

[First Reprint]

SENATE, No. 3498

STATE OF NEW JERSEY
219th LEGISLATURE

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)¹~~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)¹ immediately freeze ¹~~the~~ any remaining¹ funds on a gift
11 card upon receiving a purchaser's¹ report of fraud;

12 ¹~~[(3)] (2)~~¹ provide a full refund to the purchaser after ¹~~[48 hours~~
13 of the purchase or issuance of the gift card] the conclusion of a fraud
14 investigation,¹ if fraud ¹~~is~~ was¹ reported by the purchaser within
15 ¹~~[48 hours]~~ two weeks¹ of purchase or issuance of the gift card ¹,
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 reported¹;

19 ¹~~[(4)] (3)~~¹ operate a hotline or an Internet website where a
20 purchaser may review the issuer's policies regarding gift card fraud
21 and¹ report instances of fraud;

22 ¹~~[(5)] (4)~~¹ 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 ¹~~[(6)]~~ immediately freeze the funds on a gift card upon receiving a
27 report of fraud;¹ and

28 ¹~~[(7)] (5)~~¹ maintain and provide to the purchaser upon request
29 information including the amount of funds remaining on the gift card
30 at the time the purchaser reports an instance of fraud and¹ 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. ¹~~[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.)] 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 section¹.

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:

¹Senate SCM committee amendments adopted June 16, 2021.

1 "Gift card" ¹【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)¹.

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 ¹【that is】 in this State
17 which is¹ independently owned and operated and not dominant in its
18 field ¹【, operates primarily within this State¹】, 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.