

SENATE NO. 211

AN ACT PROVIDING UPDATES TO THE GIFT CERTIFICATE LAW

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Section 1 of chapter 255D of the General Laws, as appearing in the 2004 official
2 edition, is hereby amended by striking out lines 11 to 22 in their entirety and inserting in place
3 thereof the following:- "Gift certificate", a writing identified as a gift certificate purchased by a
4 buyer for use by a person other than the buyer not redeemable in cash and usable in its face
5 amount in lieu of cash in exchange for goods or services supplied by the seller. A gift certificate
6 shall include an electronic card with a banked dollar value, a merchandise credit, a certificate
7 where the issuer has received payment for the full face value for the future purchase or delivery
8 of goods or services and any other medium that evidences the giving of consideration in
9 exchange for the right to redeem the certificate, electronic card or other medium for goods,
10 food, services, credit or money of at least an equal value. A gift certificate shall not include pre-
11 paid calling arrangements, as defined in section 1 of chapter 64H of the General Laws, or any
12 electronic card usable with multiple unaffiliated sellers of goods or services.

13 SECTION 2. Section 75C of chapter 266 of the General Laws, as appearing in the 2004
14 official edition, is hereby amended by inserting after section 75C the following new sections:-

15 Section 75D. Whoever sells or offers to sell a gift certificate as defined under section 1 of
16 chapter 255D which imposes dormancy fees, latency fees, administrative fees, periodic fees,
17 service fees or other fees that have the effect of reducing the total amount for which the holder
18 may redeem a gift certificate, shall be punished by a fine of not more than three hundred dollars
19 per incident.

20 Section 75E. Whoever redeems a gift certificate as defined under section 1 of chapter 225D and
21 deducts a gratuity without the consent of the owner of the gift card or gift certificate shall be
22 punished by a fine of not more than three hundred dollars per incident.

23 SECTION 3. Section 5D of chapter 200A of the General Laws in lines 13 to 16 by striking out
24 the following:- “Notwithstanding any general or special law to the contrary, upon a gift
25 certificate being redeemed for up to 90 per cent of its face value, a consumer shall make an
26 election to receive the balance in cash or to continue with the gift certificate.” inserting in place
27 thereof the following:- “Notwithstanding any general or special law to the contrary, upon a gift
28 certificate, which is of a type whereby the owner is unable to or prohibited from adding value to
29 it after it has been sold or issued, being redeemed for 90 per cent or more of its face value, a
30 consumer shall make an election to receive the balance in cash or to continue with the gift
31 certificate. Notwithstanding any general or special law to the contrary, upon a gift certificate,
32 which is of a type whereby the owner is able to or permitted to add value to it after it has been
33 sold or issued, being redeemed to the point where its value remaining on said gift certificate is
34 five dollars or less, a consumer shall make an election to receive the balance in cash or to

35 continue with the gift certificate. When a zero balance is reached on a gift certificate, whereby
36 the owner can add to it after it has been sold or issued, then gift certificate is deemed void and
37 no longer redeemable.”