

STAND. COM. REP. NO. **3267**

Honolulu, Hawaii

MAR 31 2008

RE: H.B. No. 2591
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 2591, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GIFT CERTIFICATES,"

begs leave to report as follows:

The purpose of this measure is to provide further clarity in the law relating to gift certificates or gift cards by excluding certain types of stored value cards that are not viewed as gift cards.

Testimony in support of this measure was submitted by First Hawaiian Bank, the Retail Merchants of Hawaii, and one private individual. Testimony in opposition to this measure was submitted the Department of Commerce and Consumer Affairs.

Section 481B-13, Hawaii Revised Statutes, prohibits merchants from charging fees for the issuance and maintenance of all gift cards. This law was enacted in large part due to concerns that consumers were being saddled with issuance and dormancy fees during their use of gift cards. Your Committee finds that the current definition for gift card is broad enough to allow it to cover other forms of stored value cards that are not truly gift cards. Amending section 481B-13, Hawaii Revised Statutes, by allowing exclusions for rebate cards, debit cards, payroll cards, prepaid calling cards, insurance claim cards, government benefit cards, transportation cards, and meal cards will provide further

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clarity in the applicability of the gift certificate law and narrow the definition for gift cards.

Your Committee has amended this measure by:

- (1) Changing its effective date from July 1, 2050 to effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2591, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2591, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair



