

# FINAL BILL REPORT

## HB 1727

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C 376 L 19  
Synopsis as Enacted

**Brief Description:** Concerning gift cards.

**Sponsors:** Representatives Walen and Ormsby.

**House Committee on Consumer Protection & Business**  
**Senate Committee on Financial Institutions, Economic Development & Trade**

### **Background:**

#### Gift Certificates and Gift Cards.

In general, it is unlawful for any person to issue a gift certificate that contains an expiration date or fee, including gift certificates that are issued along with a retail sale. Expiration dates are allowed if the gift certificate is issued pursuant to an awards or loyalty program, the gift certificate is donated to a charitable organization, or when the expiration date is clearly disclosed. If there is a balance on a gift certificate, then that balance must be made available as cash or gift certificate at the option of the retailer.

Gift cards may contain inactivity fees under certain circumstances. A fee is allowed if several conditions are met: a statement is printed in at least 6-point font with the amount of fee, frequency, and an explanation that the fee is triggered by inactivity; the statement is visible prior to purchase; the remaining value on the card is \$5 or less; the fee does not exceed \$1 per month; there has been no activity for 24-consecutive months; and the holder is allowed to reload the card. After a dormancy or inactivity charge is assessed, the remaining balance is redeemable in cash on demand.

A "gift certificate" is defined as an instrument evidencing a promise by the seller that consumer goods or services will be provided to the bearer of the record to the value or credit shown in the record. A "gift card" is a gift certificate in the form of a card, or a stored value card or other physical medium, containing stored value primarily intended to be exchanged for consumer goods and services.

### **Summary:**

Gift certificates and gift cards may not charge dormancy or inactivity fees.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Expiration dates are not allowed for any gift cards or gift certificates, except for:

- those issued pursuant to an awards or loyalty program; and
- gift certificates donated to a charitable organization without any money or other thing of value given in exchange.

Gift certificates with an allowable expiration date must clearly and legibly disclose the expiration date on the gift certificate.

**Votes on Final Passage:**

|        |    |   |                   |
|--------|----|---|-------------------|
| House  | 98 | 0 |                   |
| Senate | 44 | 2 | (Senate amended)  |
| House  | 94 | 0 | (House concurred) |

**Effective:** July 1, 2019