

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	6 - 1 - 1
<b>Yeas:</b>	Clem, Conger, Matthews, Smith J., Holvey, Whisnant
<b>Nays:</b>	Sheehan
<b>Exc.:</b>	Cameron
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	5/19

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**WHAT THE MEASURE DOES:** Prohibits the sale of gift card that cannot be redeemed for cash when the value is less than \$5 and when the card has been used for at least one purchase. Creates exemption for cards given for free or sold at a discount as a donation or promotional offer, cards issued by an entity that provides services subject to the federal Communications Act of 1934, and cards redeemed to an online account. Clarifies that redemption may be obtained only from the provider indicated on the card regardless of who sold the card.

**ISSUES DISCUSSED:**

- Cash redemption practice in other states
- Ability of provider to know if card was given as donation or promotional offer and, therefore, exempt
- Number and cash value of gift cards that are never redeemed for full value
- Consumer complaints to Department of Justice
- Ability of consumer to get full value of card

**EFFECT OF COMMITTEE AMENDMENT:** Exempts gift cards redeemed to an online account.

**BACKGROUND:** House Bill 2513 (2007) instituted the regulation of gift cards in Oregon. The measure defined a gift card 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 does not include prepaid telephone calling cards, prepaid commercial mobile radio service, or gift cards usable with more than one seller of goods or services. House Bill 2513 (2009) also prohibited the sale of gift cards that have an expiration date, that diminish over time or with lack of use, or that carry a fee related to the card. An exception was made to allow a gift card to carry an expiration date if the card notes the expiration date in at least 10-point type, the card was sold for less than the face value, and the card does not expire until at least 30 days after the date of sale.