

August 3, 2018

To the Honorable Members of
The Illinois House of Representatives,
100th General Assembly:

Today I veto House Bill 4922 from the 100th General Assembly, which prohibits retailers from offering rebate cards that charge certain types of fees.

This legislation creates an unnecessary limitation on consumer choice couched as a consumer protection. Rebate cards are issued by banks, and merchants use them as promotional tools to offer consumers rebates when purchasing certain products. Some of these rebate programs utilize post-issuance and dormancy fees as a way for the issuer to recoup the expenses of maintaining the rebate accounts until they are utilized. If this practice is completely prohibited, Illinois consumers and businesses will be harmed, not protected.

Currently, rebate programs need to conspicuously disclose their terms and fees associated with claiming the rebate so that consumers know the limitations of the offer. These reporting requirements are aligned with federal regulations on such products and create an appropriate balance between consumer protection and allowing businesses to offer these promotional products. Layering further restrictions on these cards within Illinois will put Illinois merchants at a disadvantage by barring them from utilizing the same rebate programs as businesses in other states to incentivize sales. Importantly, the ultimate harm of prohibiting a product that is allowable elsewhere will fall upon Illinois consumers, as card issuers are unlikely to adjust their fee structures, and Illinoisans will simply be excluded from participation in these rebate offers altogether.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 4922, entitled "AN ACT concerning business," with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner
GOVERNOR

