

HB 1727 - S COMM AMD

By Committee on Financial Institutions, Economic Development & Trade

ADOPTED 04/11/2019

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 19.240.010 and 2011 c 213 s 1 are each amended to
4 read as follows:

5 The definitions in this section apply throughout this chapter
6 unless the context clearly requires otherwise.

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

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

12 ~~(3) "Fund-raising activity" has the same meaning as in RCW~~
13 ~~82.04.3651.~~

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

18 (b) "Gift card" does not include prepaid telephone calling cards
19 or prepaid commercial mobile radio services as defined in 47 C.F.R.
20 20.3.

21 ~~((5))~~ (2)(a) "Gift certificate" means an instrument evidencing
22 a promise by the seller or issuer of the record that consumer goods
23 or services will be provided to the bearer of the record to the value
24 or credit shown in the record and includes gift cards.

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

28 ~~((6))~~ (3) "Bearer" means a person with a right to receive
29 consumer goods and services under the terms of a gift certificate,
30 without regard to any fee, expiration date, or dormancy or inactivity
31 charge.

1 (~~(7)~~) (4) "Issue" means to sell or otherwise provide a gift
2 certificate to any person, and includes reloading or adding value to
3 an existing gift certificate.

4 (~~(8)~~) (5) "Stored value" has the same meaning as the term
5 "closed loop (~~stored value device~~) prepaid access" defined in RCW
6 19.230.010.

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

9 (1) Except as provided in RCW 19.240.030 (~~through 19.240.070~~),
10 it is unlawful for any person or entity to issue, or to enforce
11 against a bearer, a gift certificate that contains:

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

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

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

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

29 **Sec. 3.** RCW 19.240.030 and 2004 c 168 s 4 are each amended to
30 read as follows:

31 (1) It is lawful to issue, and to enforce against the bearer, a
32 gift certificate containing an expiration date if:

33 (a) The gift certificate is issued pursuant to an awards or
34 loyalty program (~~or in other instances where no money or other thing~~
35 ~~of value is given in exchange~~) for the gift certificate.

36 (b) The gift certificate is donated to a charitable organization
37 without any money or other thing of value being given in exchange for

1 the gift certificate if the gift certificate is used by a charitable
2 organization solely to provide charitable services.

3 (2) The expiration date must be disclosed clearly and legibly on
4 any gift certificate described in subsection (1) of this section.

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

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

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

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

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

15 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2020."

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16 On page 1, line of the title, after "cards;" strike the remainder
17 of the title and insert "amending RCW 19.240.010, 19.240.020, and
18 19.240,030; repealing RCW 19.240.040, 19.240.050, 19.240.060, and
19 19.240.070; and providing an effective date."

EFFECT: Retains section of law concerning circumstances under
which expiration dates are allowed. The section is amended to remove
language that allows expiration dates in instances where no money or
other thing of value is given in exchange.

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