
HOUSE BILL 2094

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

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1 AN ACT Relating to improving consumer protection on gift
2 certificates; amending RCW 19.240.005, 19.240.010, and 19.240.020;
3 and providing 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 19.240.010 and 2019 c 376 s 1 are each amended to
6 read as follows:

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

9 (1) (a) "Gift card" means a record as described in subsection
10 (~~(5)~~) (2) of this section in the form of a card, or a stored
11 value card or other physical or electronic medium including an
12 internet-based application, containing stored value primarily
13 intended to be exchanged for consumer goods and services. A gift card
14 that stores loyalty points or allows customers to earn loyalty points
15 is still a gift card.

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

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

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

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

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

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

34 **Sec. 3.** RCW 19.240.020 and 2019 c 376 s 2 are each amended to
35 read as follows:

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

- 1 (a) An expiration date;
- 2 (b) Any fee, including a service fee; or
- 3 (c) A dormancy or inactivity charge.

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

7 (3) If a purchase is made with a gift certificate for an amount
8 that is less than the value of the gift certificate, the issuer must
9 make the remaining value available to the bearer in cash or as a gift
10 certificate at the option of the issuer. If after the purchase the
11 remaining value of the gift certificate is less than (~~five dollars~~)
12 \$50, the gift certificate must be redeemable in cash for its
13 remaining value on demand of the bearer. A gift certificate is valid
14 until redeemed or replaced.

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

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

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

24 NEW SECTION. **Sec. 4.** This act takes effect July 1, 2024, and
25 applies to gift certificates issued or reloaded with funds on or
26 after the effective date of this section.

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