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Date: (Filing No. H-)

JUDICIARY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 200, L.D. 247, Bill, “An Act To Amend the Gift Card Laws”

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 33 MRSA §1953, sub-§1, ¶G, as amended by PL 2007, c. 696, §1, is further amended to read:

~~G. A gift obligation or stored-value card, 2 years after December 31st of the year in which the obligation or the most recent transaction involving the obligation or stored-value card occurred, whichever is later, including the initial issuance and any subsequent addition of value to the obligation or stored-value card. A period of limitation may not be imposed on the owner's right to redeem the gift obligation or stored value card. The amount unclaimed is 60% of the gift obligation's or stored-value card's face value. Notwithstanding section 1956, fees or charges may not be imposed on gift obligations or stored value cards, except that the issuer may charge a transaction fee for the initial issuance and for each occurrence of adding value to an existing gift obligation or stored value card. These transaction fees must be disclosed in a separate writing prior to the initial issuance or referenced on the gift obligation or stored value card. Beginning November 1, 2008, if the gift obligation or stored value card, other than a prepaid telephone service card, a gift obligation or nonreloadable stored value card with an initial value of \$5 or less or a stored value card that is not purchased but provided as a promotion or as a refund for merchandise returned without a receipt, is redeemed in person and a balance of less than \$5 remains following redemption, at the consumer's request the merchant redeeming the gift obligation or stored value card must refund the balance in cash to the consumer. This paragraph does not apply to prefunded bank cards;~~

(1) The amount unclaimed is 60% of the gift obligation's or stored-value card's face value.

(2) A gift obligation or stored-value card sold on or after December 31, 2011 is not presumed abandoned if the gift obligation or stored-value card was sold by a

COMMITTEE AMENDMENT

1 single issuer who in the past calendar year sold no more than \$250,000 in face
2 value of gift obligations or stored-value cards. Sales of gift obligations and
3 stored-value cards are considered sales by a single issuer if the sales were by
4 businesses that operate either:

5 (a) Under common ownership or control with another business or businesses
6 in the State; or

7 (b) As franchised outlets of a parent business.

8 (3) A period of limitation may not be imposed on the owner's right to redeem the
9 gift obligation or stored-value card.

10 (4) Notwithstanding section 1956, fees or charges may not be imposed on gift
11 obligations or stored-value cards, except that the issuer may charge a transaction
12 fee for the initial issuance and for each occurrence of adding value to an existing
13 gift obligation or stored-value card. These transaction fees must be disclosed in a
14 separate writing prior to the initial issuance or referenced on the gift obligation or
15 stored-value card.

16 (5) Beginning November 1, 2008, if the gift obligation or stored-value card is
17 redeemed in person and a balance of less than \$5 remains following redemption,
18 at the consumer's request the merchant redeeming the gift obligation or
19 stored-value card must refund the balance in cash to the consumer. This
20 subparagraph does not apply to a prepaid telephone service card, a gift obligation
21 or nonreloadable stored-value card with an initial value of \$5 or less or a stored-
22 value card that is not purchased but provided as a promotion or as a refund for
23 merchandise returned without a receipt.

24 (6) This paragraph does not apply to prefunded bank cards.'

25 SUMMARY

26 This amendment replaces the bill.

27 This amendment provides that gift obligations and stored-value cards sold on or after
28 December 31, 2011 are not presumed abandoned unless a single issuer sells at least
29 \$250,000 in face value of gift obligations and stored-value cards in the previous calendar
30 year. Sales of gift obligations and stored-value cards are considered sales by a single
31 issuer if the sales were by businesses that operate either under common ownership or
32 control with another business or businesses in the State or as franchised outlets of a
33 parent business.

34 This amendment also reformats the provision on gift obligations and stored-value
35 cards to make it more readable, but makes no other changes to current law.

36 FISCAL NOTE REQUIRED

37 (See attached)