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HOUSE BILL NO. 2552

Offered January 10, 2007

Prefiled January 9, 2007

A BILL to amend and reenact §§ 59.1-530 and 59.1-531 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 59.1-530.1, relating to gift certificates; prohibited practices.

 Patron—Ebbin

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 59.1-530 and 59.1-531 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 59.1-530.1 as follows:

CHAPTER 47.**GIFT CERTIFICATES.****§ 59.1-530. Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

"Gift certificate" or "certificate" means a certificate, electronic card, or other medium issued by a ~~merchant~~ in the Commonwealth that evidences the giving of consideration in exchange for the right to redeem the certificate, electronic card, or other medium for goods, food, services, credit, or money of at least an equal value, including (i) any electronic card issued by a ~~merchant~~ with a banked dollar value where the issuer has received payment for the full banked dollar value for the future purchase, or delivery, of goods or services, (ii) a record that contains a microprocessor chip, magnetic strip or other storage medium that is prefunded and for which the value is adjusted upon each use, (iii) prepaid long distance telephone service that is activated by a prepaid card that required dialing an access number or an access code in addition to dialing the telephone number to which the user of the prepaid card seeks to connect, and (iv) any certificate issued by a ~~merchant~~ where the issuer has received payment for the full face value of the certificate for future purchases, or delivery, of goods or services.

"Issuer" means the person issuing a gift certificate.

"Merchant" means an owner or operator of any mercantile establishment or any agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of such owner or operator.

§ 59.1-530.1. Prohibited practices.

An issuer shall not:

1. Charge a fee, including a maintenance fee, service fee, or inactivity fee, on a gift certificate that it has issued; or

2. Place an expiration date or otherwise limit the time for the redemption of a gift certificate, or issue a gift certificate that diminishes in value over time, unless the gift certificate was (i) issued pursuant to an awards or loyalty program where no money or thing of value was given in exchange for the gift certificate or (ii) donated to a charitable organization without any money or other thing of value being given in exchange for the gift certificate.

§ 59.1-531. Required disclosures.

A. Each gift certificate issued by a ~~merchant in the Commonwealth~~ that has an expiration date or otherwise limits the time for the redemption as permitted pursuant to subdivision 2 of § 59.1-530.1 shall include either (i) a statement of the expiration date of the certificate or (ii) a telephone number or Internet address where the holder of the certificate may obtain information regarding the expiration date of the certificate.

B. Each gift certificate issued by a ~~merchant in the Commonwealth~~ that diminishes in value over time as permitted pursuant to subdivision 2 of § 59.1-530.1 shall include a telephone number or Internet address where the holder of the certificate may obtain information regarding the diminution in the value of the certificate over time.

C. The information required by this section shall be clearly and permanently imprinted on the certificate.