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**HOUSE BILL NO. 689**

Offered January 14, 2026

*A BILL to amend and reenact §§ 59.1-530 and 59.1-531 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 59.1-531.1, relating to gift certificates; international transactions; fraud reports.*

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 Patron—Zehr
 

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Referred to Committee on Labor and Commerce

**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 and the Code of Virginia is amended by adding a section numbered 59.1-531.1 as follows:**

**CHAPTER 47.****GIFT CERTIFICATE DISCLOSURES CERTIFICATES.****§ 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~~ written promise or electronic payment device that (i) is usable at a single merchant or affiliated group of merchants that share the same name or mark, (ii) is issued in a specific amount, (iii) may or may not be increased in value or reloaded, (iv) is purchased and loaded on a prepaid basis for the future purchase or delivery of any goods or services, and (v) is honored upon presentation. "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; activation hold.**

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 subsections A and B shall be clearly and permanently imprinted on the certificate.

E. No merchant shall sell a gift certificate as part of an international transaction without first implementing a 24-hour hold on the activation of such gift certificate.

**§ 59.1-531.1. Fraud reports; local law enforcement.**

Upon receiving a report of gift certificate fraud, local law enforcement shall immediately communicate such report to the Internet Crime Complaint Center of the Federal Bureau of Investigation.

INTRODUCED

HB689