



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4205

Introduced 11/17/2005, by Rep. Jack D. Franks

SYNOPSIS AS INTRODUCED:

815 ILCS 505/2SS

Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that no person shall sell a gift certificate that is subject to an expiration date or a fee. Provides that the face value of a gift certificate may not be reduced in value and the holder of a gift certificate may not be penalized in any way for non-use or untimely redemption of the gift certificate. Deletes language requiring that a gift certificate subject to a fee or expiration date contain a statement clearly and conspicuously printed on the gift certificate stating the expiration date or whether there is a fee. Makes other changes.

LRB094 14229 LCT 50204 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 and renumbering Section
6 200, as added by 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) No person shall sell a gift certificate that is subject
3 to: (1) an expiration date; or (2) a fee. ~~Any gift certificate~~
4 ~~subject to a fee must contain a statement clearly and~~
5 ~~conspicuously printed on the gift certificate stating whether~~
6 ~~there is a fee, the amount of the fee, how often the fee will~~
7 ~~occur, that the fee is triggered by inactivity of the gift~~
8 ~~certificate, and at what point the fee will be charged. The~~
9 ~~statement may appear on the front or back of the gift~~
10 ~~certificate in a location where it is visible to any purchaser~~
11 ~~prior to the purchase.~~

12 (c) The face value of a gift certificate may not be reduced
13 in value and the holder of a gift certificate may not be
14 penalized in any way for non-use or untimely redemption of the
15 gift certificate. ~~Any gift certificate subject to an expiration~~
16 ~~date must contain a statement clearly and conspicuously printed~~
17 ~~on the gift certificate stating the expiration date. The~~
18 ~~statement may appear on the front or back of the gift~~
19 ~~certificate in a location where it is visible to any purchaser~~
20 ~~prior to the purchase.~~

21 (d) (Blank). ~~Subsection (e) does not apply to any gift~~
22 ~~certificate that contains a toll free phone number and a~~
23 ~~statement clearly and conspicuously printed on the gift~~
24 ~~certificate stating that holders can call the toll free number~~
25 ~~to find out the balance on the gift certificate, if applicable,~~
26 ~~and the expiration date. The toll free number and statement may~~
27 ~~appear on the front or back of the gift certificate in a~~
28 ~~location where it is visible to any purchaser prior to the~~
29 ~~purchase.~~

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

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

1 (ii) Gift certificates that are sold below face value
2 at a volume discount to employers or to nonprofit and
3 charitable organizations for fundraising purposes if the
4 expiration date on those gift certificates is not more than
5 30 days after the date of sale.

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

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