

By: Baxter

H.B. No. 1588

A BILL TO BE ENTITLED

AN ACT

relating to the disclosure of the expiration or reduction in value of a gift certificate.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 35, Business & Commerce Code, is amended by adding Section 35.57 to read as follows:

Sec. 35.57. DISCLOSURE OF EXPIRATION OR REDUCTION IN VALUE OF GIFT CERTIFICATE REQUIRED. (a) In this section, "gift certificate" includes a gift card used for the same purpose as a gift certificate.

(b) A condition relating to the use of a gift certificate must be clearly stated on the certificate if it provides that:

(1) the certificate expires after a certain date;

(2) the certificate decreases in value over a period of time; or

(3) a fee is charged against the balance of the certificate after a certain period of time.

(c) A gift certificate that does not clearly state a condition as required by Subsection (b) may be redeemed at any time for the original value of the certificate, less any amount charged against the balance of the certificate by the consumer.

SECTION 2. The change in law made by Section 35.57, Business & Commerce Code, as added by this Act, applies only to a gift certificate issued or sold on or after the effective date of this

1 Act. A gift certificate issued or sold before the effective date of  
2 this Act is governed by the law in effect when the certificate was  
3 issued or sold, and the former law is continued in effect for that  
4 purpose.

5 SECTION 3. This Act takes effect September 1, 2003.