

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

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

Business Affairs and Labor

Finance

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.

HOUSE
Am ended 2nd Reading
April 1, 2010

SENATE
3rd Reading Unam ended
February 26, 2010

SENATE
Am ended 2nd Reading
February 24, 2010

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; A GIFT CERTIFICATE THAT
17 IS ISSUED ONLY ON PAPER; A PREPAID TELECOMMUNICATIONS OR
18 TECHNOLOGY CARD; A CARD OR CERTIFICATE ISSUED TO A CONSUMER
19 PURSUANT TO AN AWARDS, LOYALTY, OR PROMOTIONAL PROGRAM FOR
20 WHICH NO MONEY OR OTHER ITEM OF MONETARY VALUE WAS EXCHANGED;
21 OR A CARD THAT IS DONATED OR SOLD BELOW FACE VALUE AT A VOLUME
22 DISCOUNT TO AN EMPLOYER OR CHARITABLE ORGANIZATION FOR
23 FUNDRAISING PURPOSES.

24 (b) THIS SECTION SHALL NOT APPLY TO GIFT CARDS ■ ■ THAT ARE
25 USABLE WITH MULTIPLE SELLERS OF GOODS OR SERVICES. THIS EXCEPTION
26 SHALL NOT APPLY TO A GIFT CARD USABLE ONLY WITH AFFILIATED

1 SELLERS OF GOODS OR SERVICES.

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

6 (3) IT IS UNLAWFUL FOR ANY PERSON OR ENTITY TO SELL TO A
7 PURCHASER A GIFT CARD THAT CONTAINS A SERVICE FEE, A DORMANCY
8 FEE, AN INACTIVITY FEE, A MAINTENANCE FEE, OR ANY OTHER TYPE OF
9 FEE.

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

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

14 **6-1-105. Deceptive trade practices.** (1) A person engages in a
15 deceptive trade practice when, in the course of such person's business,
16 vocation, or occupation, such person:

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

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

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