

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do pass as amended and be printed engrossed

Vote: 3-0-2

Yeas: Burdick, Monroe, Deckert

Nays:

Exc.: G. George, Starr

Prepared By: Steve Meyer, Economist

Meeting Dates: 2/12, 3/8, 3/14, 5/3, 5/8

WHAT THE BILL DOES: Designates the unused value of gift cards to be property presumed abandoned after 3 years from the date of purchase or last transaction. Defines gift card as a prefunded value electronically stored on a card that is bought at retail and usable for the purchase of goods or services. Prohibits issuing cards with expiration dates or fees. Excludes cards usable with multiple businesses, prepaid phone cards and prepaid commercial mobile radio services. Makes abandoned card subject to state custody when the purchase, issuance or last transaction occurred in Oregon and the address of the owner is unknown. First applies to gift cards issued on and after January 1, 2008.

ISSUES DISCUSSED:

Ability to reclaim abandoned value

Beneficiary of unused gift card balances

Excluding donated gift cards and free promotional cards

Excluding gift cards usable with multiple businesses

Identifying rightful owner

Fees using up small balances

EFFECT OF COMMITTEE AMENDMENTS: Clarifies gift card definition by adding sold or purchased at retail. Excludes gift cards usable with multiple businesses. Grants the state custody of abandoned property when the address of the owner is unknown and purchase, issuance or last transaction occurred in Oregon.

BACKGROUND:

The unused value of gift cards purchased in Oregon is retained by the businesses issuing the cards. States can treat unused card value as abandoned property and require businesses to report and pay all or a part of the unused value to the state after a period of time. Which state can claim unused value is generally determined by identifying the owner's address or where the card was purchased or last used.