

FEB 17 2004

COMMERCE, REGULATION & LABOR

HOUSE FILE 2287

BY DOLECHECK

Passed House, Date \_\_\_\_\_

Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act to prohibit the sale of gift certificates containing an  
2 expiration date.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2287

1 Section 1. Section 537.1301, subsection 20, Code  
2 Supplement 2003, is amended to read as follows:

3 20. "Gift certificate" means a merchandise certificate or  
4 electronic card conspicuously designated as a gift certificate  
5 or gift card, and purchased by a buyer for use by a person  
6 other than the buyer.

7 Sec. 2. NEW SECTION. 537.3312 GIFT CERTIFICATES --  
8 EXPIRATION DATES PROHIBITED.

9 1. A seller shall not sell a gift certificate that  
10 contains an expiration date. An expiration date contained on  
11 a gift certificate is void. A gift certificate with an  
12 expiration date shall be redeemable in cash for its cash  
13 value, or subject to replacement with a new gift certificate  
14 without an expiration date at no cost to the buyer or holder.

15 2. This section shall not apply to any of the following  
16 gift certificates if the expiration date appears in capital  
17 letters in at least ten-point font on the front of the gift  
18 certificate:

19 a. Gift certificates distributed by the seller to a person  
20 pursuant to an awards, loyalty, or promotional program without  
21 any money or other thing of value being given in exchange for  
22 the gift certificate by the person.

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

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

29 EXPLANATION

30 This bill prohibits sellers from selling gift certificates  
31 that contain an expiration date. The bill provides that gift  
32 certificates sold with an expiration date shall be redeemable  
33 in cash or may be replaced at no cost to the buyer or holder.  
34 If the gift certificate is distributed as an award or pursuant  
35 to a loyalty or promotional program or if the certificate is

1 sold below face value for fundraising purposes or if the gift  
2 certificate is one issued for a food product, the certificate  
3 may contain an expiration date if the expiration date is  
4 printed in capital letters in at least 10-point font on the  
5 front of the gift certificate. The bill amends the definition  
6 of gift certificate to include electronic gift cards.

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