
HOUSE BILL 1727

State of Washington

66th Legislature

2019 Regular Session

By Representatives Walen and Ormsby

Read first time 01/29/19. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to gift cards; amending RCW 19.240.010 and
2 19.240.020; repealing RCW 19.240.030, 19.240.040, 19.240.050,
3 19.240.060, and 19.240.070; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.240.010 and 2011 c 213 s 1 are each amended to
6 read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) (~~"Artistic and cultural organization" has the same meaning~~
10 ~~as in RCW 82.04.4328.~~

11 ~~(2) "Charitable organization" means an organization exempt from~~
12 ~~tax under section 501(c)(3) of the internal revenue code of 1986 (26~~
13 ~~U.S.C. Sec. 501(c)(3)).~~

14 ~~(3) "Fund-raising activity" has the same meaning as in RCW~~
15 ~~82.04.3651.~~

16 (4)) (a) "Gift card" means a record as described in subsection
17 (5) of this section in the form of a card, or a stored value card or
18 other physical medium, containing stored value primarily intended to
19 be exchanged for consumer goods and services.

1 (b) "Gift card" does not include prepaid telephone calling cards
2 or prepaid commercial mobile radio services as defined in 47 C.F.R.
3 20.3.

4 ((+5)) (2)(a) "Gift certificate" means an instrument evidencing
5 a promise by the seller or issuer of the record that consumer goods
6 or services will be provided to the bearer of the record to the value
7 or credit shown in the record and includes gift cards.

8 (b) "Gift certificate" does not include prepaid telephone calling
9 cards or prepaid commercial mobile radio services as defined in 47
10 C.F.R. 20.3.

11 ((+6)) (3) "Bearer" means a person with a right to receive
12 consumer goods and services under the terms of a gift certificate,
13 without regard to any fee, expiration date, or dormancy or inactivity
14 charge.

15 ((+7)) (4) "Issue" means to sell or otherwise provide a gift
16 certificate to any person, and includes reloading or adding value to
17 an existing gift certificate.

18 ((+8)) (5) "Stored value" has the same meaning as the term
19 "closed loop (~~stored value device~~) prepaid access" defined in RCW
20 19.230.010.

21 **Sec. 2.** RCW 19.240.020 and 2004 c 168 s 3 are each amended to
22 read as follows:

23 (1) (~~Except as provided in RCW 19.240.030 through 19.240.070,~~)
24 It is unlawful for any person or entity to issue, or to enforce
25 against a bearer, a gift certificate that contains:

- 26 (a) An expiration date;
27 (b) Any fee, including a service fee; or
28 (c) A dormancy or inactivity charge.

29 (2) If a gift certificate is issued with the sale of tangible
30 personal property or services, the gift certificate is subject to
31 subsection (1) of this section.

32 (3) If a purchase is made with a gift certificate for an amount
33 that is less than the value of the gift certificate, the issuer must
34 make the remaining value available to the bearer in cash or as a gift
35 certificate at the option of the issuer. If after the purchase the
36 remaining value of the gift certificate is less than five dollars,
37 the gift certificate must be redeemable in cash for its remaining
38 value on demand of the bearer. A gift certificate is valid until
39 redeemed or replaced.

1 (4) This section does not require, unless otherwise required by
2 law, the issuer of a gift certificate to replace a lost or stolen
3 gift certificate.

4 NEW SECTION. **Sec. 3.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 19.240.030 (Expiration date allowed, when) and 2004 c 168
7 s 4;

8 (2) RCW 19.240.040 (Dormancy or inactivity charge allowed, when)
9 and 2004 c 168 s 5;

10 (3) RCW 19.240.050 (Expiration date allowed—Donation to
11 charitable organization) and 2004 c 168 s 6;

12 (4) RCW 19.240.060 (Expiration date—Artistic and cultural
13 organizations) and 2004 c 168 s 7; and

14 (5) RCW 19.240.070 (Format of statement or expiration date) and
15 2004 c 168 s 8.

16 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2020.

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