

1 A bill for an act

2 relating to commerce; prohibiting expiration dates and
3 service fees on gift certificates and gift cards;
4 proposing coding for new law in Minnesota Statutes,
5 chapter 325G.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. [325G.53] [GIFT CERTIFICATES.]

8 Subdivision 1. [DEFINITION.] For purposes of this section,
9 "gift certificate" means a tangible record evidencing a promise,
10 made for consideration, by the seller or issuer of the record
11 that goods or services will be provided to the owner of the
12 record to the value shown in the record and includes, but is not
13 limited to, a gift card, stored-value card, store card, or a
14 similar record or card that contains a microprocessor chip,
15 magnetic stripe, or other means for the storage of information,
16 and for which the value is decreased upon each use. "Gift
17 certificate" does not include certificates distributed to a
18 consumer pursuant to an awards, loyalty, or promotional program
19 without any money or other thing of value being given in
20 exchange for the certificate by the consumer and certificates
21 sold below face value at a volume discount to employers or to
22 nonprofit and charitable organizations for fundraising purposes
23 and whose expiration dates are not less than 30 days after the
24 date of sale.

25 Subd. 2. [PROHIBITIONS.] It is unlawful for any person or

1 entity to sell a gift certificate that is subject to an
2 expiration date or a service fee of any kind, including, but not
3 limited to, a service fee for dormancy.

4 Subd. 3. [BALANCE IN CASH.] The holder of a gift
5 certificate is entitled to receive the balance in cash from the
6 issuer if the remaining value of the gift certificate is \$5 or
7 less.

8 Subd. 4. [PAYMENT OF DEBT.] The value of a gift
9 certificate can be used at any time to pay debt the holder of
10 the gift certificate owes to the issuer of the gift certificate.

11 Subd. 5. [REMEDIES.] The remedies of section 8.31 apply to
12 violations of this section.

1 Senator ^{Michel} moves to amend the committee engrossment
2 (SCS0200CE1) of S.F. No. 200 as follows:

3 Page 1, line 16, delete everything after the period

4 Page 1, delete lines 17 to 24

5 Page 2, after line 3, insert:

6 "Subd. 3. [NONAPPLICATION.] The provisions of this section
7 shall not apply to gift certificates:

8 (1) distributed to a consumer for loyalty, promotional,
9 award, incentive, rebate, or other similar purposes without any
10 money or other tangible thing of value being given by the
11 consumer in exchange for the gift certificate or gift card;

12 (2) that are sold below face value or at a volume discount
13 to employers or to nonprofit and charitable organizations for
14 fund-raising purposes; or

15 (3) that are debit cards ^{or other legal access devices} used to access a deposit account
16 and that are subject to the federal disclosure rules in the
17 Electronic Fund Transfer Act, 15 United States Code, section
18 1693, et. seq., and its implementing Regulation E, as amended
19 from time to time."

20 Page 2, line 4, delete "3" and insert "4"

21 Page 2, line 8, delete "4" and insert "5"

22 Page 2, line 11, delete "5" and insert "6"

1 Senator *Michel* moves to amend the committee engrossment
2 (SCS0200CE1) of S.F. No. 200 as follows:

3 Page 1, line 16, delete everything after the period

4 Page 1, delete lines 17 to 24

5 Page 2, after line 3, insert:

6 "Subd. 3. [NONAPPLICATION.] The provisions of this section
7 shall not apply to gift certificates:

8 (1) distributed to a consumer for loyalty, promotional,
9 award, incentive, rebate, or other similar purposes without any
10 money or other tangible thing of value being given by the
11 consumer in exchange for the gift certificate or gift card;

12 (2) that are sold below face value or at a volume discount
13 to employers or to nonprofit and charitable organizations for
14 fund-raising purposes; or

15 (3) that are ^{v stored value} ~~gift cards~~ cards sold primarily for redemption by the purchaser
16 sellers of goods or services, provided the expiration date, if
17 any, is printed on the card and the issuer has disclosed any
18 applicable fees."

19 Page 2, line 4, delete "3" and insert "4"

20 Page 2, line 8, delete "4" and insert "5"

21 Page 2, line 11, delete "5" and insert "6"

ROLL CALL VOTE

Date: February, 28, 2005

Senator Pogemiller requested a **Roll Call Vote** on:

1. adoption of _____ amendment
2. passage of S. F. No. 200CE1
3. adoption of _____ motion _____

SENATOR	YES	NO	PASS	ABSENT
Scheid	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Belanger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gaither	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kiscaden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Larson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
LeClair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lourey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Metzen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Michel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pappas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pogemiller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reiter	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rest	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sparks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS	8	4		4

There being 8 Yes votes and 4 No votes the Motion:

Prevailed

Did Not Prevail

1 Senator ^{Gaither} moves to amend the committee engrossment
2 (SCS0200CE1) of S.F. No. 200 as follows:

3 Page 1, line 16, delete everything after the period

4 Page 1, delete lines 17 to 24

5 Page 2, line 3, before the period, insert "unless the
6 expiration date ^{and} or fee is printed on the gift certificate"

7 Page 2, after line 3, insert:

8 "Subd. 3. [NONAPPLICATION.] The provisions of this section
9 shall not apply to gift certificates:

10 (1) distributed to a consumer for loyalty, promotional,
11 award, incentive, rebate, or other similar purposes without any
12 money or other tangible thing of value being given by the
13 consumer in exchange for the gift certificate or gift card;

14 (2) that are sold below face value or at a volume discount
15 to employers or to nonprofit and charitable organizations for
16 fund-raising purposes;

17 (3) which are:

18 (i) used solely for telephone or wireless services,
19 including, but not limited to, prepaid calling cards; or

20 (ii) associated with a deposit, checking, savings, or
21 similar account at a bank, savings bank, savings and loan
22 association, or credit union and which provide payments solely
23 by debiting such account; or

24 (4) that are issued for a food product."

25 Page 2, delete lines 4 to 12