OLR Bill Analysis
HB 7077

AN ACT CONCERNING CASH REFUNDS FOR THE BALANCE OF A GIFT CARD.

SUMMARY

This bill increases, from $3 to $5, the threshold under which someone who accepts a gift card as payment must give the purchaser, on request, cash for the remaining balance on the card after purchase. Existing law, unchanged by the bill, requires that the purchaser provide the proof of purchase or gift receipt in order to receive the remaining balance.

EFFECTIVE DATE: October 1, 2019

BACKGROUND

Gift Card Definition

By law, a “gift card” is a record showing a seller's or issuer's promise to provide goods or services for the value shown in the record. It includes (1) a record with a microprocessor chip, magnetic stripe, or other way to store information that is prefunded with a value that decreases with each use; (2) an electronic gift card; (3) a stored-value card or certificate; (4) a store card; or (5) similar records or cards. But it excludes a:

1. general-use prepaid card, which is a card, code, or device (a) issued on a prepaid basis primarily for consumer use in a specified amount and in exchange for payment and (b) redeemable at multiple, unaffiliated merchants for goods and services or usable at ATMs;

2. gift certificate donated or sold below face value by a retailer to a charitable or nonprofit community organization;
3. linked prepaid card, which is a type of general-use prepaid card linked to a financial account;
4. card or certificate issued by a retailer as part of an awards, loyalty, or promotional program for which no money or monetary value was exchanged;
5. gift certificate or card sold by a retailer (a) that does not have a store in Connecticut or (b) at below face value; or
6. gift certificate issued only on paper (CGS § 42-461(a)).

COMMITTEE ACTION
Banking Committee

Joint Favorable
Yea 9  Nay 6  (03/05/2019)