
SENATE BILL 5987

State of Washington

68th Legislature

2024 Regular Session

By Senators Trudeau, Dhingra, Conway, Frame, Hasegawa, Keiser, Kuderer, Lias, Nguyen, Nobles, Pedersen, Saldaña, Stanford, Valdez, C. Wilson, and J. Wilson

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1 AN ACT Relating to improving consumer protection on gift
2 certificates; amending RCW 19.240.005 and 19.240.020; and providing
3 an effective date.

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

5 **Sec. 1.** RCW 19.240.005 and 2004 c 168 s 1 are each amended to
6 read as follows:

7 It is the intent of the legislature to (~~relieve businesses from~~
8 ~~the obligation of reporting gift certificates as unclaimed property.~~
9 ~~In order to~~) protect consumers(~~(, the legislature intends to~~
10 ~~prohibit~~) by prohibiting acts and practices of retailers that
11 deprive consumers of the full value of gift certificates, such as
12 expiration dates, service fees, and dormancy and inactivity charges,
13 on gift certificates.

14 The legislature also intends to protect consumers by requiring
15 companies to combine gift certificates with other forms of payment to
16 make purchases and increasing the dollar threshold for gift
17 certificate balances below which companies must provide cash in
18 exchange for consumers' gift certificate balances.

19 The legislature does not intend that chapter 168, Laws of 2004 be
20 construed to apply to cards or other payment instruments issued for
21 payment of wages or other intangible property. To that end, the

1 legislature intends that chapter 168, Laws of 2004 should be
2 liberally construed to benefit consumers and that any ambiguities
3 should be resolved by applying the (~~revised~~) revised uniform
4 unclaimed property act to the intangible property in question.

5 **Sec. 2.** RCW 19.240.020 and 2019 c 376 s 2 are each amended to
6 read as follows:

7 (1) Except as provided in RCW 19.240.030, it is unlawful for any
8 person or entity to issue, or to enforce against a bearer, a gift
9 certificate that contains:

- 10 (a) An expiration date;
11 (b) Any fee, including a service fee; or
12 (c) A dormancy or inactivity charge.

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

16 (3) If a purchase is made with a gift certificate for an amount
17 that is less than the value of the gift certificate, the issuer must
18 make the remaining value available to the bearer in cash or as a gift
19 certificate at the option of the issuer. If after the purchase the
20 remaining value of the gift certificate is less than (~~five dollars~~)
21 \$50, the gift certificate must be redeemable in cash for its
22 remaining value on demand of the bearer. A gift certificate is valid
23 until redeemed or replaced.

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

27 (5) If a gift certificate is reloadable, the bearer must be able
28 to reload the gift certificate in any dollar amount they choose
29 subject to a maximum amount set by the issuer.

30 (6) If a gift certificate balance is lower than the cost of a
31 purchase, the issuer must allow the bearer to combine the gift card
32 with other forms of payment to make the purchase.

33 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2024, and
34 applies to gift certificates issued or reloaded with funds on or
35 after the effective date of this section.

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