

HB3802



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3802

by Rep. Laura Fine

SYNOPSIS AS INTRODUCED:

815 ILCS 505/2SS

Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that post-purchase fees may not be imposed with respect to gift certificates usable with multiple sellers of goods or services.

LRB100 10732 JLS 20962 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Consumer Fraud and Deceptive Business
5 Practices Act is amended by changing Section 2SS as follows:

6 (815 ILCS 505/2SS)

7 Sec. 2SS. Gift certificates.

8 (a) "Gift certificate" means a record evidencing a promise,
9 made for consideration, by the seller or issuer of the record
10 that goods or services will be provided to the holder of the
11 record for the value shown in the record and includes, but is
12 not limited to, a record that contains a microprocessor chip,
13 magnetic stripe or other means for the storage of information
14 that is prefunded and for which the value is decremented upon
15 each use, a gift card, an electronic gift card, stored-value
16 card or certificate, a store card or a similar record or card.
17 "Gift certificate" also includes a credit slip issued by a
18 store to a consumer who returns goods that enables the consumer
19 to receive other goods of similar value in exchange for the
20 returned goods. For purposes of this Act, the term "gift
21 certificate" does not include any of the following:

22 (i) prepaid telecommunications and technology cards
23 including, but not limited to, prepaid telephone calling

1 cards, prepaid technical support cards, and prepaid
2 Internet disks that are distributed to or purchased by a
3 consumer;

4 (ii) prepaid telecommunications and technology cards
5 including, but not limited to, prepaid telephone calling
6 cards, prepaid technical support cards, and prepaid
7 Internet disks that are provided to a consumer pursuant to
8 any award, loyalty, or promotion program without any money
9 or other thing of value being given in exchange for the
10 card; or

11 (iii) except for purposes of item (2) of subsection
12 (b), any gift certificate usable with multiple sellers of
13 goods or services.

14 (b) On or after January 1, 2008, no person shall sell a
15 gift certificate that is subject to: (1) an expiration date
16 earlier than 5 years after the date of issuance; or (2) a
17 post-purchase fee. Any gift certificate issued prior to January
18 1, 2008 that is subject to a fee must contain a statement
19 clearly and conspicuously printed on the gift certificate
20 stating whether there is a fee, the amount of the fee, how
21 often the fee will occur, that the fee is triggered by
22 inactivity of the gift certificate, and at what point the fee
23 will be charged. The statement may appear on the front or back
24 of the gift certificate in a location where it is visible to
25 any purchaser prior to the purchase.

26 (c) The face value of a gift certificate issued on or after

1 January 1, 2008 may not be reduced in value and the holder of a
2 gift certificate issued after January 1, 2008 may not be
3 penalized in any way for non-use or untimely redemption of the
4 gift certificate. Any gift certificate issued prior to January
5 1, 2008 that is subject to an expiration date must contain a
6 statement clearly and conspicuously printed on the gift
7 certificate stating the expiration date. The statement may
8 appear on the front or back of the gift certificate in a
9 location where it is visible to any purchaser prior to the
10 purchase.

11 (d) Subsection (c) does not apply to any gift certificate
12 issued prior to January 1, 2008 that contains a toll free phone
13 number and a statement clearly and conspicuously printed on the
14 gift certificate stating that holders can call the toll free
15 number to find out the balance on the gift certificate, if
16 applicable, and the expiration date. The toll free number and
17 statement may appear on the front or back of the gift
18 certificate in a location where it is visible to any purchaser
19 prior to the purchase.

20 (e) This Section does not apply to any of the following
21 gift certificates:

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

1 (ii) Gift certificates that are sold below face value
2 at a volume discount to employers or to nonprofit and
3 charitable organizations for fundraising purposes if the
4 expiration date on those gift certificates is not more than
5 30 days after the date of sale.

6 (iii) Gift certificates that are issued for a food
7 product.

8 (Source: P.A. 97-954, eff. 1-1-13.)