

2023 -- S 0759 SUBSTITUTE A

LC001496/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: Senators Gu, Sosnowski, Euer, Mack, Britto, Kallman, DiPalma, and  
Gallo

Date Introduced: March 23, 2023

Referred To: Senate Commerce

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 at or near where the gift card is displayed  
18 and at or near the physical location where the sale occurs, that:

- 1           (1) Cautions the purchaser about prepaid card scams; and  
2           (2) Instructs the purchaser on what to do if they suspect they might be a potential victim of  
3 such a scam.

4           **6-59-3. Penalty for violation.**

5           Any person, firm, partnership, association, corporation or retail mercantile establishment  
6 that violates the provisions of this chapter shall be subject to a civil penalty of up to five hundred  
7 dollars (\$500).

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

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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 five  
4 hundred dollars (\$500).

5           This act would take effect upon passage.

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