

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE

Senate Bill 375
Finance

(Senator Klausmeier)

Commercial Law - Expiration of Gift Certificates - Prohibition

This bill prohibits a gift certificate, gift card, or other similar device issued to a consumer from expiring prior to its use.

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 identified as a cross file, HB 710 is not identical.

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

Fiscal Note History: First Reader - March 3, 2003
mdf/jr

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