

MAINE STATE LEGISLATURE

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Date: 4/4/08

Majority

JUDICIARY

L.D. 2181
(Filing No. H-940)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST SPECIAL SESSION

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COMMITTEE AMENDMENT "A" to H.P. 1551, L.D. 2181, Bill, "An Act To Protect Consumers' Gift Card Interests"

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Amend the bill in section 1 by striking out all of paragraph G (page 1, lines 4 to 18 in L.D.) and inserting the following:

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'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.'

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SUMMARY

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This amendment exempts from the cash refund requirement prepaid cards for telephone service. Stored-value cards that are not purchased by a consumer but are provided by the merchant as a promotion or as a refund for merchandise returned without a receipt are also not subject to the cash refund requirement. Gift obligations and stored-

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 1551, L.D. 2181

- 1 value cards that cannot be reloaded that are initially worth \$5 or less, such as fast food
2 restaurant coupons, are also not subject to the cash refund requirement. The cash refund
3 requirement applies beginning November 1, 2008.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



123rd MAINE LEGISLATURE

LD 2181

LR 3431(02)

An Act To Protect Consumers' Gift Card Interests

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Judiciary

Fiscal Note Required: Yes

Fiscal Note

Undetermined current biennium revenue decrease - General Fund

Undetermined current biennium revenue decrease - Other Special Revenue Funds

Fiscal Detail and Notes

Pursuant to 33 MRSA section 1964, the Office of the State Treasurer transfers funds in excess of \$500,000 to the General Fund from the Unclaimed Property Fund at the end of each year. Requiring merchants to refund gift card balances below \$5 to consumers will reduce revenue turned over to the Unclaimed Property Fund and ultimately reduce the transfer to the General Fund. Since the Office of the Treasurer does not maintain individualized gift card account detail there is no way to determine an historical trend of how much of the gift card amounts received are related to balances below \$5. Therefore, the specific reduction in revenue from this proposed legislation can not be determined at this time.