

ASSEMBLY, No. 3045

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 7, 2012

Sponsored by:

Assemblyman PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

SYNOPSIS

Disengages stored value card escheat prospectively.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/8/2012)

1 AN ACT disengaging stored value card escheatment prospectively,
2 amending P.L.2010, c.25, P.L.2002, c.35, and P.L.2002, c.14 and
3 supplementing chapter 30B of Title 46 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. Section 5 of P.L.2010, c.25 (C.46:30B-42.1) is amended to
9 read as follows:

10 5. a. A stored value card for which there has been no stored
11 value card activity for two years is presumed abandoned.

12 Provided however, no stored value card issued on or after the
13 date of enactment of P.L. , c. (C.) (pending before the
14 Legislature as this bill) shall be presumed abandoned pursuant to
15 this section or presumed abandoned pursuant to any other
16 provisions of the Uniform Unclaimed Property Act.

17 b. The proceeds of a stored value card presumed abandoned
18 shall be the value of the card, in money, on the date the stored value
19 card is presumed abandoned.

20 c. An issuer of a stored value card shall obtain the name and
21 address of the purchaser or owner of each stored value card issued
22 or sold and shall, at a minimum, maintain a record of the zip code
23 of the owner or purchaser.

24 If the issuer of a stored value card does not have the name and
25 address of the purchaser or owner of the stored value card, the
26 address of the owner or purchaser of the stored value card shall
27 assume the address of the place where the stored value card was
28 purchased or issued and shall be reported to New Jersey if the place
29 of business where the stored value card was sold or issued is located
30 in New Jersey.

31 Provided however, no stored value card issued on or after the
32 date of enactment of P.L. , c. (C.) (pending before the
33 Legislature as this bill) shall be subject to the data collection and
34 maintenance provisions of this subsection or the address assumption
35 and reporting provisions of this subsection.

36 d. Nothing in this section shall be construed to prevent an
37 issuer from honoring a stored value card, the unredeemed value of
38 which has been reported to the State Treasurer pursuant to
39 R.S.46:30B-1 et seq., and thereafter seeking reimbursement from
40 the State Treasurer pursuant to R.S.46:30B-62.

41 e. **【This section】** Section 37 of P.L.2002, c.35 (C.46:30B-43.1)
42 does not apply to a stored value card that is distributed by the issuer
43 to a person under a promotional or customer loyalty program or a
44 charitable program for which no monetary or other consideration

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 has been tendered by the owner and **[this]** section 37 of P.L.2002,
2 c.35 (C.46:30B-43.1) does not apply to a stored value card issued
3 by any issuer that in the past year sold stored value cards with a
4 face value of \$250,000 or less. For purposes of this subsection,
5 sales of stored value cards by businesses that operate either (1)
6 under the same trade name as or under common ownership or
7 control with another business or businesses in the State, or (2) as
8 franchised outlets of a parent business, shall be considered sales by
9 a single issuer.

10 f. The State Treasurer is authorized to grant an exemption from
11 **[such provisions]** section 37 of P.L.2002, c.35 (C.46:30B-43.1)
12 concerning stored value cards, on such terms and conditions as the
13 State Treasurer may require, for a business or class of businesses
14 that demonstrate good cause to the satisfaction of the State
15 Treasurer. In exercising his discretion pursuant to this **[section]**
16 subsection, the State Treasurer may consider relevant factors
17 including, but not limited to, the amount of stored value card
18 transactions processed, the technology in place, whether or not
19 stored value cards issued contain a microprocessor chip, magnetic
20 strip, or other means designed to trace and capture information
21 about place and date of purchase, and such other factors as the State
22 Treasurer shall deem relevant.

23 g. Notwithstanding the provisions of this act or any other law
24 to the contrary, for stored value cards subject to presumed
25 abandonment pursuant to this section or any other provisions of the
26 Uniform Unclaimed Property Act only a stored value card which is
27 exempt from the provisions of this act pursuant to subsection e. or f.
28 of this section shall be deemed a gift card or gift certificate for
29 purposes of P.L.2002, c.14 (C.56:8-110 et seq.).

30 h. As used in this section:

31 “Stored value card activity” means the purchase or issuance of
32 the stored value card, a transaction executed by the owner that
33 increased or decreased the value of the stored value card, or
34 communication by the owner of the stored value card with the
35 issuer of the stored value card concerning the value of the balance
36 remaining on the stored value card as evidenced by a
37 contemporaneous record prepared by or on behalf of the issuer.

