

By: Representative Fleming

To: Judiciary B

HOUSE BILL NO. 260  
(As Passed the House)

1 AN ACT TO PROHIBIT THE SALES OF GIFT CERTIFICATES WITH  
2 EXPIRATION DATES, SERVICE FEES OR DORMANCY FEES; TO ALLOW CASH  
3 REDEMPTION OR REPLACEMENT OF GIFT CERTIFICATES; TO PROVIDE  
4 EXCEPTIONS; AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 **SECTION 1.** (1) It is unlawful for any person or entity to  
7 sell a gift certificate to a purchaser that contains any of the  
8 following:

9 (a) An expiration date.

10 (b) A service fee, including, but not limited to, a  
11 service fee for dormancy, except as provided in subsection (5).

12 (2) A gift certificate sold without an expiration date is  
13 valid until redeemed or replaced.

14 (3) This section does not apply to any of the following gift  
15 certificates issued on or after July 1, 2007, provided the  
16 expiration date appears in capital letters in at least ten-point  
17 font on the front of the gift certificate:

18 (a) Gift certificates that are distributed by the  
19 issuer to a consumer pursuant to an awards, loyalty or promotional  
20 program without any money or other thing of value being given in  
21 exchange for the gift certificate by the consumer.

22 (b) Gift certificates that are sold below face value at  
23 a volume discount to employers or to nonprofit and charitable  
24 organizations for fundraising purposes if the expiration date on  
25 those gift certificates is not more than thirty (30) days after  
26 the date of sale.

27 (c) Gift certificates that are issued for a food  
28 product.

29           (4) Paragraph (b) of subsection (1) does not apply to a  
30 dormancy fee on a gift card that meets all of the following  
31 criteria:

32                   (a) The remaining value of the gift card is Five  
33 Dollars (\$5.00) or less each time the fee is assessed.

34                   (b) The fee does not exceed One Dollar (\$1.00) per  
35 month.

36                   (c) There has been no activity on the gift card for  
37 twenty-four (24) consecutive months, including, but not limited  
38 to, purchases, the adding of value or balance inquiries.

39                   (d) The holder may reload or add value to the gift  
40 card.

41                   (e) A statement is printed on the gift card in at least  
42 10-point font stating the amount of the fee, how often the fee  
43 will occur, that the fee is triggered by inactivity of the gift  
44 card, and at what point the fee will be charged. The statement  
45 may appear on the front or back of the gift card, but shall appear  
46 in a location where it is visible to any purchaser prior to the  
47 purchase thereof.

48           (5) Nothing in paragraph (a) of subsection (1) prevents an  
49 issuer of gift certificates from including on any gift certificate  
50 a provision that entitles the purchaser to a full refund of the  
51 amount that he or she paid for that gift certificate upon the  
52 occurrence of the following circumstances:

53                   (a) The gift certificate is purchased as a gift for  
54 another person.

55                   (b) The time in which the gift certificate may be  
56 redeemed is disclosed on the gift certificate.

57                   (c) The holder of the gift certificate does not redeem  
58 the gift certificate within the time described in paragraph (b).

59           **SECTION 2.** This act shall take effect and be in force from  
60 and after July 1, 2007.