

HOUSE BILL No. 2179

By Representative Trimmer

1-24

9 AN ACT relating to gift certificates and gift cards; concerning certain
10 exceptions; amending K.S.A. 2006 Supp. 50-6,108 and repealing the
11 existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2006 Supp. 50-6,108 is hereby amended to read as
15 follows: 50-6,108. (a) On and after January 1, 2007, no person, firm, part-
16 nership, association or corporation shall sell a gift certificate or gift card
17 to a purchaser containing an expiration date which is less than five years
18 from the date of purchase.

19 (b) A gift certificate or gift card sold without an expiration date is
20 valid until redeemed or replaced. A merchant shall not be required to
21 redeem a gift card or gift certificate for cash.

22 (c) No fees may be charged against the balance of a gift card or gift
23 certificate within 12 months from the date of issuance of the card.

24 (d) This section shall not apply to any of the following gift certificates
25 or gift cards issued on and after January 1, 2007, provided the expiration
26 date appears on the front of the gift certificate or gift card:

27 (1) Gift certificates or gift cards that are distributed by the issuer to
28 a consumer without any money or other thing of value being given in
29 exchange for the gift certificate or gift card by the consumer; or

30 (2) gift certificates or gift cards that are sold below face value at a
31 volume discount to employers or to nonprofit and charitable organizations
32 for fund-raising purposes; *or*

33 (3) *gift certificates or gift cards that are sold or distributed by non-*
34 *profit organizations or not-for-profit organizations for the purpose of pro-*
35 *moting civic improvement, including economic development.*

36 (e) All conditions and limitations shall be disclosed to the purchaser
37 of a gift certificate or gift card at the time of purchase. If such conditions
38 or limitations are not complied with by the purchaser, the issuer shall not
39 be required to, but may, redeem such gift certificate or gift card.

40 (f) As used in this section:

41 (1) "Gift card" means a tangible device, whereon is embedded or
42 encoded in an electronic or other format a value issued in exchange for
43 payment, which promises to provide to the bearer merchandise of equal

1 value to the remaining balance of the device. "Gift card" does not include
2 a prepaid bank card;

3 (2) "gift certificate" means a written promise given in exchange for
4 full or discounted payment, or without any money or other thing of value
5 being given in exchange, to provide merchandise in a specified amount
6 or of equal value to the bearer of the certificate. "Gift certificate" does
7 not include a prepaid bank card;

8 (3) "prepaid bank card" means a general use, prepaid card or other
9 electronic payment device that is issued by a bank or other financial in-
10 stitution in a predenominated amount useable at multiple, unaffiliated
11 merchants or at automated teller machines, or both.

12 (g) This section shall be part of and supplemental to the Kansas con-
13 sumer protection act.

14 Sec. 2. K.S.A. 2006 Supp. 50-6,108 is hereby repealed.

15 Sec. 3. This act shall take effect and be in force from and after its
16 publication in the statute book.