

CHAPTER 254

AN ACT concerning gift certificates and cards and amending P.L.2002, c.14.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 1 of P.L.2002, c.14 (C.56:8-110) is amended to read as follows:

C.56:8-110 Gift certificate, card, validity, terms; required, definitions.

1. a. A gift certificate or gift card sold after the effective date of this amendatory act shall retain full unused value until presented in exchange for merchandise, or shall have any and all conditions and limitations, as permitted in paragraphs (1) through (3) of this subsection, disclosed to the purchaser of the gift certificate or gift card at the time of purchase as provided in subsection b. of this section.

(1) In no case shall a gift certificate or gift card expire within the 24 months immediately following the date of sale.

(2) No dormancy fee shall be charged against a gift certificate or a gift card within the 24 months immediately following the date of sale, nor shall one be charged within the 24 months immediately following the most recent activity or transaction in which the certificate or card was used.

(3) A dormancy fee charged against a gift certificate or gift card as permitted by this subsection shall not exceed \$2.00 per month.

b. The terms of any expiration date or dormancy fee applicable to a gift certificate or gift card, as permitted by subsection a. of this section, shall be disclosed to a consumer by:

(1) written notice of the expiration date or dormancy fee or both printed in at least 10 point font, on the gift certificate or gift card, or the sales receipt for the certificate or card, or the package for the certificate or card; and

(2) written notice, in at least 10 point font, on the gift certificate or gift card, or the sales receipt for the certificate or card, or the package for the certificate or card, of a telephone number which the consumer may call, for information concerning any expiration date or dormancy fee.

c. As used in this section:

"Dormancy fee" means a charge imposed against the unused value of a gift card or gift certificate due to inactivity;

"Gift card" means a tangible device, whereon is embedded or encoded in an electronic or other format a value issued in exchange for payment, which promises to provide to the bearer merchandise of equal value to the remaining balance of the device. "Gift card" does not include a prepaid telecommunications or technology card, prepaid bank card or rewards card;

"Gift certificate" means a written promise given in exchange for payment to provide merchandise in a specified amount or of equal value to the bearer of the certificate. "Gift certificate" does not include a prepaid telecommunications or technology card, prepaid bank card or rewards card;

"Merchandise" means and includes any objects, wares, goods, commodities, services or anything offered, directly or indirectly, to the public for sale;

"Prepaid bank card" means a general use, prepaid card or other electronic payment device that is issued by a bank or other financial institution, or a licensed money transmitter, in a pre-denominated amount usable at multiple, unaffiliated merchants or at automated teller machines, or both, but shall not include a card issued by a retail merchant;

"Prepaid telecommunications or technology card" includes, but is not limited to: a prepaid telephone calling card; prepaid technical support card; or prepaid Internet disk distributed to or purchased by a consumer; and

"Rewards card" means a card or certificate distributed by the issuer to a consumer pursuant to an awards, loyalty, rewards or promotional program, without any money or other consideration or thing of value by the consumer in exchange for the card or certificate.

2. This act shall take effect on the 90th day after the date of enactment, except that no action for a violation of P.L.1960, c.39 (C.56:8-1 et seq.) based upon the requirement as to font size of the notice required by section 1 of P.L.2002, c.14 (C.56:8-110) shall ensue for a gift certificate or gift card issued on or before the 365th day after the date of enactment

Approved January 4, 2006.