
**Consumer Protection & Business
Committee**

HB 1313

Brief Description: Concerning rewards cards.

Sponsors: Representatives Kirby, Vick, Jenkin, Stokesbary, Reeves, Young and Hoff.

Brief Summary of Bill

- Adds "rewards cards" as property that is exempt from the Uniform Unclaimed Property Act.

Hearing Date: 1/23/19

Staff: Robbi Kesler (786-7153).

Background:

Gift Certificates and Gift Cards.

A "gift certificate" is defined as an instrument evidencing a promise by the seller that consumer goods or services will be provided to the bearer of the record to the value or credit shown in the record. A "gift card" is a gift certificate in the form of a card, or a stored value card or other physical medium, containing stored value primarily intended to be exchanged for consumer goods and services.

Unclaimed Property.

The Uniform Unclaimed Property Act governs the disposition of intangible property that is unclaimed by its owner. A business that holds unclaimed intangible property must transfer it to the Department of Revenue (DOR) after a holding period set by statute. The holding period varies by type of property, but for most unclaimed property the holding period is three years. After the holding period has passed, the business in possession of the property transfers the property to the DOR. Abandoned property on gift certificates is exempt from the Uniform Unclaimed Property Act under certain conditions. A gift certificate is defined to mean a record

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evidencing a promise by a seller to provide goods or services for the value of the record, and includes gift cards.

Summary of Bill:

"Rewards card" is defined as any loyalty, incentive, or promotional program managed by a financial organization or a business association, whether represented by a card or electronic record, and established for the purpose of providing cardholder awards, rewards, rebates, or other amounts to compensate the cardholder for the cardholder's relationship with the entity sponsoring the rewards card. No direct money can be paid by the cardholder for the rewards card. A rewards card is not a gift card or a gift certificate.

The issuer of a rewards card has no obligation to pay interest on the value of the rewards card held in trust and there is no fiduciary or quasi-fiduciary relationship between the beneficiary of the rewards card and the issuer of the rewards card.

Rewards cards are added to the list of property exempt from the Uniform Unclaimed Property Act.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.