

**HOUSE BILL NO. 75**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

**BY REPRESENTATIVES GATTO, Kerttula**

**Introduced: 1/18/11**

**Referred: Labor and Commerce, Finance**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to gift certificates, store gift cards, and general use prepaid cards, and**  
2 **to unclaimed property; and making a violation of certain prohibitions on gift**  
3 **certificates, store gift cards, and general use cards an unlawful trade practice."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **\* Section 1.** AS 34.45.240(b) is amended to read:

6 (b) In the case of a gift certificate, store gift card, or general use prepaid  
7 card, the amount presumed abandoned is the balance remaining on [PRICE PAID  
8 BY THE PURCHASER FOR] the [GIFT] certificate or card. In the case of a credit  
9 memo, the amount presumed abandoned is the amount credited to the recipient of the  
10 memo.

11 **\* Sec. 2.** AS 34.45.760(8) is amended to read:

12 (8) "gift certificate" has the meaning given in AS 45.45.940 [MEANS  
13 AN OBLIGATION OF A BUSINESS ASSOCIATION ARISING FROM A  
14 TRANSACTION BETWEEN THE BUSINESS ASSOCIATION AND A

1 CONSUMER TO PROVIDE GOODS OR SERVICES AT A FUTURE DATE; "GIFT  
 2 CERTIFICATE" INCLUDES A GIFT CERTIFICATE, STORED VALUE CARD,  
 3 GIFT CARD, ON-LINE GIFT ACCOUNT, OR OTHER REPRESENTATION OR  
 4 EVIDENCE OF THE OBLIGATION OF A BUSINESS ASSOCIATION];

5 \* **Sec. 3.** AS 34.45.760(11)(A) is amended to read:

6 (A) includes

7 (i) money, checks, drafts, warrants, deposits, interest,  
 8 dividends, and income;

9 (ii) credit balances, customer overpayments, gift  
 10 certificates, store gift cards, general use prepaid cards, security  
 11 deposits, refunds, credit memos, unpaid wages, and unidentified  
 12 remittances;

13 (iii) stocks and other intangible equity interests in  
 14 business associations;

15 (iv) money deposited to redeem stocks, bonds, coupons,  
 16 and other securities, or to make distributions;

17 (v) amounts due and payable under the terms of  
 18 insurance policies;

19 (vi) amounts distributable from a trust or custodial fund  
 20 established under a plan to provide health, welfare, pension, vacation,  
 21 severance, retirement, death, stock purchase, profit-sharing, employee  
 22 savings, supplemental unemployment insurance, or similar benefits;  
 23 and

24 (vii) amounts due and payable as mineral proceeds;

25 \* **Sec. 4.** AS 34.45.760 is amended by adding new paragraphs to read:

26 (20) "general use prepaid card" has the meaning given in  
 27 AS 45.45.940;

28 (21) "store gift card" has the meaning given in AS 45.45.940.

29 \* **Sec. 5.** AS 45.45 is amended by adding a new section to article 12 to read:

30 **Sec. 45.45.940. Gift certificates, store gift cards, and general use prepaid**  
 31 **cards.** (a) A person may not sell or issue a gift certificate, store gift card, or general

1 use prepaid card that is subject to an expiration date unless

2 (1) the gift certificate, store gift card, or general use prepaid card  
3 contains an expiration date that is not earlier than

4 (A) for a gift certificate, five years after the date on which the  
5 gift certificate was issued; or

6 (B) for a store gift card or general use prepaid card, five years  
7 after the date on which funds were last loaded to the card; and

8 (2) the expiration date is clearly and conspicuously displayed on the  
9 certificate or card.

10 (b) After the purchase of a gift certificate, store gift card, or general use  
11 prepaid card, a person may not impose a fee, including a fee for inactivity, with  
12 respect to the certificate or card unless

13 (1) there has not been activity with respect to the certificate or card  
14 during the 36 months that precede the date on which the fee is imposed;

15 (2) the disclosure requirements set forth in (c) of this section have been  
16 met;

17 (3) not more than one fee is charged in a calendar month; and

18 (4) any additional requirements that the department may establish  
19 under (d) of this section have been met.

20 (c) To satisfy the disclosure requirements of (b)(2) of this section,

21 (1) the issuer or vendor of the certificate or card shall inform the  
22 purchaser before the certificate or card is purchased, regardless of whether the  
23 certificate or card is purchased in person, over the Internet, or by telephone,

24 (A) that a fee may be charged;

25 (B) the amount of the fee;

26 (C) how often the fee may be charged; and

27 (D) that, if the fee is for inactivity, the fee may be assessed for  
28 inactivity; and

29 (2) the information required by (1) of this subsection must appear in a  
30 location that is visible to the purchaser before the purchase; the information may also  
31 appear on the front or back of the certificate or card.

1 (d) This section does not apply to the sale or offer of a gift certificate, store  
2 gift card, or general use prepaid card that is

3 (1) distributed by the issuer of the certificate or card under an awards,  
4 loyalty, or promotional program;

5 (2) donated to a nonprofit organization or a charitable organization;

6 (3) a debit card that is linked to a demand deposit account or a share  
7 draft account at a financial institution; in this paragraph, "financial institution" has the  
8 meaning given in AS 06.05.990; or

9 (4) used solely for telephone services.

10 (e) The department may adopt regulations to implement this section.

11 (f) In this section,

12 (1) "department" means the Department of Commerce, Community,  
13 and Economic Development;

14 (2) "general use prepaid card" means a card or other payment code or  
15 device that is issued by a person and

16 (A) redeemable at multiple, unaffiliated merchants or service  
17 providers, or automated teller machines;

18 (B) issued in a requested amount, whether or not that amount  
19 may, at the option of the issuer, be increased in value or reloaded if requested  
20 by the holder;

21 (C) purchased or loaded on a prepaid basis; and

22 (D) honored, on presentation, by merchants for goods or  
23 services, or at automated teller machines;

24 (3) "gift certificate" means an electronic or written promise that is

25 (A) redeemable at a single merchant or at an affiliated group of  
26 merchants who share the same name, mark, or logo;

27 (B) issued in a specified amount that may not be increased or  
28 reloaded;

29 (C) purchased on a prepaid basis in exchange for payment; and

30 (D) honored on presentation by the single merchant or  
31 affiliated group of merchants who share the same name, mark, or logo for

1 goods or services;

2 (4) "store gift card" means an electronic payment device, promise,  
3 plastic card, or other payment code or device that is

4 (A) redeemable at a single merchant or at an affiliated group of  
5 merchants who share the same name, mark, or logo;

6 (B) issued in a specified amount, whether or not that amount  
7 may be increased in value or reloaded at the request of the holder;

8 (C) purchased on a prepaid basis in exchange for payment; and

9 (D) honored on presentation by the single merchant or  
10 affiliated group of merchants that share the same name, mark, or logo for  
11 goods or services.

12 \* **Sec. 6.** AS 45.50.471(b) is amended by adding a new paragraph to read:

13 (58) violating AS 45.45.940 (gift certificates, store gift cards, and  
14 general use prepaid cards).