

AMENDMENT #1

OFFERED IN THE HOUSE
TO: HB 203

BY REPRESENTATIVE EASTMAN

1 Page 1, line 1, following "payments": *(title amendment)*

2 Insert "; relating to gift certificates, store gift cards, and general use prepaid
3 cards; relating to unclaimed property; and relating to unlawful trade practices"

4

5 Page 3, following line 5:

6 Insert new bill sections to read:

7 "* Sec. 3. AS 34.45.240 is amended to read:

8 **Sec. 34.45.240. Gift certificates, store gift cards, general use prepaid cards,**
9 **and credit memos.** (a) A gift certificate, store gift card, or general use prepaid
10 **card** [OR A CREDIT MEMO,] issued in the ordinary course of an issuer's business

11 **(1) does not expire;**

12 **(2) may not be subject to a dormancy fee, inactivity charge or fee,**
13 **or service fee; and**

14 **(3) is not subject to public sale under AS 34.45.360** [, THAT
15 REMAINS UNCLAIMED BY THE OWNER FOR MORE THAN THREE YEARS
16 AFTER BECOMING PAYABLE OR DISTRIBUTABLE IS PRESUMED
17 ABANDONED].

18 (b) **A credit memo issued in the ordinary course of an issuer's business**
19 **that remains unclaimed by the owner for more than three years after becoming**
20 **payable or distributable is presumed abandoned. The** [IN THE CASE OF A GIFT
21 CERTIFICATE, THE AMOUNT PRESUMED ABANDONED IS THE PRICE PAID
22 BY THE PURCHASER FOR THE GIFT CERTIFICATE. IN THE CASE OF A
23 CREDIT MEMO, THE] amount presumed abandoned is the amount credited to the

1 recipient of the memo.

2 * **Sec. 4.** AS 34.45.360(a) is amended to read:

3 (a) Except as provided in (c) and (d) of this section and AS 34.45.240(a), the
4 department, within three years after receiving abandoned property, shall sell it to the
5 highest bidder at public sale in the area of the state that the department determines to
6 be the most favorable market for the property involved. The department may decline
7 the highest bid and reoffer the property for sale if in the judgment of the department
8 the bid is insufficient. If in the judgment of the department the probable cost of sale
9 exceeds the value of the property, the department need not offer the property for sale.
10 A sale held under this section must be preceded by a single publication of notice, at
11 least three weeks in advance of sale, in a newspaper of general circulation in the
12 general area in which the property is to be sold.

13 * **Sec. 5.** AS 34.45.760(8) is amended to read:

14 (8) "gift certificate" has the meaning given in AS 45.45.940(f)
15 [MEANS AN OBLIGATION OF A BUSINESS ASSOCIATION ARISING FROM A
16 TRANSACTION BETWEEN THE BUSINESS ASSOCIATION AND A
17 CONSUMER TO PROVIDE GOODS OR SERVICES AT A FUTURE DATE; "GIFT
18 CERTIFICATE" INCLUDES A GIFT CERTIFICATE, STORED VALUE CARD,
19 GIFT CARD, ON-LINE GIFT ACCOUNT, OR OTHER REPRESENTATION OR
20 EVIDENCE OF THE OBLIGATION OF A BUSINESS ASSOCIATION];

21 * **Sec. 6.** AS 34.45.760(11) is amended to read:

22 (11) "intangible property"

23 (A) includes

24 (i) money, checks, drafts, warrants, deposits, interest,
25 dividends, and income;

26 (ii) credit balances, customer overpayments, gift
27 certificates, store gift cards, general use prepaid cards, security
28 deposits, refunds, credit memos, unpaid wages, and unidentified
29 remittances;

30 (iii) stocks and other intangible equity interests in
31 business associations;

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

3 (v) amounts due and payable under the terms of
4 insurance policies;

5 (vi) amounts distributable from a trust or custodial fund
6 established under a plan to provide health, welfare, pension, vacation,
7 severance, retirement, death, stock purchase, profit-sharing, employee
8 savings, supplemental unemployment insurance, or similar benefits;
9 and

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

11 (B) does not include

12 (i) unused airline tickets;

13 (ii) shares of stock issued by a corporation organized
14 under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act) or
15 unclaimed dividends payable on the shares of stock; or

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

18 * **Sec. 7.** AS 34.45.760 is amended by adding new paragraphs to read:

19 (20) "general use prepaid card" has the meaning given in
20 AS 45.45.940(f);

21 (21) "store gift card" has the meaning given in AS 45.45.940(f).

22 * **Sec. 8.** AS 45.45 is amended by adding a new section to read:

23 **Sec. 45.45.940. Gift certificates, store gift cards, and general use prepaid**
24 **cards.** (a) A person may not sell or issue a gift certificate, store gift card, or general
25 use prepaid card that is subject to an expiration date.

26 (b) After the purchase of a gift certificate, store gift card, or general use
27 prepaid card, a person may not impose a fee, including a fee for inactivity or
28 replacement, with respect to the certificate or card. A gift certificate, store gift card, or
29 general use prepaid card must be redeemable for the full cash value of the certificate
30 or card.

31 (c) This section does not apply to the sale or offer of a gift certificate, store

1 gift card, or general use prepaid card that is

2 (1) distributed by the issuer of the certificate or card under an awards,
3 loyalty, or promotional program;

4 (2) donated to a nonprofit organization or a charitable organization;

5 (3) a debit card that is linked to a demand deposit account or a share
6 draft account at a financial institution; in this paragraph, "financial institution" has the
7 meaning given in AS 06.05.990; or

8 (4) used solely for telephone services.

9 (e) The Department of Commerce, Community, and Economic Development
10 may adopt regulations to implement this section.

11 (f) In this section,

12 (1) "general use prepaid card" means a card or other payment code or
13 device that is issued by a person and is

14 (A) redeemable at multiple unaffiliated merchants or service
15 providers or at automated teller machines;

16 (B) issued in a requested amount, regardless of whether that
17 amount may, at the option of the issuer, be increased in value or reloaded if
18 requested by the holder;

19 (C) purchased or loaded on a prepaid basis; and

20 (D) honored, upon presentation, by merchants for goods or
21 services or at automated teller machines;

22 (2) "gift certificate" means an electronic or written promise that is

23 (A) redeemable at a single merchant or at an affiliated group of
24 merchants that share the same name, mark, or logo;

25 (B) issued in a specified amount that may not be increased or
26 reloaded;

27 (C) purchased on a prepaid basis in exchange for payment; and

28 (D) honored, upon presentation, by the single merchant or
29 affiliated group of merchants that share the same name, mark, or logo for
30 goods or services;

31 (3) "store gift card" means an electronic payment device, promise,

1 plastic card, or other payment code or device that is

2 (A) redeemable at a single merchant or at an affiliated group of
3 merchants that share the same name, mark, or logo;

4 (B) issued in a specified amount, regardless of whether that
5 amount may be increased in value or reloaded at the request of the holder;

6 (C) purchased on a prepaid basis in exchange for payment; and

7 (D) honored, upon presentation, by the single merchant or
8 affiliated group of merchants that share the same name, mark, or logo for
9 goods or services.

10 * **Sec. 9.** AS 45.50.471(b) is amended by adding a new paragraph to read:

11 (58) violating AS 45.45.940 (gift certificates, store gift cards, and
12 general use prepaid cards)."