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LAW/KR

P.L.2015, CHAPTER 8, *approved February 5, 2015*

Senate, No. 2235

1 AN ACT eliminating consumer data collection requirements for  
2 certain gift cards, amending section 5 of P.L.2010, c.25  
3 (C.46:30B-42.1).

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. Section 5 of P.L.2010, c.25 (C.46:30B-42.1) is amended to  
9 read as follows:

10 5. a. A stored value card for which there has been no stored  
11 value card activity for five years is presumed abandoned. This  
12 subsection shall apply to any stored value card issued on or after  
13 July 1, 2010.

14 b. The proceeds of a general purpose reloadable card presumed  
15 abandoned shall be the value of the card, in money, on the date the  
16 general purpose reloadable card is presumed abandoned. The  
17 proceeds of all other stored value cards presumed abandoned shall  
18 be 60% of the value of the card, in money, on the date the stored  
19 value card is presumed abandoned.

20 c. **【Beginning the first day of the 49th month following the date**  
21 **of enactment of P.L.2012, c.14, an issuer of a stored value card**  
22 **shall obtain the name and address of the purchaser or owner of each**  
23 **stored value card issued or sold and shall, at a minimum, maintain a**  
24 **record of the zip code of the owner or purchaser.】** (Deleted by  
25 amendment, P.L. , c. ) (pending before the Legislature as this  
26 bill)

27 d. Nothing in this section shall be construed to prevent an issuer  
28 from honoring a stored value card, the unredeemed value of which  
29 has been reported to the State Treasurer pursuant to R.S.46:30B-1 et  
30 seq., and thereafter seeking reimbursement from the State Treasurer  
31 pursuant to R.S.46:30B-62.

32 e. This section does not apply to:

33 (1) a stored value card that is distributed by the issuer, directly  
34 or indirectly, to a person under a promotional, incentive, rewards, or  
35 customer loyalty program or a charitable program for which no  
36 direct monetary consideration is paid by the owner;

37 (2) a stored value card that is donated or sold below face value  
38 to a nonprofit or charitable organization or an educational  
39 organization;

40 (3) a stored value card that is redeemable for admission to  
41 events or venues at a particular location or group of affiliated  
42 locations, or for goods or services in conjunction with admission to

**EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is  
not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 those events or venues, or both, at the event or venue or at specific  
2 locations affiliated with and in geographic proximity to the event or  
3 venue; and

4 (4) a stored value card issued by any issuer that in the past year  
5 sold stored value cards with a face value of \$250,000 or less. For  
6 purposes of this subsection, sales of stored value cards by  
7 businesses that operate either (1) under the same trade name as or  
8 under common ownership or control with another business or  
9 businesses in the State, or (2) as franchised outlets of a parent  
10 business, shall be considered sales by a single issuer.

11 f. The State Treasurer is authorized to grant an exemption from  
12 such provisions concerning stored value cards, on such terms and  
13 conditions as the State Treasurer may require, for a business or  
14 class of businesses that demonstrate good cause to the satisfaction  
15 of the State Treasurer. In exercising his discretion pursuant to this  
16 section, the State Treasurer may consider relevant factors including,  
17 but not limited to, the amount of stored value card transactions  
18 processed, the technology in place, whether or not stored value  
19 cards issued contain a microprocessor chip, magnetic strip, or other  
20 means designed to trace and capture information about place and  
21 date of purchase, and such other factors as the State Treasurer shall  
22 deem relevant.

23 g. Notwithstanding the provisions of this act or any other law to  
24 the contrary, only a stored value card which is exempt from the  
25 provisions of this act pursuant to subsection e. or f. of this section  
26 shall be deemed a gift card or gift certificate for purposes of  
27 P.L.2002, c.14 (C.56:8-110 et seq.).

28 h. Beginning September 1, 2012 if a stored value card is  
29 redeemed and a balance of less than \$5 remains on the card after  
30 redemption, at the owner's request the merchant or other entity  
31 redeeming the card shall refund the balance in cash to the owner.

