

BILL ANALYSIS

C.S.H.B. 1007
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law allows for an expiration date on a stored value card and requires the expiration date to be disclosed. An expiration date makes the card value unredeemable by the holder after a certain date or period of time, even though the issuer already has collected the value of the card from a consumer.

C.S.H.B. 1007 prohibits an expiration date on a stored value card, with some exceptions, in an effort to uphold consumer rights. The bill requires a holder of unclaimed value on certain cards to honor the unclaimed value and authorizes the holder to request, and the comptroller of public accounts to provide, reimbursement for the unclaimed value.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 3 of this bill.

ANALYSIS

C.S.H.B. 1007 amends the Business & Commerce Code to prohibit a person from issuing or selling a stored value card that expires after a certain date and specifies that a condition providing for the expiration of a stored value card is void. The bill makes conforming changes to this code and to the Property Code. The bill removes a specification that provisions for the sale or issuance of a stored value card do not apply to a card for which a seller does not charge a fee other than a fee related to the issuance and handling of a card.

C.S.H.B. 1007 amends the Property Code to require a holder of unclaimed value on a stored value card delivered to the comptroller of public accounts as abandoned property to honor the unclaimed value of the card and authorizes the holder to request, in a form prescribed by the comptroller, reimbursement from the comptroller in an amount equal to the value honored by the holder. The bill requires the comptroller to provide reimbursement to the holder in an amount equal to the value of such a card and requires the comptroller to adopt rules to administer this provision.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1007 adds a provision not in the original that removes a specification making provisions for the sale or issuance of a stored value card not applicable to a card for which the seller does not charge fees related to the issuance and handling of the card.

C.S.H.B. 1007 adds a provision not in the original relating to a holder honoring the unpaid value

on an abandoned stored value card, the reimbursement for the unpaid value by the comptroller, and the comptroller's adoption of rules relating to these provisions.