

Senate File 2334 - Introduced

SENATE FILE 2334

BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SF 2147)

(COMPANION TO HF 2251 BY YOUNG)

A BILL FOR

1 An Act relating to gift card fraud notice.

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

1 Section 1. NEW SECTION. 554H.1 Gift card fraud notice.

2 1. As used in this section, "gift card" means a written
3 promise or electronic payment device that is all of the
4 following:

5 a. Usable at a single merchant; an affiliated group or
6 merchants that share the same name, mark, or logo; or multiple
7 unaffiliated merchants or service providers.

8 b. Issued in a specific amount.

9 c. May or may not be increased in value or reloaded.

10 d. Purchased on a prepaid basis for the future purchase or
11 delivery of any goods or services.

12 e. Honored upon presentation.

13 2. a. A person, firm, partnership, association,
14 corporation, store, or mercantile establishment that sells
15 gift cards redeemable at any location other than the place
16 of purchase shall display a conspicuous notice in a format
17 prescribed by the consumer protection division of the office of
18 the attorney general. The notice must do the following:

19 (1) Caution the purchaser about gift card fraud.

20 (2) Provide instruction on what to do if the purchaser
21 believes that the purchaser may be a victim of a gift card
22 fraud, including that the purchaser may report the alleged
23 violation to the consumer protection division of the office of
24 the attorney general.

25 (3) Be posted in a conspicuous manner within the
26 establishment in at least one of the following locations:

27 (a) On all displays where third-party or open-loop gift
28 cards are displayed.

29 (b) At all physical points of sale.

30 (c) On the electronic payment system screen prior to the
31 purchaser finalizing payment.

32 b. In addition to but not in lieu of paragraph "a",
33 subparagraph (3), a person, firm, partnership, association,
34 corporation, store, or mercantile establishment may place a
35 notice on the sales receipt.

1 3. A person, firm, partnership, association, corporation,
2 store, or mercantile establishment that violates this section
3 shall be given a written citation by the consumer protection
4 division of the office of the attorney general. A person,
5 firm, partnership, association, corporation, store, or
6 mercantile establishment that receives three citations or more
7 from the consumer protection division of the office of the
8 attorney general shall be subject to a civil penalty of up to
9 two hundred fifty dollars.

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EXPLANATION

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The inclusion of this explanation does not constitute agreement with
the explanation's substance by the members of the general assembly.

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This bill relates to gift card fraud notice. The bill
requires any person, firm, partnership, association,
corporation, store, or mercantile establishment that sells gift
cards to other businesses to display a notice of gift card
fraud.

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The bill requires that a notice shall provide information on
what gift card fraud is and what a person can do if the person
believes he or she may be the victim of gift card fraud. The
bill also provides that the notice must be displayed on all
displays that gift cards are located, at all physical points
of sale, or on the electronic payment system screen prior to
completion of the sale.

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The bill provides that a business that violates the bill
shall receive a citation from the consumer protection division
of the office of the attorney general and that three or more
citations shall result in a civil penalty of no more than \$250.