38 “Issuer” means an issuer or seller of a stored value card that is a
39 person, retailer, merchant, vendor, provider or business association
40 with the obligations of a holder to accept the stored value card as
41 redeemable for, solely or a combination of, merchandise, services,
42 or cash, and to report and deliver proceeds of the stored value card
43 if abandoned.

44 (cf: P.L.2010, c.25, s.5)

45
46 2. Section 37 of P.L.2002, c.35 (C.46:30B-43.1) is amended to
47 read as follows:

1 37. Limitation on holder's power to impose charges. A holder of
2 property subject to R.S.46:30B-42, section 5 of P.L.2010, c.25
3 (C.46:30B-42.1), and R.S.46:30B-43 shall not impose on the
4 property a dormancy charge or fee, abandoned property charge or
5 fee, unclaimed property charge or fee, escheat charge or fee,
6 inactivity charge or fee, or any similar charge, fee or penalty for
7 inactivity with respect to the property. Neither the property nor an
8 agreement with respect to the property may contain language
9 suggesting that the property may be subject to that kind of charge,
10 fee or penalty for inactivity.

11 A stored value card issuer, as defined pursuant to section 5 of
12 P.L.2010, c.25 (C.46:30B-42.1) except as to the obligation to report
13 and deliver the proceeds of an abandoned stored value card, shall be
14 subject to the limits of this section. Provided however, the
15 application of this section is subject to the exemptions provided
16 pursuant to subsections e. and f. of section 5 of P.L.2010, c.25
17 (C.46:30B-42.1). If a stored value card is exempt from the
18 application of this section pursuant to subsections e. and f. of
19 section 5 of P.L.2010, c.25 (C.46:30B-42.1) the stored value card
20 shall remain subject to section 1 of P.L.2002, c.14 (C.56:8-110) as
21 provided therein.

22 For purposes of a stored value card issuer subject to this section
23 and with respect to stored value cards issued on or after the date of
24 enactment of P.L. , c. (pending before the Legislature as this
25 bill), a penalty for inactivity shall be deemed to include an
26 expiration date and is prohibited.
27 (cf: P.L.2010, c.25, s.6)

28

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

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

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

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

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

- 1 b. The terms of any expiration date or dormancy fee applicable
2 to a gift certificate or gift card, as permitted by subsection a. of this
3 section, shall be disclosed to a consumer by:
- 4 (1) written notice of the expiration date or dormancy fee or both
5 printed in at least 10 point font, on the gift certificate or gift card, or
6 the sales receipt for the certificate or card, or the package for the
7 certificate or card; and
- 8 (2) written notice, in at least 10 point font, on the gift certificate
9 or gift card, or the sales receipt for the certificate or card, or the
10 package for the certificate or card, of a telephone number which the
11 consumer may call, for information concerning any expiration date
12 or dormancy fee.
- 13 c. As used in this section:
- 14 "Dormancy fee" means a charge imposed against the unused
15 value of a gift card or gift certificate due to inactivity;
- 16 "Gift card" means a tangible device, whereon is embedded or
17 encoded in an electronic or other format a value issued in exchange
18 for payment, which promises to provide to the bearer merchandise
19 of equal value to the remaining balance of the device. "Gift card"
20 does not include a prepaid telecommunications or technology card,
21 prepaid bank card **[or]**, rewards card or stored value card subject to
22 the application of section 37 of P.L.2002, c.35 (C.46:30B-43.1);
- 23 "Gift certificate" means a written promise given in exchange for
24 payment to provide merchandise in a specified amount or of equal
25 value to the bearer of the certificate. "Gift certificate" does not
26 include a prepaid telecommunications or technology card, prepaid
27 bank card **[or]**, rewards card or stored value card subject to the
28 application of section 37 of P.L.2002, c.35 (C.46:30B-43.1);
- 29 "Merchandise" means and includes any objects, wares, goods,
30 commodities, services or anything offered, directly or indirectly, to
31 the public for sale;
- 32 "Prepaid bank card" means a general use, prepaid card or other
33 electronic payment device that is issued by a bank or other financial
34 institution, or a licensed money transmitter, in a pre-denominated
35 amount usable at multiple, unaffiliated merchants or at automated
36 teller machines, or both, but shall not include a card issued by a
37 retail merchant;
- 38 "Prepaid telecommunications or technology card" includes, but is
39 not limited to: a prepaid telephone calling card; prepaid technical
40 support card; or prepaid Internet disk distributed to or purchased by
41 a consumer; and
- 42 "Rewards card" means a card or certificate distributed by the
43 issuer to a consumer pursuant to an awards, loyalty, rewards or
44 promotional program, without any money or other consideration or
45 thing of value by the consumer in exchange for the card or
46 certificate.
- 47 (cf: P.L.2005, c.254, s.1)

