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HOUSE BILL NO. 859

Offered January 9, 2008

Prefiled January 8, 2008

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 CERTIFICATE DISCLOSURES 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*, and (iii) 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.

A. An issuer shall not:

1. Charge, within the 12 months following the date of its issuance, a maintenance fee or inactivity fee on a gift certificate; or

2. Issue a gift certificate that, within the 24 months following the date of its issuance, automatically expires, diminishes in value, or otherwise becomes unredeemable.

B. The provisions of subsection A shall not be construed to prohibit an issuer from charging a fee for activating or purchasing a gift certificate.

§ 59.1-531. Required disclosures.

A. ~~Each~~ The issuer of any gift certificate issued by a merchant in the Commonwealth that has:

1. Provides for the assessment of a maintenance fee or inactivity fee that is permitted pursuant to subdivision A 1 of § 59.1-530.1 shall provide to the purchaser of the gift certificate a written statement of the amount, frequency of assessment, and other terms pertaining to the charging of such a fee.

2. Has an expiration date or other limit on the time during which it may be redeemed that is permitted pursuant to subdivision A 2 of § 59.1-530.1 shall ~~include either~~ (i) provide to the purchaser of the gift certificate a written statement of the expiration date ~~of or other limit on the time during which 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 is redeemable.

The disclosures required by this subsection shall be provided to the purchaser prior to the completion of the purchase of the gift 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, or the packaging material attached to the certificate at the time of its sale, in order to provide any person who receives a gift certificate reasonable notice of any maintenance or inactivity fees, expiration date, or similar limitation on its redemption.

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