

2023 -- H 5732 SUBSTITUTE A

LC001807/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS -- GIFT CARD FRAUD

Introduced By: Representatives Casimiro, Noret, and Morales

Date Introduced: February 21, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW — GENERAL
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 59

4 GIFT CARD FRAUD

5 **6-59-1. Definitions.**

6 As used in this chapter, "gift card" means a written promise or electronic payment device

7 that:

8 (1) Is usable at a single merchant or an affiliated group of merchants that share the same
9 name, mark, or logo, or is usable at multiple, unaffiliated merchants or service providers;

10 (2) Is issued in a specific amount;

11 (3) May or may not be increased in value or reloaded;

12 (4) Is purchased and/or loaded on a prepaid basis for the future purchase or delivery of any
13 goods or services; and

14 (5) Is honored upon presentation.

15 **6-59-2. Posting of notice of gift card fraud at retail establishments.**

16 No person, firm, partnership, association, retailer or corporation shall sell a gift card to a
17 purchaser unless the seller displays a conspicuous notice, in a form prescribed by the department
18 of business regulation, at or near where the gift card is displayed and at or near the physical location

1 where the sale occurs, that:

2 (1) Cautions the purchaser about prepaid card scams; and

3 (2) Instructs the purchaser on what to do if they suspect they might be a potential victim of
4 such a scam.

5 **6-59-3. Penalty for violation.**

6 Any person, firm, partnership, association, corporation or retail mercantile establishment
7 that violates the provisions of this chapter shall be subject to a civil penalty of up to two hundred
8 fifty dollars (\$250).

9 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS -- GIFT
CARD FRAUD

1 This act would require retailers in the state that display gift cards for sale to post a notice
2 warning of gift card fraud and instructions on what to do if a customer suspects being a victim of
3 fraud. Any violations of this act would be subject to a civil penalty in the amount of up to two
4 hundred fifty dollars (\$250).

5 This act would take effect upon passage.

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