

SENATE BILL REPORT

SB 6482

As of January 28, 2004

Title: An act relating to gift certificates.

Brief Description: Regulating gift certificates.

Sponsors: Senators Jacobsen and Winsley.

Brief History:

Committee Activity: Financial Services, Insurance & Housing: 2/2/04.

SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

Staff: Joanne Conrad (786-7472)

Background: Consumer gift cards, gift certificates and stored value cards are increasingly popular with consumers and merchants. However, some consumers report that, when they go to use some cards, they learn that they have expired or that there is a "hidden fee." The merchant retains the purchase price of the card, and the consumer gets nothing in return, or gets less than the purchase price or face amount of the card.

Summary of Bill: Gift certificates, including gift cards and stored value cards, cannot have an expiration date, or any fee, service charge or inactivity charge. If a gift certificate is used, and there is unused value left, the issuer must make the remaining amount available to the consumer, in cash or gift certificate. If less than \$5 is left, the remaining value must be redeemable in cash.

A gift certificate may have an expiration date, if it shows the date in large capital letters on the front and if it is part of a promotional program, without money being given in exchange, or if it is part of a charitable fundraiser or issued for a "food product."

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.