

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,



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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.:* <b>SB 2797</b>	Committee Referral: <b>CPN, JDC</b>	Date: <b>2/11/26</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	<i>was out</i>			✓
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Carol Fukunaga</i>				
Distribution:            Original    Yellow    Pink File with Committee Report    Committee    Drafting Agency				

\*Only one measure per Record of Votes