

ASSEMBLY, No. 3330

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED OCTOBER 7, 2010

Sponsored by:

Assemblywoman NANCY F. MUNOZ

District 21 (Essex, Morris, Somerset and Union)

SYNOPSIS

Mandates that gift cards and certificates be redeemable at full value in perpetuity; places requirements on establishments accepting store gift cards.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning gift cards, gift certificates, and store gift cards
2 and amending P.L.2002, c.14.

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

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7 1. Section 1 of P.L.2002, c.14 (C.56:8-110) is amended to read
8 as follows:

9 1. a. A gift certificate or gift card sold after the effective date
10 of this amendatory act shall retain full unused value until presented
11 in exchange for merchandise, or shall have any and all conditions
12 and limitations, as permitted in paragraphs (1) through (3) of this
13 subsection, disclosed to the purchaser of the gift certificate or gift
14 card at the time of purchase as provided in subsection b. of this
15 section.

16 (1) **[In no case shall a]** A gift certificate or gift card **[expire]**
17 **[within the 24 months immediately following the date of sale]** shall
18 be redeemable at full face value in perpetuity .

19 (2) No dormancy fee shall be charged against a gift certificate or
20 a gift card within the 24 months immediately following the date of
21 sale, nor shall one be charged within the 24 months immediately
22 following the most recent activity or transaction in which the
23 certificate or card was used.

24 (3) A dormancy fee charged against a gift certificate or gift card
25 as permitted by this subsection shall not exceed \$2.00 per month.

26 b. The terms of any **[expiration date or]** dormancy fee
27 applicable to a gift certificate or gift card, as permitted by
28 subsection a. of this section, shall be disclosed to a consumer by:

29 (1) written notice of **[the expiration date or]** any dormancy fee
30 **[or both]** printed in at least 10 point font, on the gift certificate or
31 gift card, or the sales receipt for the certificate or card, or the
32 package for the certificate or card; and

33 (2) written notice, in at least 10 point font, on the gift certificate
34 or gift card, or the sales receipt for the certificate or card, or the
35 package for the certificate or card, of a telephone number which the
36 consumer may call, for information concerning any **[expiration date**
37 **or]** dormancy fee.

38 c. A retail mercantile establishment, at which a store gift card
39 is redeemable, shall:

40 (1) upon request, disclose to the consumer the remaining value
41 of a store gift card; and

42 (2) permit a transaction in an amount that is less than the
43 remaining value of a store gift card.

44 d. As used in this section:

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 "Dormancy fee" means a charge imposed against the unused
2 value of a gift card or gift certificate due to inactivity;

3 "Gift card" means a tangible device, whereon is embedded or
4 encoded in an electronic or other format a value issued in exchange
5 for payment, which promises to provide to the bearer merchandise
6 of equal value to the remaining balance of the device. "Gift card"
7 does not include a prepaid telecommunications or technology card,
8 prepaid bank card or rewards card;

9 "Gift certificate" means a written promise given in exchange for
10 payment to provide merchandise in a specified amount or of equal
11 value to the bearer of the certificate. "Gift certificate" does not
12 include a prepaid telecommunications or technology card, prepaid
13 bank card or rewards card;

14 "Merchandise" means and includes any objects, wares, goods,
15 commodities, services or anything offered, directly or indirectly, to
16 the public for sale;

17 "Prepaid bank card" means a general use, prepaid card or other
18 electronic payment device that is issued by a bank or other financial
19 institution, or a licensed money transmitter, in a pre-denominated
20 amount usable at multiple, unaffiliated merchants or at automated
21 teller machines, or both, but shall not include a card issued by a
22 retail merchant;

23 "Prepaid telecommunications or technology card" includes, but is
24 not limited to: a prepaid telephone calling card; prepaid technical
25 support card; or prepaid Internet disk distributed to or purchased by
26 a consumer; **[and]**

27 "Retail mercantile establishment" means any place of business
28 located in this State where merchandise is exposed or offered for
29 sale at retail to members of the consuming public;

30 "Rewards card" means a card or certificate distributed by the
31 issuer to a consumer pursuant to an awards, loyalty, rewards or
32 promotional program, without any money or other consideration or
33 thing of value by the consumer in exchange for the card or
34 certificate ; and

35 "Store gift card" means a gift card that is redeemable at a single
36 retail mercantile establishment or an affiliated group of retail
37 mercantile establishments that share the same name, mark or logo.

38 (cf: P.L.2005, c.254, s.1)

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40 2. This act shall take effect on the 90th day following
41 enactment.

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STATEMENT

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46 This bill provides that gift cards and gift certificates be
47 redeemable at full face value in perpetuity. The bill also creates a
48 separate category of "store gift card" which is a gift card that is

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1 redeemable at a single retail mercantile establishment or an
2 affiliated group of retail mercantile establishments that share the
3 same name, mark or logo. As to store gift cards, the bill requires a
4 retail mercantile establishment, at which a store gift card is
5 redeemable, to: (1) upon request, disclose to the consumer the
6 remaining value of the store gift card; and (2) permit a transaction
7 in an amount that is less than the remaining value of the store gift
8 card.