

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: Bonamici, Boquist, George, Monroe, Shields

Nays: 0

Exc.: 0

Prepared By: Patrick Brennan, Administrator

Meeting Dates: 3/28, 4/20

WHAT THE MEASURE DOES: Prohibits sale of gift cards that cannot be redeemed for cash once face value has declined below \$5 and card has been used for at least one purchase. Specifies that measure does not apply to cards given for free or less than full consideration as donation or as part of a promotional offer, or cards issued by entities subject to federal Communications Act of 1934. Clarifies cards may be redeemed for cash only from the provider of goods or services indicated on the gift card, regardless of where the card was obtained.

ISSUES DISCUSSED:

- Which retailer responsible for cashing out card
- Environmental impact of used gift cards
- Technology required for retailers to implement measure
- Applicability to cards used for online purchases

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: House Bill 2513 (2007) instituted regulation of gift cards in Oregon. That measure prohibited the issuance of gift cards (defined as “a prefunded record evidencing a promise that the issuer will provide goods or services to the owner of the record in the amount shown on the record” but not including prepaid telephone calling cards, prepaid commercial mobile radio service or gift cards usable with more than one seller of goods or services) that diminish in face value over time or with lack of use. Exceptions were created for cards that list an expiration date in 10-point type where the card recipient does not provide consideration for the card; cards used for charitable or non-profit fundraising; cards sold below face value; and cards that do not expire until at least 30 days after sale.

Senate Bill 756-A institutes additional stipulations on the issuance of gift cards. The measure specifies that cards must allow the owner to redeem the card for the cash value of the card, paid in cash or check, once the value of the card declines below \$5, provided that the card has been used for at least one purchase. The holder of the card may redeem it for cash only at the retailer named on the card. The provisions in the measure do not apply to cards given for free or less than face value to a person or entity as a donation or as part of a promotional offer, or to cards issued by entities subject to regulation under the federal Communications Act of 1934 (47 U.S.C. 151 et seq.).