

CHAPTER 116
HOUSE BILL No. 2658*

AN ACT relating to gift certificates and gift cards; concerning certain restrictions.

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

Section 1. (a) On and after January 1, 2007, no person, firm, partnership, association or corporation shall sell a gift certificate or gift card to a purchaser containing an expiration date which is less than five years from the date of purchase.

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

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

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

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

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

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

(f) As used in this section:

(1) "Gift card" means a tangible device, whereon is embedded or encoded in an electronic or other format a value issued in exchange for payment, which promises to provide to the bearer merchandise of equal value to the remaining balance of the device. "Gift card" does not include a prepaid bank card;

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

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

(g) This section shall be part of and supplemental to the Kansas consumer protection act.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 14, 2006.
