

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0764.01 Kristen Forrestal

SENATE BILL 10-155

SENATE SPONSORSHIP

Tochtrop,

HOUSE SPONSORSHIP

Benfield,

Senate Committees
Business, Labor and Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING LIMITATIONS ON THE ISSUANCE OF GIFT CARDS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires an issuer of a gift card to redeem the gift card for cash if the amount remaining is less than \$5 on request of the holder.

The bill prohibits an issuer of a gift card from charging any fees in connection with the issuance of the card.

The bill also makes violation of the limitations regarding gift cards a deceptive trade practice.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Part 7 of article 1 of title 6, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **6-1-722. Gift certificates - validity - exemptions - definitions.**

6 (1) (a) AS USED IN THIS SECTION, "GIFT CARD" MEANS A PREFUNDED
7 TANGIBLE OR ELECTRONIC RECORD OF A SPECIFIC MONETARY VALUE
8 EVIDENCING AN ISSUER'S AGREEMENT TO PROVIDE GOODS, SERVICES,
9 CREDIT, MONEY, OR ANYTHING OF VALUE. A "GIFT CARD" INCLUDES, BUT
10 IS NOT LIMITED TO, A TANGIBLE CARD; ELECTRONIC CARD; STORED-VALUE
11 CARD; OR CERTIFICATE OR SIMILAR INSTRUMENT, CARD, OR TANGIBLE
12 RECORD, ALL OF WHICH CONTAIN A MICROPROCESSOR CHIP, MAGNETIC
13 CHIP, OR OTHER MEANS FOR THE STORAGE OF INFORMATION AND FOR
14 WHICH THE VALUE IS DECREMENTED UPON EACH USE. A "GIFT CARD" DOES
15 NOT INCLUDE A PREFUNDED TANGIBLE OR ELECTRONIC RECORD ISSUED BY,
16 OR ON BEHALF OF, ANY GOVERNMENT AGENCY.

17 (b) THIS SECTION SHALL NOT APPLY TO GIFT CARDS ISSUED BY A
18 DEPOSITORY INSTITUTION THAT ARE USABLE WITH MULTIPLE SELLERS OF
19 GOODS OR SERVICES. THIS EXCEPTION SHALL NOT APPLY TO A GIFT CARD
20 USABLE ONLY WITH AFFILIATED SELLERS OF GOODS OR SERVICES.

21 (2) ON AND AFTER THE EFFECTIVE DATE OF THIS SECTION, THE
22 ISSUER SHALL REDEEM THE REMAINING VALUE OF A GIFT CARD FOR CASH
23 IF THE AMOUNT REMAINING IS FIVE DOLLARS OR LESS ON REQUEST OF THE
24 HOLDER.

25 (3) IT IS UNLAWFUL FOR ANY PERSON OR ENTITY TO SELL TO A
26 PURCHASER A GIFT CARD THAT CONTAINS A SERVICE FEE, A DORMANCY

1 FEE, AN INACTIVITY FEE, A MAINTENANCE FEE, OR ANY OTHER TYPE OF
2 FEE.

3 (4) A VIOLATION OF THIS SECTION SHALL BE DEEMED A DECEPTIVE
4 TRADE PRACTICE AS PROVIDED IN SECTION 6-1-105 (1) (ccc).

5 **SECTION 2.** 6-1-105 (1), Colorado Revised Statutes, is amended
6 BY THE ADDITION OF A NEW PARAGRAPH to read:

7 **6-1-105. Deceptive trade practices.** (1) A person engages in a
8 deceptive trade practice when, in the course of such person's business,
9 vocation, or occupation, such person:

10 (ccc) VIOLATES THE PROVISIONS OF SECTION 6-1-722.

11 **SECTION 3. Act subject to petition - effective date -**
12 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
13 following the expiration of the ninety-day period after final adjournment
14 of the general assembly (August 11, 2010, if adjournment sine die is on
15 May 12, 2010); except that, if a referendum petition is filed pursuant to
16 section 1 (3) of article V of the state constitution against this act or an
17 item, section, or part of this act within such period, then the act, item,
18 section, or part shall not take effect unless approved by the people at the
19 general election to be held in November 2010 and shall take effect on the
20 date of the official declaration of the vote thereon by the governor.

21 (2) The provisions of this act shall apply to gift cards issued on or
22 after the applicable effective date of this act.