



General Assembly

January Session, 2011

Substitute Bill No. 1078

* SB01078BA 031511 *

AN ACT ENHANCING COMMUNITY BANK COMPETITIVENESS AND FRAUD PREVENTION ON CERTAIN PRODUCTS.

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

1 Section 1. (NEW) (*Effective October 1, 2011*) (a) As used in this
2 section, "general-use prepaid card" has the same meaning given to that
3 term in 12 CFR 205.20(a)(3), as from time to time amended.

4 (b) A general-use prepaid card shall not include an expiration date
5 relative to the underlying funds that are redeemable through the use of
6 the applicable card, code or device. Notwithstanding the provisions of
7 this subsection, a general-use prepaid card may include an expiration
8 date with regard to such card, code or device, provided: (1) The
9 following disclosures are made, in writing, with equal prominence and
10 in close proximity to the expiration date on such card, code or device:
11 (A) That such card, code or device expires, but that the underlying
12 funds do not expire and that the consumer may contact the issuer for a
13 replacement card, code or device; and (B) a toll-free telephone number
14 and an Internet web site address, if one is maintained, that a holder of
15 a general-use prepaid card may use to obtain a replacement card, code
16 or device after such card, code or device expires; (2) no fee or charge is
17 imposed on such holder for replacing the card, code or device or for
18 providing such holder with the remaining balance in some other
19 manner, provided the card, code or device has not been lost or stolen;
20 and (3) the seller of the card, code or device has established policies
21 and procedures to provide consumers a reasonable opportunity to

22 purchase a card, code or device that has not less than five years
 23 remaining until the card, code or device expires.

24 (c) For purposes of complying with the disclosure requirements of
 25 subdivision (1) of subsection (b) of this section, the issuer of the
 26 general-use prepaid card may provide disclosures that are consistent
 27 with the applicable provisions of 12 CFR 205.20(e), as from time to
 28 time amended.

29 Sec. 2. Subdivision (5) of section 3-56a of the general statutes is
 30 repealed and the following is substituted in lieu thereof (*Effective*
 31 *October 1, 2011*):

32 (5) "Gift certificate" means a record evidencing a promise, made for
 33 consideration, by the seller or issuer of the record that goods or
 34 services will be provided to the owner of the record to the value shown
 35 in the record and includes, but is not limited to, a record that contains
 36 a microprocessor chip, magnetic stripe or other means for the storage
 37 of information that is prefunded and for which the value is
 38 decremented upon each use, a gift card, an electronic gift card, stored-
 39 value card or certificate, a store card, or a similar record or card, but
 40 "gift certificate" does not include prepaid calling cards regulated under
 41 section 42-370, [or] prepaid commercial mobile radio services, as
 42 defined in [47 C.F.R. Sec. 20.3] 47 CFR 20.3 or general-use prepaid
 43 cards, as defined in section 1 of this act;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011</i>	3-56a(5)

Statement of Legislative Commissioners:

In section 1(a), "12 CFR Section 205.20(a)(3)" was changed to "12 CFR 205.20(a)(3)" for consistency in citation form to federal regulations. In section 1(b)(3), "card, code or device expiration date expires" was changed to "card, code or device expires" for consistency and clarity. In

section 2(5) "47 C.F.R. Sec. 20.3" was changed to "47 CFR 20.3" for consistency in citation form to federal regulations.

BA *Joint Favorable Subst.*