



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4111

Introduced 09/20/05, by Rep. Eileen Lyons

SYNOPSIS AS INTRODUCED:

815 ILCS 505/2SS

Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that no person shall: (1) refuse to honor a valid gift certificate; (2) reduce the value of a gift certificate, except when the holder of a gift certificate partially redeems the gift certificate as payment for goods or services; or (3) sell a gift certificate that is subject to an expiration date. Provides that upon the presentation of a gift certificate, the issuer shall disclose to the holder the date on which the gift certificate was issued and the remaining balance of the gift certificate. Deletes language requiring a gift certificate subject to an expiration date to contain a statement clearly and conspicuously printed on the gift certificate stating the expiration date. Makes other changes.

LRB094 13558 RXD 48422 b

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 200, as added by
6 Public Act 93-945, as follows:

7 (815 ILCS 505/2SS)

8 Sec. 2SS ~~200~~. Gift certificates.

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

20 (i) prepaid telecommunications and technology cards
21 including, but not limited to, prepaid telephone calling
22 cards, prepaid technical support cards, and prepaid
23 Internet disks that are distributed to or purchased by a
24 consumer;

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

32 (iii) any gift certificate usable with multiple

1 sellers of goods or services.

2 (b) Any gift certificate subject to a fee must contain a
3 statement clearly and conspicuously printed on the gift
4 certificate stating whether there is a fee, the amount of the
5 fee, how often the fee will occur, that the fee is triggered by
6 inactivity of the gift certificate, and at what point the fee
7 will be charged. The statement may appear on the front or back
8 of the gift certificate in a location where it is visible to
9 any purchaser prior to the purchase.

10 (b-5) No person shall refuse to honor a valid gift
11 certificate. Upon the presentation of a gift certificate, the
12 issuer shall disclose to the holder, the date on which the gift
13 certificate was issued and the remaining balance of the gift
14 certificate.

15 (b-10) No person shall reduce the value of a gift
16 certificate, except that when the holder of a gift certificate
17 partially redeems the gift certificate as payment for goods or
18 services, the issuer that provides the goods or services may
19 subtract the sale of the goods or services. If the holder of a
20 gift certificate partially redeems the gift certificate, and
21 the resulting balance is less than \$5, the issuer shall, at the
22 holder's request, refund to the holder the balance of the gift
23 certificate in cash.

24 (c) No person shall sell a gift certificate that is subject
25 to an expiration date. An expiration date that purports to
26 apply to a gift certificate is void and unenforceable. Any gift
27 certificate subject to an expiration date must contain a
28 statement clearly and conspicuously printed on the gift
29 certificate stating the expiration date. The statement may
30 appear on the front or back of the gift certificate in a
31 location where it is visible to any purchaser prior to the
32 purchase.

33 (d) (Blank). ~~Subsection (c) does not apply to any gift~~
34 ~~certificate that contains a toll free phone number and a~~
35 ~~statement clearly and conspicuously printed on the gift~~
36 ~~certificate stating that holders can call the toll free number~~

1 ~~to find out the balance on the gift certificate, if applicable,~~
2 ~~and the expiration date. The toll free number and statement may~~
3 ~~appear on the front or back of the gift certificate in a~~
4 ~~location where it is visible to any purchaser prior to the~~
5 ~~purchase.~~

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

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

13 (ii) Gift certificates that are sold below face value
14 at a volume discount to employers or to nonprofit and
15 charitable organizations for fundraising purposes if the
16 expiration date on those gift certificates is not more than
17 30 days after the date of sale.

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

20 (Source: P.A. 93-945, eff. 1-1-05; revised 11-10-04.)