



Vote NO on HB 2543 Gift Card Bill

Date: March 19, 2015

Subject: Opposition to HB 2543 – Gift Cards Become Abandoned Property

Dear Representative,

Please oppose HB 2543. This bill establishes a three year limit for customers to collect the full value of their gift cards from the issuing establishment. After three years, the remaining value would become unclaimed property and must be turned over to the State Division of Lands. The current law prohibits businesses from issuing expiration dates on gift cards, thus protecting the consumer.

This legislation is damaging for consumers, businesses, and the relationship between the two. If a customer attempts to use a card that has passed the three year limit, the business is faced with a choice. They can either honor the value on the card (which has already been paid out to the state as unclaimed property) and keep the customer happy, or inform the customer of the value of the card and direct them to the Division of State Lands for repayment and risk losing the customer's business. Most gift cards do not have any date on them, so many customers do not remember when the card was purchased or last used. With no expiration date, the customer would reasonably expect that they could still redeem the value from the issuer of the card, not from a third party.

Gift cards have become an excellent way for businesses to accommodate the needs of their customers. Through donation of these cards to local groups and charities, businesses are also able to give to the community. The audits required by this bill would likely lead to businesses scaling back the sales and donations of these cards.

The current law regarding gift cards is the product of a compromise to protect consumers. The legislation that current law was based on prevented expiration dates and fees for non-usage. Most consumers will not know to go to the Division of State lands to get their money, and the money will not be held in their name. This bill will not protect the consumer; it will cause conflict and resentment between customers and small businesses, and between small businesses and the state. At a time when Oregon is finally on the road to economic recovery, the Legislature should be working to help businesses thrive, not aggravate their relationships with their customers.

Please oppose HB 2543.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Perry", is written over a light blue horizontal line.

Bill Perry

Oregon Restaurant & Lodging Association