

(PRE-FILED)

By: **Senators Klausmeier, Green, Hogan, Hollinger, Hooper, Kramer,
McFadden, and Munson**

Requested: July 13, 2004

Introduced and read first time: January 12, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Gift Certificates - Expiration and Service Fees -**
3 **Prohibition**

4 FOR the purpose of prohibiting a person from selling a gift certificate that contains
5 an expiration date unless certain conditions are met; prohibiting a person from
6 selling a gift certificate that contains a service fee; providing that a gift
7 certificate sold in violation of this Act shall be considered valid and shall not be
8 subject to an expiration date or service fee; providing for the application of this
9 Act; defining a certain term; and generally relating to the expiration of and
10 service fees on gift certificates.

11 BY adding to
12 Article - Commercial Law
13 Section 14-1319
14 Annotated Code of Maryland
15 (2000 Replacement Volume and 2004 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Commercial Law**

19 14-1319.

20 (A) (1) IN THIS SECTION, "GIFT CERTIFICATE" MEANS A DEVICE
21 CONSTRUCTED OF PAPER, PLASTIC, OR ANY OTHER MATERIAL THAT IS:

22 (I) SOLD BY A PERSON FOR A CASH VALUE THAT CAN BE USED TO
23 PURCHASE GOODS OR SERVICES; OR

24 (II) ISSUED AS A STORE CREDIT FOR RETURNED GOODS.

25 (2) "GIFT CERTIFICATE" DOES NOT INCLUDE:

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- 1 (I) A PREPAID TELEPHONE CALLING CARD;
- 2 (II) A PREPAID TECHNICAL SUPPORT CARD;
- 3 (III) A PREPAID CARD FOR INTERNET SERVICES;
- 4 (IV) A COUPON FOR DISCOUNTED GOODS OR SERVICES; OR
- 5 (V) A GIFT CERTIFICATE THAT IS DISTRIBUTED TO A CONSUMER
- 6 UNDER AN AWARDS, LOYALTY, OR PROMOTIONAL PROGRAM IN WHICH THE
- 7 RECIPIENT DOES NOT GIVE MONEY OR VALUE FOR THE GIFT CERTIFICATE.

8 (B) A PERSON MAY NOT SELL A GIFT CERTIFICATE THAT CONTAINS:

- 9 (1) AN EXPIRATION DATE UNLESS THE EXPIRATION DATE:
- 10 (I) IS AT LEAST 5 YEARS AFTER THE DATE OF ISSUANCE OF THE
- 11 GIFT CERTIFICATE; AND
- 12 (II) IS PRINTED CLEARLY IN A VISIBLE PLACE ON THE FRONT OR
- 13 BACK OF THE GIFT CERTIFICATE IN AT LEAST 10-POINT FONT; OR

14 (2) A SERVICE FEE, INCLUDING A SERVICE FEE FOR DORMANCY.

15 (C) A GIFT CERTIFICATE THAT IS SOLD IN VIOLATION OF SUBSECTION (B) OF
16 THIS SECTION SHALL BE CONSIDERED VALID AND MAY NOT BE SUBJECT TO AN
17 EXPIRATION DATE OR SERVICE FEE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
19 construed to apply only prospectively and may not be applied or interpreted to have
20 any effect on or application to any gift certificate issued before the effective date of
21 this Act.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 July 1, 2005.