32 A merchant or other entity required to comply with the  
33 provisions of this subsection shall be liable to a penalty of \$500 for  
34 each violation plus restitution of the amount of the cash value  
35 remaining on the stored value card, provided however that the  
36 amount of the penalty shall be trebled for an aggregate of 100 such  
37 violations occurring during any 12 month period. Failure to provide  
38 requested cash redemption for each stored value card shall be  
39 considered a separate violation. Upon receiving evidence of any  
40 violation of the provisions of this subsection, the Director of the  
41 Division of Consumer Affairs, or the director's designee, is  
42 empowered to hold hearings upon those violations and upon finding  
43 the violation to have been committed, to assess a penalty against the  
44 person alleged to have committed the violation in the amounts  
45 provided in this subsection. The director shall thereafter return to  
46 the owner of the card the amount of the cash value remaining on the  
47 card recovered under this subsection, and this shall be the sole  
48 remedy available to the owner for those violations.

1 This subsection does not impose on an issuer or merchant or  
2 other entity required to comply with the provisions of this  
3 subsection an obligation to advertise the availability of a refund  
4 balance redemption. Notwithstanding the foregoing or any  
5 provision in section 3 of P.L.1981, c.454 (C.56:12-16), an issuer,  
6 seller or redeemer of stored value cards may elect to include a  
7 disclosure or may, in the alternative, include a statement on the  
8 stored value card or other marketing materials that the card "is not  
9 redeemable for cash except as required by law" or similar  
10 statement.

11 This subsection shall not apply to (1) a non-reloadable stored  
12 value card with an initial value of \$5 or less; or (2) a stored value  
13 card that is not purchased but is provided in lieu of a refund for  
14 returned merchandise; or (3) a stored value card that can be  
15 redeemed at multiple merchants that are not under common  
16 ownership or control, including but not limited to network-branded  
17 stored value cards.

18 i. The funds associated with a stored value card sold on or after  
19 December 1, 2012 shall be valid until redemption and shall not  
20 expire. However, a stored value card may contain an expiration date  
21 to the extent permitted by federal law that applies only to the card  
22 or other tangible medium through which the underlying funds can  
23 be accessed, provided those underlying funds do not expire.

24 j. For stored value cards sold on or after December 1, 2012, in  
25 addition to the requirements of section 37 of P.L.2002, c.35  
26 (C.46:30B-43.1), no fees or charges shall be imposed on a stored  
27 value card except that the issuer may charge (1) an activation,  
28 issuance, purchase or similar fee related to the issuance and  
29 purchase of a stored value card and for each occurrence of adding  
30 value to an existing stored value card; and (2) a replacement card  
31 fee with respect to lost, stolen or damaged stored value cards  
32 provided that these fees are disclosed in writing prior to issuance or  
33 referenced on the stored value card or the stored value card  
34 packaging. The State Treasurer may adopt regulations regarding the  
35 establishment of activation, issuance, purchase or similar fees, fees  
36 for adding value to an existing stored value card, and replacement  
37 card fees.

38 A general purpose reloadable card shall not be subject to the  
39 provisions of this subsection.

40 k. As used in this section:

41 "Stored value card activity" means the purchase or issuance of  
42 the stored value card, a transaction executed by the owner that  
43 increased or decreased the value of the stored value card, or  
44 communication by the owner of the stored value card with the  
45 issuer of the stored value card concerning the value of the balance  
46 remaining on the stored value card as evidenced by a  
47 contemporaneous record prepared by or on behalf of the issuer.

1 "Issuer" means an issuer of a stored value card that is a person,  
2 retailer, merchant, vendor, provider or business association with the  
3 obligations of a holder to accept the stored value card as redeemable  
4 for, solely or a combination of, merchandise, services, or cash, and  
5 to report and deliver proceeds of the stored value card if abandoned.  
6 "General purpose reloadable card" means a stored value card  
7 issued by a bank or other similarly regulated financial institution or  
8 by a licensed money transmitter that is (1) usable and honored upon  
9 presentation at multiple merchants or service providers that are not  
10 under common ownership or control for goods or services or at  
11 automated teller machines, (2) issued in a requested prepaid amount  
12 which amount may be, at the option of the issuer, increased in value  
13 or reloaded if requested by the cardholder, and (3) not marketed or  
14 labeled as a gift card; the term "reloadable card" includes a  
15 temporary non-reloadable card issued solely in connection with a  
16 reloadable card.  
17 (cf:P.L.2012, c.14, s.1)

18

19 2. This act shall take effect immediately.

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21

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## STATEMENT

23

24 This bill eliminates consumer data collection requirements for  
25 certain gift cards. The purpose of this bill is to relieve merchants of  
26 the responsibility to collect personal consumer data on qualifying  
27 stored value card purchases before the escheat related requirement  
28 goes into effect in July of 2016.

