



Senate

General Assembly

File No. 81

February Session, 2004

Substitute Senate Bill No. 288

Senate, March 16, 2004

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING GIFT CERTIFICATES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-73a of the general statutes is amended by adding
2 subsection (e) as follows (*Effective from passage*):

3 (NEW) (e) The provisions of this part shall not apply to gift
4 certificates, as defined in subdivision (5) of section 3-56a, as amended.

5 Sec. 2. Section 84 of public act 03-1 of the June 30 special session is
6 repealed and the following is substituted in lieu thereof (*Effective from*
7 *passage*):

8 [(a)] No person may sell or issue a gift certificate that is subject to
9 an expiration date. No gift certificate or any agreement with respect to
10 such gift certificate may contain language suggesting that an
11 expiration date may apply to the gift certificate.

12 [(b)] Any person who sells or issues a gift certificate shall obtain the

13 address of the owner of such gift certificate and maintain a record of
 14 such address. In the absence of a record of the address of the owner of
 15 the gift certificate, the address of the owner shall, for purposes of part
 16 III of chapter 32, be presumed to be the address of the Treasurer.

17 (c) Nothing in this section shall be construed to prevent a holder
 18 from honoring a gift certificate, the unredeemed value of which has
 19 been reported to the Treasurer pursuant to part III of chapter 32, and
 20 thereafter seeking reimbursement from the Treasurer.]

21 Sec. 3. (*Effective from passage*) Section 74 of public act 03-1 of the June
 22 30 special session is repealed.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

GL *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08	Fy 09
Treasurer	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in an estimated revenue loss to the General Fund of between \$0.4 million and \$1.0 million in FY 08 (partial year) and between \$0.7 and \$1.6 million in FY 09 and subsequent years. The estimate is based on: (1) projected gift card sales at the national level apportioned to Connecticut based on population, and (2) assumptions regarding level of unredeemed gift certificates and a remittance factor to the Unclaimed Property Fund of between 2% to 5%.

The bill is effective upon passage so that it will affect gift cards sold on or after that date. Thus, if the effective date of the bill were May 1, 2003, unused gift cards sold on this date would be escheatable after 3 years (May 1, 2007) and would actually be transferred to the state in March 2008.

Under current law, unredeemed gift certificates that are unclaimed by the owner for more than three years are presumed to be abandoned and are escheated to the custody of the Office of the State Treasurer for subsequent transfer as revenue to the General Fund. This bill prevents this transfer because it provides that unredeemed gift certificates will no longer be treated as abandoned property.

OLR Bill Analysis

sSB 288

AN ACT CONCERNING GIFT CERTIFICATES**SUMMARY:**

This bill exempts gift certificates, including gift cards, from the law on escheats. In connection with this exemption, it repeals the 2003 law that specifically subjected gift certificates to it. This means that gift certificates held or owing in Connecticut and unclaimed after three years would not be presumed abandoned and would not escheat to the state. The bill does not change the law that prohibits expiration dates on gift certificates.

The bill also makes two conforming changes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 19 Nay 0