

4771--B

2015-2016 Regular Sessions

I N S E N A T E

April 15, 2015

Introduced by Sen. FUNKE -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to prohibiting fees on gift cards and gift certificates

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivisions 3 and 5 of section 396-i of the general busi-
2 ness law, as amended by chapter 507 of the laws of 2004, are amended to
3 read as follows:

4 3. The terms and conditions of a gift certificate store credit shall
5 be clearly and conspicuously stated thereon. Terms and conditions shall
6 include the expiration date, whether any fees are assessed against the
7 balance of the gift certificate, THE PROCEDURE FOR and whether a fee
8 will be charged for the replacement of a gift certificate that is lost,
9 stolen, or destroyed, IF ANY. Additional terms and conditions includ-
10 ing, but not be limited to, policies related to refunds, warranties,
11 changes in terms and conditions, assignment and waiver shall be conspic-
12 uously printed: (a) on the gift certificate; or (b) on an envelope or
13 packaging containing the gift certificate, provided that a toll free
14 telephone number to access the additional terms and conditions is print-
15 ed on the gift certificate; or (c) on an accompanying printed document,
16 provided that a toll free telephone number to access the additional
17 terms and conditions is printed on the gift certificate.

18 5. (a) [No retroactive] FOR GIFT CERTIFICATES THAT ARE ONLY USABLE AT
19 A SINGLE MERCHANT OR AN AFFILIATED GROUP OF MERCHANTS THAT SHARE THE
20 SAME NAME, MARK OR LOGO, NO fees shall be assessed against THE BALANCE

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 OF a gift certificate WITH THE EXCEPTION OF A FEE FOR THE REPLACEMENT OF
2 A GIFT CERTIFICATE THAT IS LOST, STOLEN OR DESTROYED.

3 (b) [No] FOR GIFT CERTIFICATES THAT ARE USABLE AT MULTIPLE, UNAFFIL-
4 IATED MERCHANTS OR SERVICE PROVIDERS AND FOR GIFT CERTIFICATES DEFINED
5 IN PARAGRAPHS (A) AND (B) OF SUBDIVISION THREE-B OF THIS SECTION, NO
6 monthly service fees may be assessed against the balance of a gift
7 certificate prior to the thirteenth month of dormancy, AND NO RETROAC-
8 TIVE FEES SHALL BE ASSESSED AGAINST THE BALANCE OF A GIFT CERTIFICATE.

9 (c) For the purposes of this subdivision, "dormancy" shall mean non-
10 use of a gift certificate. Use of a gift certificate shall include, but
11 not be limited to, adding value, or purchases.

12 S 2. This act shall take effect on the ninetieth day after it shall
13 have become a law and shall apply to gift certificates issued on or
14 after such date.