

[First Reprint]

**SENATE, No. 3498**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED MARCH 9, 2021

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator NIA H. GILL**

**District 34 (Essex and Passaic)**

**SYNOPSIS**

Requires gift card issuer provide certain protections to consumers.

**CURRENT VERSION OF TEXT**

As reported by the Senate Commerce Committee on June 16, 2021, with amendments.



**(Sponsorship Updated As Of: 6/30/2021)**

1 AN ACT concerning gift cards and supplementing P.L.1960, c.39  
2 (C.56:8-1 et seq.).

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. a. Every gift card issuer in this State shall:

8 (1)<sup>1</sup>~~prohibit the use or validation of a gift card worth more than~~  
9 \$100 for 48 hours following the purchase or issuance of the gift card;

10 (2)<sup>1</sup> immediately freeze <sup>1</sup>~~the~~ any remaining<sup>1</sup> funds on a gift  
11 card upon receiving a <sup>1</sup>purchaser's<sup>1</sup> report of fraud;

12 <sup>1</sup>~~[(3)]~~ (2)<sup>1</sup> provide a full refund to the purchaser after <sup>1</sup>~~48 hours~~  
13 of the purchase or issuance of the gift card <sup>1</sup>~~the conclusion of a fraud~~  
14 investigation<sup>1</sup> if fraud <sup>1</sup>~~is~~ was<sup>1</sup> reported by the purchaser within  
15 <sup>1</sup>~~48 hours~~ two weeks<sup>1</sup> of purchase or issuance of the gift card <sup>1</sup>,  
16 provided however, the gift card issuer shall conclude its investigation  
17 not more than two weeks after the date the instance of fraud was  
18 reported<sup>1</sup>;

19 <sup>1</sup>~~[(4)]~~ (3)<sup>1</sup> operate a hotline or an Internet website where a  
20 purchaser may <sup>1</sup>review the issuer's policies regarding gift card fraud  
21 and<sup>1</sup> report instances of fraud;

22 <sup>1</sup>~~[(5)]~~ (4)<sup>1</sup> at the time of purchase or issuance of a gift card,  
23 inform the purchaser of its policies regarding gift card fraud and the  
24 existence of a hotline or Internet website where the purchaser may  
25 report fraud;

26 <sup>1</sup>~~[(6)]~~ immediately freeze the funds on a gift card upon receiving a  
27 report of fraud;<sup>1</sup> and

28 <sup>1</sup>~~[(7)]~~ (5)<sup>1</sup> maintain and provide to the purchaser upon request  
29 <sup>1</sup>information including the amount of funds remaining on the gift card  
30 at the time the purchaser reports an instance of fraud and<sup>1</sup> a list of time  
31 stamped disbursements of gift card funds if any funds were used prior  
32 to the purchaser reporting an instance of fraud.

33 b. The provisions of this section shall not be construed to apply to  
34 any small business.

35 c. <sup>1</sup>~~A gift card issuer that violates the provisions of this section~~  
36 shall be subject to a civil penalty of \$1,000, which may be collected  
37 and enforced by the Director of the Division of Consumer Affairs in  
38 the Department of Law and Public Safety in a summary proceeding  
39 pursuant to the "Penalty Enforcement Law of 1999," P.L.1999, c.274  
40 (C.2A:58-10 et seq.) <sup>1</sup>~~It shall be an unlawful practice and a violation~~  
41 of P.L.1960, c.39 (C.56:8-1 et seq.) for any gift card issuer to violate  
42 the provisions of subsection a. of this section<sup>1</sup>.

43 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.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCM committee amendments adopted June 16, 2021.

1 "Gift card" <sup>1</sup>【means a tangible device, whereon is embedded or  
2 encoded in an electronic or other format a value issued in exchange for  
3 payment, which promises to provide to the bearer merchandise of  
4 equal value to the remaining balance of the device】 shall have the  
5 same meaning as provided in subsection d. of section 1 of P.L.2002,  
6 c.14 (C.56:8-110)<sup>1</sup>.

7 "Issuer" means an issuer of a gift card, redeemable for, solely or a  
8 combination of, merchandise, services, and cash, that is any person,  
9 merchant, vendor, provider, or business association, excluding any  
10 small business.

11 "Merchandise" means any objects, wares, goods, commodities,  
12 services, or anything offered, directly or indirectly, to the public for  
13 sale.

14 "Purchase or issuance" means a transaction executed by the  
15 purchaser of a gift card that increases the value of a gift card.

16 "Small business" means a business entity <sup>1</sup>【that is】 in this State  
17 which is<sup>1</sup> independently owned and operated and not dominant in its  
18 field <sup>1</sup>【, operates primarily within this State<sup>1</sup>】, and employs fewer  
19 than 100 full-time employees.

20

21 2. This act shall take effect on the first day of the fourth month  
22 after enactment.