

# Senate Bill 113

Sponsored by Senator RILEY (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that person identified in gift card as providing goods or services shall transfer to Department of State Lands remaining balance of gift card that cardholder has not used within five years after date of last transaction that used gift card for purchase.

### A BILL FOR AN ACT

Relating to unused balances on gift cards; creating new provisions; and amending ORS 646A.274 and 646A.276.

#### Be It Enacted by the People of the State of Oregon:

**SECTION 1.** ORS 646A.274, as amended by section 2, chapter 58, Oregon Laws 2016, is amended to read:

646A.274. As used in ORS 646A.276 and 646A.278:

(1) **“Cardholder” means a person that owns or possesses a gift card.**

(2) **“Cash” means money or a check.**

[(1)(a)] (3)(a) “Gift card” means a prefunded record [*evidencing*] **that is evidence of** a promise that the [*issuer*] **person identified in the record as providing goods or services in exchange for displaying or surrendering the record** will provide **the** goods or services to the [*owner of the record*] **cardholder** in the amount shown in the record.

(b) “Gift card” does not mean prepaid telephone calling cards, prepaid commercial mobile radio services as defined in 47 C.F.R. 20.3, any gift card usable with more than one seller of goods or services or prepaid transportation cards.

(2) (4) “Prepaid transportation card” means any prefunded record [*evidencing*] **that is evidence of** a promise that one or more units of state or local government of any state will provide to the owner or holder of the record, in the amount shown in the record, transportation services that may include but are not limited to the use of a transit system, road or bridge access, use of the transportation system of a transportation district and parking access.

**SECTION 2.** ORS 646A.276 is amended to read:

646A.276. (1) Except as provided in subsection (2) of this section and ORS 646A.278, a person may not sell a gift card **that**:

(a) [*That*] Has an expiration date;

(b) [*That*] Has a face value that declines as [*a result of the passage of time or the lack of use of the card*] **time passes or if the card is not used**;

(c) [*That*] Has a fee related to the card, including, but not limited to, an inactivity fee, a maintenance fee or a service fee; or

(d) [*That*] Does not give the cardholder the option to redeem the card for cash when the face value of the card has declined to an amount less than \$5 and the card has been used for at least

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 one purchase. [For purposes of this paragraph, "cash" means money or a check.]  
2 (2) Subsection (1)(d) of this section does not apply to:  
3 (a) Gift cards that have been given for free or less than full consideration to a person or entity  
4 as a donation or as part of a promotional offer;  
5 (b) Gift cards issued by an entity that provides services that are subject to the federal Commu-  
6 niques Act of 1934 (47 U.S.C. 151 et seq.); and  
7 (c) Gift cards redeemed to an online account for the purchase of goods or services.  
8 (3) [Redemption] A **cardholder may redeem a gift card** under subsection (1)(d) of this section  
9 [*may be obtained*] only from the [*provider of goods or services indicated on*] **person that** the gift card  
10 **identifies as providing goods or services**, regardless of whether the [*provider is the issuer of*]  
11 **person issued or sold** the gift card.  
12 (4)(a) **The person that a gift card identifies as providing goods or services shall transfer**  
13 **to the Department of State Lands, in accordance with ORS 98.302 to 98.436**, any remaining  
14 **balance from a gift card that a cardholder has not used within five years after the date of**  
15 **the last transaction that used the gift card for a purchase.** A transfer under this paragraph  
16 **renders the promise to provide goods or services of which the gift card is evidence void and**  
17 **the cardholder may not redeem the remaining balance on the gift card for cash, goods or**  
18 **services after the date of the transfer.**  
19 (b) **The Department of State Lands by rule may establish an expedited or informal pro-**  
20 **cess for transferring the balance described in paragraph (a) of this subsection.**  
21 **SECTION 3.** The amendments to ORS 646A.274 and 646A.276 by sections 1 and 2 of this  
22 2017 Act apply to gift cards that are issued or sold after the effective date of this 2017 Act.  
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