Bill No.: HB-7077
Title: AN ACT CONCERNING CASH REFUNDS FOR THE BALANCE OF A GIFT CARD.
Vote Date: 3/5/2019
Vote Action: Joint Favorable
PH Date: 2/14/2019
File No.: 65

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SPONSORS OF BILL:

The Banking Committee,

Rep. Robyn Porter, 94th Dist.,
Rep. Christopher Rosario, 128th Dist.
Rep. Geraldo C. Reyes, 75th Dist.
Sen. Gary A. Winfield, 10th Dist.
Sen. Marilyn V. Moore, 22nd Dist.

REASONS FOR BILL:

Current Connecticut law allows gift card holders to receive a cash redemption of any amount left on a gift card of less than three dollars, after a purchase. This redemption process was
enacted in the 2016 legislative session through Public Act 12-140. Existing law does not allow expiration dates on gift cards, meaning the value always remains on the card. This bill would increase the minimum balance amount for which a consumer using a gift card may request a cash refund.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Stated.

NATURE AND SOURCES OF SUPPORT:

Patricia Billie Miller, 145th Dist., State Representative; supports this bill stating that one billion dollars of unredeemed gift cards went unspent in 2018 and benefits of this legislation will strengthen revenue income and will benefit retailers as it increases sales and helps cash flow.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Restaurant Association; opposes this bill, stating that those who decide to purchase restaurant gift cards do so with the intention of the recipient using that gift card for food and drink at the restaurant where the gift card was purchased and the decision as to how to manage any remaining balance on gift cards should be left to the discretion of the business owner.

Tom Mongellow, Executive Vice President, Connecticut Bankers Association; opposes this bill, stating that the banking industry has been opposed to cash redemption of gift card balances due to the logistical impact on retailers who accept them and potential fraud.

Wayne Pesce, President, Connecticut Food Association; opposes this bill, expressing concerns of unintended consequences for supermarkets by way of rewarding cash back to consumers on what was intended as a gift. It is stated that this legislation will have a negative impact on the ability to increase sales if consumers were to visit stores, redeem cash leftover on a gift card and not purchasing products in that store.

Timothy G. Phelan, President, Connecticut Retail Merchants Association; opposes this bill, sharing that this legislation could potentially diminish the issuance of gift cards which would hurt consumers and increase burden on retailers as well as accelerate the redefinition of the gift card as a means of obtaining cash. It was stated that the gift card law prevents expiration dates and inactivity fees which are of public interest.

Reported by: Zoë Gluck
Date: 3/19/19