

2024 -- H 7509

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LC004378
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS --
UNFAIR SALES PRACTICES

Introduced By: Representatives Finkelman, Shanley, Batista, Vella-Wilkinson, Perez,
Noret, Dawson, O'Brien, Morales, and Cotter

Date Introduced: February 07, 2024

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 6-13-12 of the General Laws in Chapter 6-13 entitled "Unfair Sales
2 Practices" is hereby amended to read as follows:

3 **6-13-12. Sales of gift certificates.**

4 (a) "Gift certificate" means a record evidencing a promise, made for monetary
5 consideration, by the seller or issuer for the record that goods or services will be provided to the
6 owner of the record to the value shown in the record and includes, but is not limited to: (1) A record
7 that contains a microprocessor chip, magnetic strip, or other means of storage of information that
8 is pre-funded and for which the value is decremented upon each use; (2) A gift card, an electronic
9 gift card, stored-value card or certificate; (3) A store card; (4) Prepaid long-distance telephone
10 service that is activated by a prepaid card that requires dialing an access number or an access code
11 for each call in addition to dialing the phone number to which the user of the prepaid card seeks to
12 connect; or (5) A similar record or card. Any person, firm, or corporation that sells gift certificates
13 for any product or merchandise sold by the person, firm, or corporation, shall be required to record
14 the sales and keep an accurate and complete record of each gift certificate sold. The record shall
15 include the date of sale; the full value of the certificate; the identification number assigned by the
16 retailer to the certificate; and the state in which the sale of the certificate took place. The retailer
17 shall further be required to give to the purchaser of gift certificates exceeding fifty dollars (\$50.00)
18 a written and numbered receipt evidencing the sale of the certificate. It shall be unlawful for any

1 person, firm, or corporation of any kind to charge any surcharge or additional monthly or annual
2 service or maintenance fees on gift certificates or to limit the time for the redemption of a gift
3 certificate or to place an expiration date upon the gift certificate. No gift certificate or any
4 agreement with respect to such gift certificate may contain language suggesting that an expiration
5 date may apply to the gift certificate. Any person, firm, or corporation that shall violate the
6 provisions of this section shall be punished by a fine of not more than two hundred dollars (\$200).
7 Due to the unlimited redemption period, the division of taxation shall not escheat the funds paid
8 for those unredeemed gift certificates. Any unused portion of a redeemed gift certificate shall be
9 afforded to the consumer by reissuing the gift certificate for the unused amount or providing cash
10 where the balance due the consumer is less than one dollar (\$1.00). This section shall not apply to
11 the following:

12 (b) Gift certificates that are distributed to a consumer pursuant to an awards, loyalty, or
13 promotional program without any money or other thing of value being given in exchange for the
14 gift certificate by the consumer. Any restrictions or limitations that such gift certificates may be
15 subject to must be disclosed to the consumer, in writing, at the time the gift certificates are
16 distributed to the consumer.

17 (c) Prepaid wireless telephone service or prepaid wireless telephone card. "Prepaid wireless
18 telephone service" means wireless telephone service that is activated in advance by payment for a
19 finite dollar amount of service or for a finite set of minutes that terminate either upon use by a
20 customer and delivery by the wireless provider of an agreed-upon amount of service corresponding
21 to the total dollar amount paid in advance or within a certain period of time following the initial
22 purchase or activation, unless additional payments are made.

23 (d) Gift cards or prepaid or store value cards that are issued by state-chartered financial
24 institutions and credit unions or that are issued by third-party issuers usable at multiple, unaffiliated
25 merchants or service providers; provided that said financial institutions, credit unions, or third-
26 party issuers comply with the guidelines on disclosure and marketing as published by the office of
27 the comptroller of the currency.

28 (e) Gift certificates that are issued by a state-chartered institution of higher education, but
29 only in respect of the provisions set forth herein relating to expiration, escheatment, reissuance and
30 refund. Rather, in the case of these gift certificates, said institutions may refund any unused portion
31 of a gift certificate upon an individual's separation from the institution or otherwise apply such
32 funds against such individual's account at said institution; if such an institution is unable to
33 complete such a refund or application, the associated funds shall be treated as abandoned after a
34 period to two (2) years, and the institution shall escheat such funds to the division of taxation.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would provide that gift certificates issued by state-chartered institutions of higher
2 education would be exempt from the provisions of the gift certificate statute relating to expiration,
3 escheatment, reissuance and refund.

4 This act would take effect upon passage.

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