

Senate 1638: Relating to Gift Certificates & Similar Credit Items [EPCC]

06/28/07 Approved by Governor; Chapter No. [2007-256](#); See also CS/CS/HB 919 (Ch. [2007-78](#))

Below is the summary of the law. Basically, the new law PROHIBITS expiration dates on gift certificates except in the instances listed in the analysis below.

I. Summary:

This bill requires that a gift certificate or credit memo sold or issued for consideration in this state may not have an expiration date, expiration period, or any post-sale charge or fee, such as a service charge, dormancy fee, account maintenance fee, or cash-out fee. The bill creates the following exemptions to this requirement:

€ A gift certificate may have an expiration date of not less than three years if it is provided as a charitable contribution where payment of consideration is not required and the expiration date is prominently disclosed in writing to the consumer at the time it is provided.

€ A gift certificate may have an expiration date of not less than one year if it is provided as a benefit pursuant to an employee incentive program, consumer-loyalty program, or promotional program where payment of consideration is not required and the expiration date is prominently disclosed in writing to the consumer at the time it is provided.

€ A gift certificate may have an expiration date if it is provided as part of a larger package related to a convention, conference, vacation, or sporting or fine arts event having a limited duration and if the majority of the value paid by the recipient is attributable to the convention, conference, vacation, or sporting or fine arts event.

€ The prohibitions against expiration dates, expiration periods, or post-sale charges or fees do not apply to gift certificates or credit memos sold or issued by a financial institution, as defined in s. 655.055, F.S., (state-chartered banks and credit unions), or by a money transmitter, as defined in s. 560.103, F.S., if the gift certificate or credit memo is redeemable by multiple unaffiliated merchants that accept monetary consideration remitted through the financial institution or money transmitter that sold or issued the gift certificate or credit memo.

The terms “gift certificate” and “credit memo” are defined by the bill. *(see below)

This bill provides that an unredeemed gift certificate or credit memo is not required to be reported as unclaimed property.

The bill exempts gift cards from the statutes governing the disposition of abandoned property. Since 1996, the Bureau of Unclaimed Property within the Department of Financial Services has collected approximately \$1.5 million for unredeemed gift cards. These funds are deposited into the State School Trust Fund. Passage of the bill would result in an annual loss of funds of approximately \$200,000.

This bill creates the sections 501.95 and 717.1045 of the Florida Statutes.

*The terms "gift certificate" and "credit memo" are defined by the bill, *copied below*.

501.95 Gift certificates and credit memos.--

4 (1) As used in this section, the term:

5 (a) "Credit memo" means a certificate, card, stored
6 value card, or similar instrument issued in exchange for
7 returned merchandise when the certificate, card, or similar
8 instrument is redeemable for merchandise, food, or services
9 regardless of whether any cash may be paid to the owner of the
10 certificate, card, or instrument as part of the redemption
11 transaction.

12 (b) "Gift certificate" means a certificate, gift card,
13 stored value card, or similar instrument issued in exchange
14 for monetary consideration when the certificate, card, or
15 similar instrument is redeemable for merchandise, food, or
16 services regardless of whether any cash may be paid to the
17 owner of the certificate, card, or instrument as part of the
18 redemption transaction, but this term shall not include
19 tickets as specified in s. 717.1355.