

By: Gattis

H.B. No. 1343

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the expiration or reduction in value of a gift
3 certificate or gift card.

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

5 SECTION 1. Subchapter D, Chapter 35, Business & Commerce
6 Code, is amended by adding Section 35.42 to read as follows:

7 Sec. 35.42. EXPIRATION OR REDUCTION IN VALUE OF GIFT
8 CERTIFICATE OR GIFT CARD. (a) In this section, "gift card" means a
9 card used for the same purpose as a gift certificate and includes a
10 gift card the value of which is intended to be electronically
11 readable.

12 (b) A condition relating to the use of a gift certificate or
13 gift card, other than a condition described by Subsection (c), is
14 void if it provides that a fee is charged that decreases the value
15 of the certificate or card for any reason.

16 (c) A condition relating to the use of a gift certificate or
17 gift card that provides that the certificate or card expires after a
18 certain date is void unless:

19 (1) the month, day, and year of the expiration date is
20 stated in not less than 10-point type on the front of the
21 certificate or card and is preceded by the words "Expiration Date";
22 and

23 (2) the expiration date is disclosed to the purchaser
24 or original holder of the certificate or card at the time the

1 certificate or card is purchased or otherwise first issued to a
2 certificate or card user.

3 (d) Subsection (b) or (c) does not affect the validity of a
4 gift certificate or gift card containing a condition that is void
5 under Subsection (b) or (c).

6 SECTION 2. The change in law made by Section 35.42, Business
7 & Commerce Code, as added by this Act, applies only to a gift
8 certificate or gift card issued or activated on or after the
9 effective date of this Act. A gift certificate or gift card issued
10 or activated before the effective date of this Act is governed by
11 the law in effect when the certificate or card was issued or
12 activated, and the former law is continued in effect for that
13 purpose.

14 SECTION 3. This Act takes effect September 1, 2005.