

**House Study Bill 181 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
JUDICIARY BILL BY CHAIRPERSON  
HOLT)

**A BILL FOR**

1 An Act relating to theft, forgery, and fraud involving a gift  
2 card, and providing penalties.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **714.2D Crimes involving gift**  
2 **cards.**

3 1. As used in this section, unless the context otherwise  
4 requires:

5 a. "Cardholder" means any person in possession of a physical  
6 or digital gift card issued through a purchase by the person, or  
7 received by the person from a willing party.

8 b. "Card issuer" means any person that issues a gift card or  
9 the agent of a gift card issuer.

10 c. "Gift card" means a physical or digital card, code, or  
11 device that is issued to a consumer on a prepaid basis primarily  
12 for personal, family, or household purposes in a specified  
13 amount, regardless of whether that amount may be increased  
14 or reloaded in exchange for payment, and is redeemable upon  
15 presentation by a consumer either at a single merchant, a group  
16 of affiliated merchants, or at multiple unaffiliated merchants  
17 for goods or services within the payment card network.

18 d. "Gift card redemption information" means information  
19 unique to each gift card that allows the cardholder to access,  
20 transfer, or spend the funds on that gift card.

21 e. "Gift card seller" means a merchant that is engaged in the  
22 business of selling gift cards to consumers.

23 f. "Value" means the greatest amount of economic loss the  
24 owner of the property might reasonably suffer including, in the  
25 case of a gift card, the full monetary face value or potential  
26 value for variable-load gift cards.

27 2. a. Any person who, with intent to defraud, acquires  
28 or retains possession of a gift card or gift card redemption  
29 information without the consent of the cardholder, card issuer,  
30 or gift card seller commits theft and is guilty of an aggravated  
31 misdemeanor.

32 b. Any person who, with intent to defraud, alters or tampers  
33 with a gift card commits forgery and is guilty of an aggravated  
34 misdemeanor.

35 c. Any person who, with intent to defraud, devises a scheme

1 to obtain a gift card or gift card redemption information from a  
2 card holder, card issuer, or gift card seller by means of false  
3 or fraudulent pretenses, representations, or promises engages in  
4 a fraudulent practice and is guilty of the following:

5 (1) A class "C" felony if the amount of money or value of  
6 property or services involved exceeds five thousand dollars.

7 (2) A class "D" felony if the amount of money or value of  
8 property or services involved exceeds one thousand dollars but  
9 does not exceed five thousand dollars.

10 (3) An aggravated misdemeanor if the amount of money or value  
11 of property or services involved exceeds five hundred dollars but  
12 does not exceed one thousand dollars.

13 (4) A serious misdemeanor if the amount of money or value of  
14 property or services involved is five hundred dollars or less.

15 d. Any person who, with intent to defraud, uses, for the  
16 purpose of obtaining money, goods, services, or anything else of  
17 value, a gift card or gift card redemption information that has  
18 been obtained in violation of this section commits theft and is  
19 guilty of the following:

20 (1) A class "C" felony if the value of the property stolen  
21 exceeds five thousand dollars.

22 (2) A class "D" felony if the value of the property stolen  
23 is more than one thousand dollars but not more than five thousand  
24 dollars.

25 (3) An aggravated misdemeanor if the value of the property  
26 stolen is more than five hundred dollars but not more than one  
27 thousand dollars.

28 (4) A serious misdemeanor if the value of the property stolen  
29 is five hundred dollars or less.

30 3. The value of the retail merchandise received by the person  
31 in violation of this section within any six-month period may be  
32 aggregated and the defendant charged accordingly in applying the  
33 provisions of this section.

34

**EXPLANATION**

35

The inclusion of this explanation does not constitute agreement with

1                   the explanation's substance by the members of the general assembly.

2       This bill relates to theft, forgery, and fraud involving a  
3 gift card.

4       The bill provides that any person who, with intent to defraud,  
5 acquires or retains possession of a gift card or gift card  
6 redemption information without the consent of the cardholder,  
7 card issuer, or gift card seller commits theft and is guilty of  
8 an aggravated misdemeanor.

9       The bill provides that any person who, with intent to defraud,  
10 alters or tampers with a gift card commits forgery and is guilty  
11 of an aggravated misdemeanor.

12       The bill provides that any person who, with intent to defraud,  
13 devises a scheme to obtain a gift card or gift card redemption  
14 information from a card holder, card issuer, or gift card seller  
15 by means of false or fraudulent pretenses, representations, or  
16 promises engages in a fraudulent practice and is guilty as  
17 follows: a class "C" felony if the amount of money or value  
18 of property or services involved exceeds \$5,000; a class "D"  
19 felony if the amount of money or value of property or services  
20 involved exceeds \$1,000 but does not exceed \$5,000; an aggravated  
21 misdemeanor if the amount of money or value of property or  
22 services involved exceeds \$500 but does not exceed \$1,000; and  
23 a serious misdemeanor if the amount of money or value of property  
24 or services involved does not exceed \$500.

25       The bill provides that any person who, with intent to defraud,  
26 uses, for the purpose of obtaining money, goods, services, or  
27 anything else of value, a gift card or gift card redemption  
28 information that has been obtained in violation of the bill  
29 commits theft and is guilty as follows: a class "C" felony if  
30 the value of the property stolen exceeds \$5,000; a class "D"  
31 felony if the value of the property stolen is more than \$1,000  
32 but not more than \$5,000; an aggravated misdemeanor if the value  
33 of the property stolen is more than \$500 but not more than  
34 \$1,000; and a serious misdemeanor if the value of the property  
35 stolen is \$500 or less. The bill provides that the value of the

1 retail merchandise received by a person in violation of the bill  
2 within any six-month period may be aggregated and the defendant  
3 charged accordingly.

4 A serious misdemeanor is punishable by confinement for no more  
5 than one year and a fine of at least \$430 but not more than  
6 \$2,560. An aggravated misdemeanor is punishable by confinement  
7 for no more than two years and a fine of at least \$855 but  
8 not more than \$8,540. A class "D" felony is punishable by  
9 confinement for no more than five years and a fine of at  
10 least \$1,025 but not more than \$10,245. A class "C" felony is  
11 punishable by confinement for no more than 10 years and a fine of  
12 at least \$1,370 but not more than \$13,660.

13 The bill includes definitions.

unofficial