97TH GENERAL ASSEMBLY
State of Illinois
2011 and 2012
HB4971


SYNOPSIS AS INTRODUCED:

815 ILCS 505/2SS

Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that the holder of a gift certificate issued on or after January 1, 2013 that has a balance of less than $10 must be given the option of receiving that balance in cash. Effective January 1, 2013.
AN ACT concerning business.

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

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

(815 ILCS 505/2SS)

Sec. 2SS. Gift certificates.

(a) "Gift certificate" means a record evidencing a promise, made for consideration, by the seller or issuer of the record that goods or services will be provided to the holder of the record for the value shown in the record and includes, but is not limited to, a record that contains a microprocessor chip, magnetic stripe or other means for the storage of information that is prefunded and for which the value is decremented upon each use, a gift card, an electronic gift card, stored-value card or certificate, a store card or a similar record or card. For purposes of this Act, the term "gift certificate" does not include any of the following:

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

(iii) any gift certificate usable with multiple sellers of goods or services.

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

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

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

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

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

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

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

(f) The holder of a gift certificate issued on or after January 1, 2013 that has a balance of less than $10 must be given the option of receiving that balance in cash.

(Source: P.A. 95-331, eff. 8-21-07; 95-525, eff. 1-1-08.)

Section 99. Effective date. This Act takes effect January 1, 2013.