



General Assembly

Amendment

January Session, 2013

LCO No. 6906

SB0091206906SD0

Offered by:

SEN. LEONE, 27th Dist.

REP. TONG, 147th 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 Section 42-460a of the general statutes is repealed and the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), as from time to time amended, but shall
8 not include a linked prepaid card; and

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

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

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

48 device expires.

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

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

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

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