

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 43
Economic Matters

(Delegate Boteler)

Commercial Law - Expiration of Prepaid Gift Certificates - Prohibition

This bill prohibits a prepaid gift certificate issued to a purchaser from expiring prior to its redemption. Gift certificates donated to charity or used for a sales promotion may expire if: (1) the expiration date is imprinted on the gift certificate; or (2) the issuer gives written notice of the expiration date.

The bill does not impair any obligation or contract right effective before October 1, 2004 and does not apply to gift certificates issued before that date.

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.

Additional Information

Prior Introductions: Similar bills, SB 375 and HB 710, were introduced during the 2003 session. SB 375 received an unfavorable report from the Senate Finance Committee, and HB 710 received an unfavorable report from the House Economic Matters Committee.

Cross File: None.

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

Fiscal Note History: First Reader - January 19, 2004
ncs/mdr

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