



House of Representatives

General Assembly

File No. 297

February Session, 2016

Substitute House Bill No. 5564

House of Representatives, March 30, 2016

The Committee on Banking reported through REP. LESSER of the 100th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CARD BALANCES.

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

1 Section 1. (NEW) (*Effective October 1, 2016*) (a) Gift cards with
2 balances under ten dollars shall be redeemed for cash upon the request
3 of the holder.

4 (b) Subsection (a) of this section shall not apply to general use
5 prepaid cards, as defined in section 42-460a of the general statutes.

6 (c) For purposes of this section, "gift card" means a card, other
7 tangible object or electronic record (1) that evidences an issuer's
8 agreement to provide goods or services of a certain value that is
9 displayed or retrieved from the card, object or electronic record, (2)
10 that includes a microprocessor chip, magnetic strip or other means for
11 the storage of information, and (3) that is prefunded with such value
12 which is decremented upon each use of the card, object or electronic
13 record.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	New section

Statement of Legislative Commissioners:

In section 1(c)(3), "electronic" was inserted before "record" for consistency with other provisions of the section.

BA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:** None**Explanation**

The bill results in no fiscal impact to the state as it is anticipated that the Department of Consumer Protection (DCP) will have less than five additional investigations regarding gift cards. In 2015 the DCP investigated 41 cases involving gift cards. Each investigation requires approximately 10 to 15 employee hours.

The Out Years**State Impact:** None**Municipal Impact:** None

OLR Bill Analysis**sHB 5564*****AN ACT CONCERNING CARD BALANCES.*****SUMMARY:**

This bill requires a gift card with a balance under \$10 to be redeemed for cash at the card holder's request. The bill applies to any card, tangible object, or electronic record that (1) shows the issuer's agreement to provide goods or services of a certain value displayed on or retrieved from the card, object, or record; (2) includes a microprocessor chip, magnetic strip, or other way to store information; and (3) is prefunded with a value that decreases with each use. It does not apply to a general use prepaid card.

EFFECTIVE DATE: October 1, 2016

BACKGROUND***General Use Prepaid Card***

A general use prepaid card is a card, code, or device (1) issued on a prepaid basis primarily for consumer use in a specified amount and in exchange for payment and (2) redeemable at multiple, unaffiliated merchants for goods and services or usable at ATMs. It does not include a linked prepaid card or a card, code, or device that is:

1. used solely for telephone services;
2. reloadable and not marketed or labeled as a gift card or certificate;
3. a loyalty, award, or promotional gift card;
4. not marketed to the general public;
5. issued only on paper; or

6. redeemable solely for admission to events or venues at a particular location or group of affiliated locations, or to obtain goods or services related to admission at the events or venues (CGS § 42-460a).

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/15/2016)