

BILL ANALYSIS

Senate Research Center
84R6105 GRM-D

H.B. 2391
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Business & Commerce
5/21/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that current law does not entitle a consumer to receive a cash refund on a low-value gift card in the consumer's possession and that stored value or gift cards with nominal balances often go unused or are lost. The parties also note that these low-value cards can create a burden for retailers needing to track the cards for auditing purposes. H.B. 2391 seeks to address this issue by balancing the rights of the consumer and the retailer in a commonsense manner.

H.B. 2391 amends current law relating to the redemption of certain stored value cards, including gift cards, for cash.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 604, Business & Commerce Code, by adding Subchapter D, as follows:

SUBCHAPTER D. REDEMPTION OF CERTAIN LOW-VALUE CARDS

Sec. 604.151. **APPLICABILITY OF SUBCHAPTER.** (a) Provides that this subchapter does not apply to a stored value card:

(1) described by Sections 604.002(1)-(3) (relating to cards issued by certain institutions, prepaid calling cards, or issued under an awards, rewards, loyalty, incentive, rebate, or promotional program);

(2) issued as a refund for merchandise returned without a receipt; or

(3) that has an initial value of \$5 or less and to which additional value cannot be added.

(b) Provides that except as otherwise provided by Subsection (a), Section 604.002 does not apply to this subchapter.

Sec. 604.152. **CASH REFUND FOR LOW-VALUE CARD.** Requires the seller, at the consumer's request, to refund the balance of the card in cash to the consumer if a stored value card is redeemed in person to make a purchase and a balance of less than \$2.50 remains following the redemption.

SECTION 2. Effective date: September 1, 2015.