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**TESTIMONY OF  
ATTORNEY GENERAL RICHARD BLUMENTHAL  
BEFORE THE GENERAL LAW COMMITTEE  
FEBRUARY 5, 2009**

I appreciate the opportunity to support Senate Joint Resolution 14, a Resolution Memorializing Congress to Ban Gift Card Fees.

This legislation urges Congress to adopt legislation prohibiting any person from charging consumers a fee for the purchase or use of a gift card.

Connecticut has adopted strong consumer protections regarding gift cards, prohibiting the issuer from charging consumers an inactivity fee or any other deduction from the value of the gift card, as well as prohibiting any expiration date. Unfortunately, if a gift card is issued by a national bank, federal law preempts these state protections. My office has fought unsuccessfully to apply our state law to national bank issued gift cards. Major gift card issuers are taking advantage of the national bank loophole in our law. Recently, American Express purchased a national bank and is likely to impose activity fees and expiration dates on their gift cards.

Congress should either adopt legislation as strong as Connecticut's gift card law or specifically authorize states to prohibit activity and other fees and expiration dates. I urge the committee's adoption of Senate Joint Resolution 14 as well as legislation that I have proposed to require consumer disclosure that our state consumer protection laws do not apply to national bank gift cards because the issuer is taking advantage of the federal preemption of our law.