

# ASSEMBLY, No. 3159

## STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED SEPTEMBER 13, 2010

**Sponsored by:**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**SYNOPSIS**

Exempts stored value cards usable solely for telephone services from State's escheatment processes.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT providing an exemption for stored value cards usable  
2 solely for telephone services from certain unclaimed property  
3 processes, and amending P.L.2002, c.14.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

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8 1. Section 5 of P.L.2010, c.25 (C.46:30B-42.1) is amended to  
9 read as follows:

10 5. a. A stored value card for which there has been no stored value  
11 card activity for two years is presumed abandoned.

12 b. The proceeds of a stored value card presumed abandoned  
13 shall be the value of the card, in money, on the date the stored value  
14 card is presumed abandoned.

15 c. An issuer of a stored value card shall obtain the name and  
16 address of the purchaser or owner of each stored value card issued  
17 or sold and shall, at a minimum, maintain a record of the zip code  
18 of the owner or purchaser.

19 If the issuer of a stored value card does not have the name and  
20 address of the purchaser or owner of the stored value card, the  
21 address of the owner or purchaser of the stored value card shall  
22 assume the address of the place where the stored value card was  
23 purchased or issued and shall be reported to New Jersey if the place  
24 of business where the stored value card was sold or issued is located  
25 in New Jersey.

26 d. Nothing in this section shall be construed to prevent an  
27 issuer from honoring a stored value card, the unredeemed value of  
28 which has been reported to the State Treasurer pursuant to  
29 R.S.46:30B-1 et seq., and thereafter seeking reimbursement from  
30 the State Treasurer pursuant to R.S.46:30B-62.

31 e. This section **[does]** shall not apply to:

32 (1) a stored value card that is distributed by the issuer to a person  
33 under a promotional or customer loyalty program or a charitable  
34 program for which no monetary or other consideration has been  
35 tendered by the owner **[and this section does not apply to]** ;

36 (2) a stored value card issued by any issuer that in the past year  
37 sold stored value cards with a face value of \$250,000 or less. For  
38 purposes of this subsection, sales of stored value cards by  
39 businesses that operate **[either (1)]** under the same trade name as,  
40 or under common ownership or control with, another business or  
41 businesses in the State**[,]**; or **[(2)]** as franchised outlets of a parent  
42 business, shall be considered sales by a single issuer; or

43 (3) a stored value card that is usable solely for telephone  
44 services. Stored value cards usable solely for telephone services

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 include, but are not limited to, stored value cards redeemable for  
2 long-distance telephone service, prepaid cards for wireless  
3 telephone service, and prepaid cards for other services that function  
4 similarly to telephone services .

5 f. The State Treasurer is authorized to grant an exemption from  
6 such provisions concerning stored value cards, on such terms and  
7 conditions as the State Treasurer may require, for a business or  
8 class of businesses that demonstrate good cause to the satisfaction  
9 of the State Treasurer. In exercising his discretion pursuant to this  
10 section, the State Treasurer may consider relevant factors including,  
11 but not limited to, the amount of stored value card transactions  
12 processed, the technology in place, whether or not stored value  
13 cards issued contain a microprocessor chip, magnetic strip, or other  
14 means designed to trace and capture information about place and  
15 date of purchase, and such other factors as the State Treasurer shall  
16 deem relevant.

17 g. Notwithstanding the provisions of this act or any other law  
18 to the contrary, only a stored value card which is exempt from the  
19 provisions of this act pursuant to subsection e. or f. of this section  
20 shall be deemed a gift card or gift certificate for purposes of  
21 P.L.2002, c.14 (C.56:8-110 et seq.).

22 h. As used in this section:

23 "Stored value card activity" means the purchase or issuance of  
24 the stored value card, a transaction executed by the owner that  
25 increased or decreased the value of the stored value card, or  
26 communication by the owner of the stored value card with the  
27 issuer of the stored value card concerning the value of the balance  
28 remaining on the stored value card as evidenced by a  
29 contemporaneous record prepared by or on behalf of the issuer.

30 "Issuer" means an issuer or seller of a stored value card that is a  
31 person, retailer, merchant, vendor, provider or business association  
32 with the obligations of a holder to accept the stored value card as  
33 redeemable for, solely or a combination of, merchandise, services,  
34 or cash, and to report and deliver proceeds of the stored value card  
35 if abandoned.

36 (cf: P.L.2010, c.25, s.5)

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38 2. This act shall take effect immediately.

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## STATEMENT

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43 This bill exempts stored value cards usable solely for telephone  
44 services from the State's escheatment processes. Stored value cards  
45 usable solely for telephone services include, but are not limited to,  
46 those redeemable for long-distance telephone service, wireless  
47 telephone service, and other services that function similarly to  
48 telephone services.

1 P.L.2010, c.25 added stored value cards to the State's  
2 escheatment processes which allowed the State to assume the value  
3 of unused cards after two years. Several states exempt pre-paid  
4 telephone services cards from their definition of gift card, or stored  
5 value card, and the federal Credit CARD Act of 2009 which, in  
6 part, regulates the use of stored value cards, also excludes stored  
7 value cards usable solely for telephone services.