i and the Hawai'i Restaurant Association.

Your Committee received testimony in opposition to this measure from Retail Merchants of Hawaii.

Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that gift card fraud has been increasing in the State and can result in significant financial losses for residents. This measure would make information about gift card fraud more widely available and require merchants to take certain steps to safeguard the integrity of gift cards sold in stores and online to help protect consumers from fraudulent behavior.

Your Committee acknowledges the concerns raised in testimony by the Department of Commerce and Consumer Affairs' Office of Consumer Protection that criminal law enforcement must be empowered to comprehensively address gift card fraud. Accordingly, your Committee has amended this measure by:

(1) Inserting language that clarifies that fraudulent use of a gift card is a criminal offense and establishes certain penalties;

(2) Inserting language that clarifies that disclosures in relation to fees shall be those authorized by law;

(3) Inserting language that clarifies that any waiver or attempted waiver of the protections under this section is void;

(4) Amending section 1 to reflect its amended purpose;

(5) Inserting an effective date of July 1, 2050, to encourage further discussion; and

(6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2797, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 2797, S.D. 1, and be referred to your Committee on Judiciary.

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

Consumer Protection,

JARRETT KEOHOKALOLE, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2797	CPN, JDC	2/11/26

☐ The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			✓
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
TOTAL	4	0	0	1

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature:
Carol Fukunaga

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26