

CS FOR HOUSE BILL NO. 49(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/26/08

Referred: Rules

Sponsor(s): REPRESENTATIVES GATTO, GARDNER, SEATON AND GRUENBERG, Crawford, Gara

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to gift certificates and gift cards, and to unclaimed property; and
2 making a violation of certain gift card prohibitions an unlawful trade practice."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 34.45.240 is amended to read:

5 **Sec. 34.45.240. Gift cards [CERTIFICATES] and credit memos.** (a) A gift
6 **card** [CERTIFICATE] or a credit memo, issued in the ordinary course of an issuer's
7 business, that remains unclaimed by the owner for more than three years after
8 becoming payable or distributable is presumed abandoned.

9 (b) In the case of a gift **card** [CERTIFICATE], the amount presumed
10 abandoned is the **balance remaining on** [PRICE PAID BY THE PURCHASER FOR]
11 the gift **card** [CERTIFICATE]. In the case of a credit memo, the amount presumed
12 abandoned is the amount credited to the recipient of the memo.

13 * **Sec. 2.** AS 34.45.760(8) is amended to read:

14 (8) "gift **card** [CERTIFICATE]" **has the meaning given in**

1 **AS 45.45.940** [MEANS AN OBLIGATION OF A BUSINESS ASSOCIATION
2 ARISING FROM A TRANSACTION BETWEEN THE BUSINESS ASSOCIATION
3 AND A CONSUMER TO PROVIDE GOODS OR SERVICES AT A FUTURE
4 DATE; "GIFT CERTIFICATE" INCLUDES A GIFT CERTIFICATE, STORED
5 VALUE CARD, GIFT CARD, ON-LINE GIFT ACCOUNT, OR OTHER
6 REPRESENTATION OR EVIDENCE OF THE OBLIGATION OF A BUSINESS
7 ASSOCIATION];

8 * **Sec. 3.** AS 34.45.760(11) is amended to read:

9 (11) "intangible property"

10 (A) includes

11 (i) money, checks, drafts, warrants, deposits, interest,
12 dividends, and income;

13 (ii) credit balances, customer overpayments, gift **cards**
14 [CERTIFICATES], security deposits, refunds, credit memos, unpaid
15 wages, and unidentified remittances;

16 (iii) stocks and other intangible equity interests in
17 business associations;

18 (iv) money deposited to redeem stocks, bonds, coupons,
19 and other securities, or to make distributions;

20 (v) amounts due and payable under the terms of
21 insurance policies;

22 (vi) amounts distributable from a trust or custodial fund
23 established under a plan to provide health, welfare, pension, vacation,
24 severance, retirement, death, stock purchase, profit-sharing, employee
25 savings, supplemental unemployment insurance, or similar benefits;
26 and

27 (vii) amounts due and payable as mineral proceeds;

28 (B) does not include

29 (i) unused airline tickets;

30 (ii) shares of stock issued by a corporation organized
31 under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act) or

1 unclaimed dividends payable on the shares of stock; or

2 (iii) overpaid contributions by employers to the
3 unemployment compensation fund under AS 23.20.130;

4 * **Sec. 4.** AS 45.45 is amended by adding a new section to article 12 to read:

5 **Sec. 45.45.940. Gift cards.** (a) A person may not sell or offer to sell a gift card
6 unless the

7 (1) gift card is redeemable at full face value in perpetuity; and

8 (2) gift card's date of issuance is clearly

9 (A) identified on the face of the gift card; or

10 (B) printed, if the gift card is an electronic card with a banked
11 dollar value, on a sales receipt transferred to the buyer or another holder of the
12 electronic card or available through an Internet site or a toll-free telephone line.

13 (b) A person may not sell or offer to sell a gift card that imposes dormancy
14 fees, latency fees, administrative fees, periodic fees, service fees, or other fees that
15 have the effect of reducing the total amount for which the holder may redeem a gift
16 card.

17 (c) This section does not apply to a gift card that

18 (1) is distributed by the issuer of the gift card under an awards, loyalty,
19 or promotional program if the recipient does not give the issuer money or another
20 thing of value in exchange for the gift card;

21 (2) is donated to a nonprofit organization or a charitable organization
22 for fundraising purposes; or

23 (3) can be used to purchase goods or services from more than one
24 seller of goods or services.

25 (d) In this section,

26 (1) "device" includes an electronic card, but does not mean an access
27 number or authorization code, whether manually or electronically dialed, to make
28 calls;

29 (2) "gift card" means a device that is usable up to its face amount
30 instead of cash in exchange for goods or services, except telephone services, supplied
31 by a seller.

1 * **Sec. 5.** AS 45.50.471(b) is amended by adding a new paragraph to read:
2 (53) violating AS 45.45.940 (gift cards).