

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 18, 2009

TO: Honorable Joe Deshotel, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1771 by Chavez (Relating to the reduction in value or abandonment of stored value cards.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would implement recommendations in the Legislative Budget Board's *Government Effectiveness and Efficiency Report* to the Eighty-first Legislature entitled "Protect Texas Consumers by Strengthening Gift Card Laws."

The bill would require retailers to transfer the unspent value of all gift cards to the state on the earlier of the card's expiration date or a three year of non-use (dormancy period). As a result, the three year dormancy standard would apply to cards that do not expire. Also, it would prohibit businesses from charging any fees associated with all gift cards, whether they expire or not. The bill would take effect September 1, 2009.

The Comptroller could not estimate the revenue gain from this change but it is not expected to be significant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, JI, RN