

## VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 59.1-530 and 59.1-531 of the Code of Virginia, relating to gift certificates; fees.

[S 1371]

Approved

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 59.1-530 and 59.1-531 of the Code of Virginia are amended and reenacted as follows:**

**§ 59.1-530. Definitions.**

As used in this chapter, unless the context clearly requires otherwise:

"Dormancy fee" or "inactivity charge or fee" means any fee, charge, or penalty for non-use or inactivity of a gift certificate.

"General use prepaid card" means a card or other payment code or device issued by any person that is (i) redeemable at multiple, unaffiliated merchants or service providers, or automated teller machines; (ii) issued in a requested amount, whether or not that amount may, at the option of the issuer, be increased in value or reloaded if requested by the holder; (iii) purchased or loaded on a prepaid basis; and (iv) honored, upon presentation, by merchants for goods or services or at automated teller machines.

"Gift certificate" or "certificate" means a certificate, electronic card, or other medium issued by a merchant that evidences the giving of consideration in exchange for the right to redeem the certificate, electronic card, or other medium for goods, food, services, credit, or money of at least an equal value, including any electronic card issued by a merchant with a banked dollar value where the issuer has received payment for the full banked dollar value for the future purchase, or delivery, of goods or services and any certificate issued by a merchant where the issuer has received payment for the full face value of the certificate for future purchases, or delivery, of goods or services. "Gift certificate" includes general use prepaid cards.

"Merchant" means an owner or operator of any mercantile establishment or any agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of such owner or operator.

"Service fee" means a periodic fee, charge, or penalty for holding or using a gift certificate. With respect to a general use prepaid card, "service fee" does not include a one-time initial issuance fee.

**§ 59.1-531. Required disclosures.**

A. Each gift certificate issued by a merchant in the Commonwealth that has an expiration date shall include either (i) a statement of the expiration date of the certificate or (ii) a telephone number or Internet address where the holder of the certificate may obtain information regarding the expiration date of the certificate.

B. Each gift certificate issued by a merchant in the Commonwealth that diminishes in value over time shall include a telephone number or Internet address where the holder of the certificate may obtain information regarding the diminution in the value of the certificate over time.

C. No gift certificate issued by a merchant in the Commonwealth shall impose a dormancy fee, an inactivity charge or fee, or a service fee, unless the gift certificate is distributed pursuant to an award, loyalty, or promotional program, and with respect to which there is no other money or value exchanged.

D. The information required by ~~this section~~ subsections A and B shall be clearly and permanently imprinted on the certificate.