H-2240.3

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**HOUSE BILL 2094**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Alvarado, Berry, Ryu, Senn, Reed, Gregerson, Ormsby, Ramel, Macri, Street, Chopp, Mena, Goodman, Doglio, Cortes, Pollet, and Kloba

AN ACT Relating to improving consumer protection on gift certificates; amending RCW 19.240.005, 19.240.010, and 19.240.020; and providing an effective date.

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

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

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

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

The legislature does not intend that chapter 168, Laws of 2004 be construed to apply to cards or other payment instruments issued for payment of wages or other intangible property. To that end, the legislature intends that chapter 168, Laws of 2004 should be liberally construed to benefit consumers and that any ambiguities should be resolved by applying the ((~~[revised]~~)) revised uniform unclaimed property act to the intangible property in question.

**Sec.**  RCW 19.240.010 and 2019 c 376 s 1 are each amended to read as follows:

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

(1)(a) "Gift card" means a record as described in subsection ((~~(5)[(2)]~~)) (2) of this section in the form of a card, or a stored value card or other physical or electronic medium including an internet-based application, containing stored value primarily intended to be exchanged for consumer goods and services. A gift card that stores loyalty points or allows customers to earn loyalty points is still a gift card.

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

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

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

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

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

(5) "Stored value" has the same meaning as the term "closed loop prepaid access" defined in RCW 19.230.010.

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

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

(a) An expiration date;

(b) Any fee, including a service fee; or

(c) A dormancy or inactivity charge.

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

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

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

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

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

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

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