

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1727

Chapter 376, Laws of 2019

66th Legislature
2019 Regular Session

GIFT CARDS AND CERTIFICATES--EXPIRATION DATES AND DORMANCY CHARGES

EFFECTIVE DATE: July 1, 2020

Passed by the House April 18, 2019
Yeas 94 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 11, 2019
Yeas 44 Nays 2

CYRUS HABIB

President of the Senate

Approved May 13, 2019 4:03 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1727** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 16, 2019

**Secretary of State
State of Washington**

HOUSE BILL 1727

AS AMENDED BY THE SENATE

Passed Legislature - 2019 Regular Session

State of Washington 66th Legislature 2019 Regular Session

By Representatives Walen and Ormsby

Read first time 01/29/19. Referred to Committee on Consumer
Protection & Business.

1 AN ACT Relating to gift cards; amending RCW 19.240.010,
2 19.240.020, and 19.240,030; repealing RCW 19.240.040, 19.240.050,
3 19.240.060, and 19.240.070; and providing an effective date.

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

5 **Sec. 1.** RCW 19.240.010 and 2011 c 213 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) (~~"Artistic and cultural organization" has the same meaning~~
10 ~~as in RCW 82.04.4328.~~

11 ~~(2) "Charitable organization" means an organization exempt from~~
12 ~~tax under section 501(c)(3) of the internal revenue code of 1986 (26~~
13 ~~U.S.C. Sec. 501(c)(3)).~~

14 ~~(3) "Fund-raising activity" has the same meaning as in RCW~~
15 ~~82.04.3651.~~

16 (4)) (a) "Gift card" means a record as described in subsection
17 (5) of this section in the form of a card, or a stored value card or
18 other physical medium, containing stored value primarily intended to
19 be exchanged for consumer goods and services.

1 (b) "Gift card" does not include prepaid telephone calling cards
2 or prepaid commercial mobile radio services as defined in 47 C.F.R.
3 20.3.

4 ((+5)) (2)(a) "Gift certificate" means an instrument evidencing
5 a promise by the seller or issuer of the record that consumer goods
6 or services will be provided to the bearer of the record to the value
7 or credit shown in the record and includes gift cards.

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

11 ((+6)) (3) "Bearer" means a person with a right to receive
12 consumer goods and services under the terms of a gift certificate,
13 without regard to any fee, expiration date, or dormancy or inactivity
14 charge.

15 ((+7)) (4) "Issue" means to sell or otherwise provide a gift
16 certificate to any person, and includes reloading or adding value to
17 an existing gift certificate.

18 ((+8)) (5) "Stored value" has the same meaning as the term
19 "closed loop (~~stored value device~~)" prepaid access" defined in RCW
20 19.230.010.

21 **Sec. 2.** RCW 19.240.020 and 2004 c 168 s 3 are each amended to
22 read as follows:

23 (1) Except as provided in RCW 19.240.030 (~~through 19.240.070~~),
24 it is unlawful for any person or entity to issue, or to enforce
25 against a bearer, a gift certificate that contains:

- 26 (a) An expiration date;
27 (b) Any fee, including a service fee; or
28 (c) A dormancy or inactivity charge.

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

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

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

4 **Sec. 3.** RCW 19.240.030 and 2004 c 168 s 4 are each amended to
5 read as follows:

6 (1) It is lawful to issue, and to enforce against the bearer, a
7 gift certificate containing an expiration date if:

8 (a) The gift certificate is issued pursuant to an awards or
9 loyalty program (~~or in other instances where no money or other thing~~
10 ~~of value is given in exchange~~) for the gift certificate.

11 (b) The gift certificate is donated to a charitable organization
12 without any money or other thing of value being given in exchange for
13 the gift certificate if the gift certificate is used by a charitable
14 organization solely to provide charitable services.

15 (2) The expiration date must be disclosed clearly and legibly on
16 any gift certificate described in subsection (1) of this section.

17 NEW SECTION. **Sec. 4.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 19.240.040 (Dormancy or inactivity charge allowed, when)
20 and 2004 c 168 s 5;

21 (2) RCW 19.240.050 (Expiration date allowed—Donation to
22 charitable organization) and 2004 c 168 s 6;

23 (3) RCW 19.240.060 (Expiration date—Artistic and cultural
24 organizations) and 2004 c 168 s 7; and

25 (4) RCW 19.240.070 (Format of statement or expiration date) and
26 2004 c 168 s 8.

27 NEW SECTION. **Sec. 5.** This act takes effect July 1, 2020.

Passed by the House April 18, 2019.
Passed by the Senate April 11, 2019.
Approved by the Governor May 13, 2019.
Filed in Office of Secretary of State May 16, 2019.

--- END ---