



S.B. 33

126th General Assembly
(As Introduced)

Sens. Spada, Jacobson, Amstutz, Schuler, Mumper

BILL SUMMARY

- Prohibits any person or entity from selling to a purchaser a gift certificate containing an expiration date that is less than two years after the date it was issued.
- Specifies that any gift certificate sold after December 31, 2004, is subject to replacement with a new gift certificate at no cost to the purchaser or holder.
- Specifies that a gift certificate sold without an expiration date is valid until redeemed or replaced with a new gift certificate.
- Prohibits service charges in connection with a gift certificate and establishes a penalty for violating this prohibition.
- Exempts gift certificates that meet specified criteria from the bill's provisions.

CONTENT AND OPERATION

Continuing validity of gift certificates

The bill prohibits any person or entity from selling to a purchaser a gift certificate containing an expiration date that is less than two years after the date the gift certificate is issued. It further specifies that any gift certificate sold after December 31, 2004, is subject to replacement with a new gift certificate at no cost to the purchaser or holder. Under the bill, a gift certificate sold without an expiration date is valid until redeemed or replaced with a new gift certificate. (Sec. 1349.19(A)(1) and (B).)

Service charges

The bill prohibits a person and an entity from charging service charges or fees, including dormancy fees, latency fees, or administrative fees, in connection with a gift certificate that have the effect of reducing the total amount for which the holder of the gift certificate may redeem the gift certificate. Whoever violates this provision is liable to the holder of the gift certificate for any amount that the redemption value of the gift certificate is reduced, any court costs incurred, and reasonable attorney's fees. (Sec. 1349.19(A)(2) and (D).)

Exempted gift certificates

The bill does not, however, apply to any of the following gift certificates issued on or after January 1, 2005, provided that the expiration date appears in capital letters in at least ten-point boldface type on the front of the gift certificate:

(1) A gift certificate that is distributed by the issuer to a consumer pursuant to an awards, loyalty, or promotional program without any money or anything of value being given in exchange for the gift certificate by the consumer;

(2) A gift certificate that is sold below face value at a volume discount to employers or to nonprofit and charitable organizations for fundraising purposes, if the expiration date on that gift certificate is not more than thirty days after the date of sale;

(3) A gift certificate that is issued for a food product. (Sec. 1349.19(C).)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-26-05	p. 110

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