

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

House Bill 710
Economic Matters

(Delegate Boteler, *et al.*)

Commercial Law - Expiration of Gift Certificates - Prohibition

This bill prohibits a gift certificate, gift card, or other similar device issued to a purchaser from expiring prior to its use. Donated gift certificates, gift cards, or similar devices may expire. The expiration date must be imprinted on such a donated device or the donor must give the recipient written notice of the expiration date.

The bill may not impair any presently existing obligation or contract and does not apply to gift certificates issued before October 1, 2003.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: No provision specifically regulates the expiration of gift certificates.

Background: Increasingly, retailers have begun to restrict the time within which a person may redeem a gift certificate or gift card. Some retailers have begun to charge a fee for nonuse if the card has not been used within a stated period of time. Such time periods typically range between 12 and 24 months.

Additional Information

Prior Introductions: None.

Cross File: Although designated as a cross file, SB 375 is not identical.

Information Source(s): Office of the Attorney General (Consumer Protection Division),
Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2003
mdf/jr

Analysis by: Ryan Wilson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510