29 Under current law, qualified stored value card proceeds escheat  
30 to the State after five years of inactivity. As a counterpart to this  
31 policy, merchants are required to collect the name and address of  
32 the consumer and maintain a record thereto recording, at a  
33 minimum, the consumer's zip code. Technically, the collection of  
34 personal consumer data requirement is not scheduled to take effect  
35 until July of 2016.

36 This bill eliminates the requirement that merchants collect the  
37 name and address of qualifying stored value card consumers and  
38 related record retention requirements ahead of implementation.

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43 \_\_\_\_\_  
44 Eliminates consumer data collection requirements for certain gift  
cards.

# SENATE, No. 2235

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JUNE 16, 2014

**Sponsored by:**

**Senator PAUL A. SARLO**

**District 36 (Bergen and Passaic)**

**Senator STEVEN V. OROHO**

**District 24 (Morris, Sussex and Warren)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

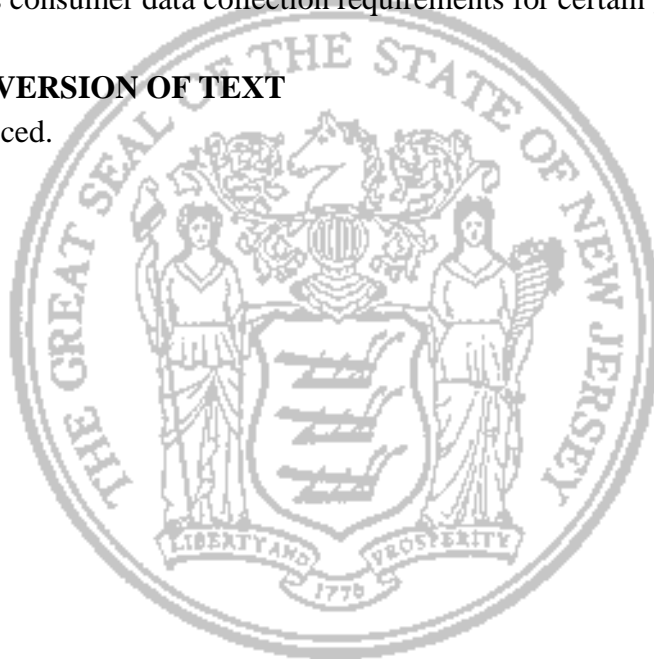
**Senator Ruiz and Assemblyman Mazzeo**

**SYNOPSIS**

Eliminates consumer data collection requirements for certain gift cards.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/19/2014)**

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2 certain gift cards, amending section 5 of P.L.2010, c.25  
3 (C.46:30B-42.1).

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18 be 60% of the value of the card, in money, on the date the stored  
19 value card is presumed abandoned.

20 c. **Beginning the first day of the 49th month following the date**  
21 **of enactment of P.L.2012, c.14, an issuer of a stored value card**  
22 **shall obtain the name and address of the purchaser or owner of each**  
23 **stored value card issued or sold and shall, at a minimum, maintain a**  
24 **record of the zip code of the owner or purchaser.** (Deleted by  
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26 bill)

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34 or indirectly, to a person under a promotional, incentive, rewards, or  
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43 those events or venues, or both, at the event or venue or at specific  
44 locations affiliated with and in geographic proximity to the event or  
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not enacted and is intended to be omitted in the law.**

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41 communication by the owner of the stored value card with the  
42 issuer of the stored value card concerning the value of the balance  
43 remaining on the stored value card as evidenced by a  
44 contemporaneous record prepared by or on behalf of the issuer.

45 "Issuer" means an issuer of a stored value card that is a person,  
46 retailer, merchant, vendor, provider or business association with the  
47 obligations of a holder to accept the stored value card as redeemable

1 for, solely or a combination of, merchandise, services, or cash, and  
2 to report and deliver proceeds of the stored value card if abandoned.

3 "General purpose reloadable card" means a stored value card  
4 issued by a bank or other similarly regulated financial institution or  
5 by a licensed money transmitter that is (1) usable and honored upon  
6 presentation at multiple merchants or service providers that are not  
7 under common ownership or control for goods or services or at  
8 automated teller machines, (2) issued in a requested prepaid amount  
9 which amount may be, at the option of the issuer, increased in value  
10 or reloaded if requested by the cardholder, and (3) not marketed or  
11 labeled as a gift card; the term "reloadable card" includes a  
12 temporary non-reloadable card issued solely in connection with a  
13 reloadable card.

