



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/09/04, by Sara Feigenholtz

SYNOPSIS AS INTRODUCED:

New Act

Creates the Gift Certificate Act. Provides that, beginning January 1, 2005, it shall be unlawful for any person or entity to sell a gift certificate containing an expiration date or a service fee for dormancy, except as specified in the Act. Provides that any gift certificate sold shall be redeemable in cash for its cash value or subject to replacement with a new gift certificate. Makes a gift certificate without an expiration date valid until redeemed or replaced. Exempts prepaid calling cards from the provisions of the Act.

LRB093 15020 LCB 40591 b

1 AN ACT concerning gift certificates.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the Gift
5 Certificate Act.

6 Section 5. Gift cards. As used in this Act, "gift
7 certificate" includes gift cards, but does not include any gift
8 card useable with multiple sellers of goods or services,
9 provided the expiration date, if any, is printed on the card.

10 Section 10. Expiration dates.

11 (a) Beginning January 1, 2005, it shall be unlawful for any
12 person or entity to sell a gift certificate containing an
13 expiration date or a service fee for dormancy to a purchaser
14 except as provided by this Act. Any gift certificate sold on or
15 after that date shall be redeemable in cash for its cash value
16 or subject to replacement with a new gift certificate at no
17 cost to the purchaser or holder.

18 (b) A gift certificate sold without an expiration date is
19 valid until redeemed or replaced.

20 (c) This Section shall not apply to any of the following
21 gift certificates provided the expiration date appears in
22 capital letters in at least 10-point font on the front of the
23 gift certificate:

24 (1) Gift certificates that are distributed by the
25 issuer to a consumer pursuant to an awards, loyalty, or
26 promotional program without any money or other thing of value
27 being given in exchange for the gift certificate by the
28 consumer.

29 (2) Gift certificates that are sold below face value at
30 a volume discount to employers or to nonprofit and charitable
31 organizations for fundraising purposes if the expiration date

1 on those gift certificates is not more than 30 days after the
2 date of sale.

3 (3) Gift certificates that are issued for a food
4 product.

5 Section 15. Dormancy fees. A dormancy fee may be applied to
6 a gift card provided that all of the following are met:

7 (1) The remaining value of the gift card is \$5 or less
8 each time the fee is assessed.

9 (2) The fee does not exceed \$1 per month.

10 (3) There has been no activity on the gift card for 24
11 consecutive months, including, but not limited to, purchases,
12 the adding of value, or balance inquiries.

13 (4) The holder may reload or add value to the gift
14 card.

15 (5) A statement is printed on the gift card in at least
16 10-point font stating the amount of the fee, how often the fee
17 will occur, that the fee is triggered by inactivity of the gift
18 card, and at what point the fee will be charged. The statement
19 may appear on the front or back of the gift card, but shall
20 appear in a location where it is visible to any purchaser prior
21 to the purchase thereof.

22 Section 20. Refund. An issuer of a gift certificate may
23 include a provision on the gift certificate that entitles the
24 purchaser to a full refund of the amount that he or she paid
25 for that gift certificate upon the occurrence of the following
26 circumstances:

27 (1) The gift certificate is purchased as a gift for
28 another person.

29 (2) The time in which the gift certificate may be
30 redeemed is disclosed on the gift certificate.

31 (3) The holder of the gift certificate does not redeem
32 the gift certificate within the time described in paragraph
33 (2).

1 Section 25. Exemptions. Nothing in this Act prohibits or
2 restricts fees associated with prepaid calling cards that are
3 issued solely to provide an access number and authorization
4 code for prepaid calling services.