

By: Allen, Davis of Dallas, Chavez, et al.

H.B. No. 1007

A BILL TO BE ENTITLED

AN ACT

relating to the expiration of a stored value card.

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

SECTION 1. Chapter 604, Business & Commerce Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. PROHIBITED RESTRICTIONS

Sec. 604.151. EXPIRATION OF STORED VALUE CARD PROHIBITED.

A person may not issue or sell a stored value card that provides that the card expires after a certain date. A condition providing for the expiration of a stored value card is void.

SECTION 2. Sections 604.002, 604.051, 604.101, 604.102, and 604.103, Business & Commerce Code, are amended to read as follows:

Sec. 604.002. INAPPLICABILITY OF CHAPTER. This chapter does not apply to a stored value card that:

(1) is issued by:

(A) a financial institution acting as a financial agent of the United States or this state;

(B) a federally insured financial institution, as defined by Section 201.101, Finance Code, if the financial institution is primarily liable for the card as the issuing principal; or

(C) an air carrier holding a certificate of public convenience and necessity under Title 49, United States Code;

1 (2) is issued as a prepaid calling card by a prepaid
2 calling card company regulated under Section 55.253, Utilities
3 Code;

4 (3) is distributed by the issuer to a person under an
5 awards, rewards, loyalty, incentive, rebate, or promotional
6 program and is not issued or reloaded in exchange for money tendered
7 by the cardholder;

8 (4) is sold below face value or donated to:

9 (A) an employee of the seller or issuer;

10 (B) a nonprofit or charitable organization; or

11 (C) an educational institution for fund-raising
12 purposes; or

13 (5) is issued or sold as a voucher:

14 (A) for admission to an event, attraction, or
15 establishment, including an amusement park, concert, museum, and
16 zoo; or

17 (B) for permission to travel on a vehicle,
18 including a boat, bus, and train, or an aircraft [~~does not expire~~
19 ~~and for which the seller does not charge a fee other than a fee~~
20 ~~described in Section 604.051].~~

21 Sec. 604.051. FEES AND CHARGES RELATED TO ISSUANCE AND
22 HANDLING OF CARD. If disclosed as required by Subchapter C, the
23 issuer of a stored value card may impose and collect a reasonable:

24 (1) handling fee in connection with the issuance of or
25 adding of value to the card;

26 (2) access fee for a card transaction conducted at an
27 unmanned teller machine, as defined by Section 59.301, Finance

1 Code; and

2 (3) reissue or replacement charge if a [~~an expired or~~]
3 lost card is reissued or replaced.

4 Sec. 604.101. REQUIRED DISCLOSURE OF CERTAIN MATTERS
5 APPLICABLE TO CARD. A [~~An expiration date or~~] policy, fee, or other
6 material restriction or contract term applicable to a stored value
7 card must be clearly and conspicuously disclosed at the time the
8 card is sold or issued to a person to enable the person to make an
9 informed decision before purchasing the card.

10 Sec. 604.102. REQUIRED PRINTING OF CERTAIN DISCLOSURES. In
11 addition to the disclosure required under Section 604.101, a
12 disclosure regarding [~~the expiration of a stored value card or~~] a
13 periodic fee that reduces the unredeemed value of a stored value
14 card must be legibly printed on the card.

15 Sec. 604.103. VALIDITY OF CARD SOLD WITHOUT REQUIRED
16 DISCLOSURES. A stored value card sold without the disclosure
17 required by this subchapter of a [~~an expiration date or~~] policy,
18 fee, or other material restriction or contract term applicable to
19 the card is valid until redeemed or replaced.

20 SECTION 3. Section 72.1016(b), Property Code, is amended to
21 read as follows:

22 (b) If the existence and location of the owner of a stored
23 value card is unknown to the holder of the property, the stored
24 value card is presumed abandoned to the extent of its unredeemed and
25 uncharged value on the earlier of:

26 (1) [~~the card's expiration date,~~

27 [~~2~~] the third anniversary of the date the card was

1 issued, if the card is not used after it is issued, or the date the
2 card was last used or value was last added to the card; or

3 (2) [~~(3)~~] the first anniversary of the date the card
4 was issued, if the card is not used after it is issued, or the date
5 the card was last used or value was last added to the card, if the
6 card's value represents wages, as defined by Section 61.001, Labor
7 Code.

8 SECTION 4. The changes in law made by this Act apply only to
9 the issuance or sale of a stored value card on or after the
10 effective date of this Act. The issuance or sale of a stored value
11 card before the effective date of this Act is governed by the law in
12 effect when the card was issued or sold, and the former law is
13 continued in effect for that purpose.

14 SECTION 5. This Act takes effect September 1, 2009.