

SENATE BILL REPORT

SB 5987

As of January 12, 2024

Title: An act relating to improving consumer protection on gift certificates.

Brief Description: Improving consumer protection on gift certificates.

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

Brief History:

Committee Activity: Business, Financial Services, Gaming & Trade: 1/16/24.

Brief Summary of Bill

- Increases the threshold for returning the remaining value of a gift certificate that can be returned to the bearer in cash after the gift card is used from \$5 to \$50.
- Directs the issuer of a gift certificate to allow the bearer to combine the value stored on a gift certificate with another form of payment to complete a purchase.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Staff: Clint McCarthy (786-7319)

Background: A gift certificate is defined to mean a record evidencing a promise by a seller to provide goods or services for the value of the record. The definition of a gift certificates includes gift cards. In 2004, the Legislature established consumer protections in statute for holders of gift certificates. Among those protections included allowing the bearer of a gift card with a remaining balance of less than \$5 to receive that amount in cash.

Sellers of gift certificates are not required to allow the bearer of a gift certificate to combine

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

the value stored on the that gift certificate with another form of payment to complete a purchase.

Summary of Bill: Language stating that the intent of the Legislature to relieve businesses from the obligation of reporting gift certificates as unclaimed property in order to protect consumers is removed, and replaced with language revises the intent language to declare its intent to prohibit acts and practices of retailers that deprive consumers of the full value of gift certificates. The intent of the chapter is expanded to include language declaring the Legislature will protect consumers by requiring companies to combine gift certificates with other forms of payment to make purchases and increase the dollar threshold for gift certificates below which companies must provide cash in exchange for the remaining balance.

The threshold for returning the remaining value of a gift certificate in cash after using the gift card is increased from \$5 to \$50. The bearer of a gift certificate must be able to reload the gift certificate with a maximum amount set by the issuer in any dollar amount they choose if the gift certificate is reloadable. Issuers are required to allow gift certificates to be used in conjunction with another form of payment if the value of the gift certificate is less than the total cost of purchase.

The change in statute is applicable only to gift certificates purchased after July 1, 2024.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on July 1, 2024,