



General Assembly

January Session, 2013

**Amendment**

LCO No. 7496

**\*SB0091207496SD0\***

Offered by:

SEN. LEONE, 27<sup>th</sup> Dist.

REP. TONG, 147<sup>th</sup> Dist.

To: Subst. Senate Bill No. 912

File No. 262

Cal. No. 215

**"AN ACT CONCERNING PREPAID CARDS."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Section 42-460a of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective October 1, 2013*):

5 (a) As used in this section: [ ~~"general-use~~]

6 (1) "General-use prepaid card" has the same meaning given to that  
7 term in 12 CFR [205.20(a)(3)] 1000.20(a)(3), as from time to time  
8 amended, but shall not include a linked prepaid card or any card, code  
9 or other device identified in 12 CFR 1005.20(b); and

10 (2) "Linked prepaid card" means a general-use prepaid card that  
11 enables the purchaser of or individual who increases or reloads funds  
12 onto the card, code or device (A) to receive back the remaining  
13 unexpended balance and the accrued interest earned on the

14 unexpended balance on such card, code or device as of the date of  
15 expiration of such card, code or device by way of a financial account  
16 that is linked to the card, code or device; (B) to set the expiration date  
17 on such card, code or device at not less than ninety days from the date  
18 of purchase of or increasing or reloading of funds onto such card, code  
19 or device, for the purpose of receiving back the unexpended balance  
20 and accrued interest earned on the unexpended balance on such card,  
21 code or device in an expedited manner; and (C) to transfer the  
22 unexpended balance on such card, code or device to a bank offering a  
23 higher yield on and full insurance from the Federal Deposit Insurance  
24 Corporation for the transferred balance until the consumer or recipient  
25 of such card, code or device utilizes the unexpended balance or until  
26 the date of expiration on such card, code or device has passed,  
27 provided such purchaser or individual has a financial account that is  
28 linked to such card, code or device.

29 (b) A general-use prepaid card shall not include an expiration date  
30 relative to the underlying funds that are redeemable through the use of  
31 the applicable card, code or device. Notwithstanding the provisions of  
32 this subsection, a general-use prepaid card may include an expiration  
33 date with regard to such card, code or device, provided: (1) The  
34 following disclosures are made, in writing, on such card, code or  
35 device: (A) That such card, code or device expires, but that the  
36 underlying funds do not expire and that the consumer may contact the  
37 issuer for a replacement card, code or device; and (B) a toll-free  
38 telephone number and an Internet web site address, if one is  
39 maintained, that a holder of a general-use prepaid card may use to  
40 obtain a replacement card, code or device after such card, code or  
41 device expires, provided the remaining balance is not otherwise  
42 returned to the holder; (2) no fee or charge is imposed on such holder  
43 for replacing the card, code or device or for providing such holder  
44 with the remaining balance in some other manner, provided the card,  
45 code or device has not been lost or stolen; and (3) the seller of the card,  
46 code or device has established policies and procedures to provide  
47 consumers a reasonable opportunity to purchase a card, code or device

48 that has not less than five years remaining until the card, code or  
49 device expires.

50 (c) A linked prepaid card shall not include an expiration date  
51 relative to the underlying funds that are redeemable through the use of  
52 the applicable card, code or device. Notwithstanding the provisions of  
53 this subsection, a linked prepaid card may include an expiration date  
54 with regard to such card, code or device, including an expiration date  
55 contemplated by subparagraph (B) of subdivision (2) of subsection (a)  
56 of this section, provided: (1) The following disclosures are made, in  
57 writing, on such card, code or device: (A) That such card, code or  
58 device expires, but that the underlying funds do not expire, provided  
59 the purchaser of or individual who increases or reloads funds onto  
60 such card, code or device has not set an expiration date in accordance  
61 with said subparagraph (B), and that the consumer may contact the  
62 issuer for a replacement card, code or device; and (B) a toll-free  
63 telephone number and an Internet web site address, if one is  
64 maintained, that a holder of a general-use prepaid card may use to  
65 obtain a replacement card, code or device after such card, code or  
66 device expires, provided the purchaser of or individual who increases  
67 or reloads funds onto such card, code or device has not set an  
68 expiration date in accordance with said subparagraph (B); (2) no fee or  
69 charge is imposed on such holder for replacing the card, code or device  
70 or providing such holder with the remaining balance in some other  
71 manner, provided the card, code or device has not been lost or stolen  
72 or, if an expiration date has been set in accordance with said  
73 subparagraph (B), expired; (3) no fee or charge is imposed on the  
74 purchaser of or individual who increases or reloads funds onto the  
75 card, code or device for replacing the card, code or device or providing  
76 such purchaser or individual with the unexpended balance in some  
77 other manner, provided the card, code or device has not been lost or  
78 stolen; and (4) the seller of the card, code or device has established  
79 policies and procedures to provide consumers a reasonable  
80 opportunity to purchase a card, code or device that has not less than  
81 five years remaining until the card, code or device expires, unless the

82 purchaser of or individual who increases or reloads funds onto such  
 83 card, code or device has a financial account that is linked to such card,  
 84 code or device and sets an expiration date on such card, code or device  
 85 at not less than ninety days from the date of purchase or increasing or  
 86 reloading at which time the unexpended balance and any accrued  
 87 interest on the unexpended balance on such card, code or device shall  
 88 be transferred to such financial account.

89 [(c)] (d) For purposes of complying with the disclosure  
 90 requirements of subdivision (1) of [subsection] subsections (b) and (c)  
 91 of this section, (1) the issuer of [the] a general-use prepaid card or a  
 92 linked prepaid card may provide disclosures that are consistent with  
 93 the applicable provisions of 12 CFR [205.20(e)] 1005.20(e), as from time  
 94 to time amended, and (2) such issuer shall make the disclosure  
 95 required under subparagraph (A) of [said] subdivision (1) of  
 96 subsections (b) and (c) of this section with equal prominence and in  
 97 close proximity to the expiration date on the applicable card, code or  
 98 device."

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	42-460a