14 (cf:P.L.2012, c.14, s.1)

15

16 2. This act shall take effect immediately.

17

18

19

#### STATEMENT

20

21 This bill eliminates consumer data collection requirements for  
22 certain gift cards. The purpose of this bill is to relieve merchants of  
23 the responsibility to collect personal consumer data on qualifying  
24 stored value card purchases before the escheat related requirement  
25 goes into effect in July of 2016.

26 Under current law, qualified stored value card proceeds escheat  
27 to the State after five years of inactivity. As a counterpart to this  
28 policy, merchants are required to collect the name and address of  
29 the consumer and maintain a record thereto recording, at a  
30 minimum, the consumer's zip code. Technically, the collection of  
31 personal consumer data requirement is not scheduled to take effect  
32 until July of 2016.

33 This bill eliminates the requirement that merchants collect the  
34 name and address of qualifying stored value card consumers and  
35 related record retention requirements ahead of implementation.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2235

# STATE OF NEW JERSEY

DATED: JUNE 23, 2014

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2235.

This bill eliminates consumer data collection requirements for certain gift cards. The purpose of this bill is to relieve merchants of the responsibility to collect personal consumer data on qualifying stored value card purchases before the escheat related requirement goes into effect in July of 2016.

Under current law, qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, merchants are required to collect the name and address of the consumer and maintain a record thereto recording, at a minimum, the consumer's zip code. Technically, the collection of personal consumer data requirement is not scheduled to take effect until July of 2016.

This bill eliminates the requirement that merchants collect the name and address of qualifying stored value card consumers and related record retention requirements ahead of implementation.

#### FISCAL IMPACT:

This bill may have an indeterminate negative impact on State escheat revenues in fiscal years in which merchants would have otherwise been required to report information on stored value card purchasers to the State. A State revenue loss may result because the absence of the purchaser information may make it more difficult for the State to establish jurisdiction over unused stored value cards, which is a prerequisite for the initiation of a State escheat action.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2235**  
**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

DATED: JULY 3, 2014

**SUMMARY**

**Synopsis:** Eliminates consumer data collection requirements for certain gift cards.

**Type of Impact:** Recurring Unclaimed Personal Property Trust Fund revenue loss starting in FY 2023.

**Agencies Affected:** Department of the Treasury.

**Office of Legislative Services Estimate**

Fiscal Impact	<u>Prior to FY 2023</u>	<u>FY 2023</u>	<u>FY 2024</u>
<b>State Revenue Loss</b>	\$0	\$17,500,000 to \$26,300,000	\$18,900,000 to \$28,300,000

- The Office of Legislative Services (OLS) projects the legislation to have no fiscal impact prior to FY 2023 and to lower Unclaimed Personal Property Trust Fund collections by \$17.5 million to \$26.3 million in FY 2023. Thereafter, the OLS expects the revenue loss to grow by 7.6 percent per year. It is unclear what portion of the revenue that would have accrued absent the bill's enactment the Department of the Treasury would have elected to transfer to the General Fund as State revenue.
- The State revenue loss will occur because the bill will deprive the State in many instances of purchaser information and thus limit the State's ability to assert jurisdiction over many unused stored value cards under federal priority rules governing states' competing claims to abandoned property. Without jurisdiction, in turn, the State cannot initiate escheat action under the State's unclaimed property laws with respect to concerned unused stored value card balances. After the enactment of this bill the State will thus only have the legal authority to take custodial possession of unexpended balances on stored value cards for which card issuers voluntarily collect purchaser information.
- No State revenue loss will occur prior to FY 2023 as the first cohort of unused stored value card balances that would have escheated to the State as abandoned property based on the current consumer information collection requirement would not have done so until FY 2023.

## **BILL DESCRIPTION**

Senate Bill No. 2235 of 2014 eliminates the requirement that merchants begin to collect in July of 2016 the name and address of purchasers of qualifying stored value cards, such as gift cards and certificates, and maintain, at a minimum, a record of the purchasers' zip codes.

The collection of purchaser information is a prerequisite under federal priority rules governing states' competing claims to abandoned property for the State to establish jurisdiction over unused stored value cards. Once jurisdiction is established, 60 percent of unexpended qualifying card balances escheat to the State following a five-year inactivity period.

In general, under the State's unclaimed property laws, the State deems certain properties abandoned by their rightful owners if no activity related thereto has been recorded during statutorily defined periods of time. The State then takes custodial possession of the property ("escheatment"), deposits it in the Unclaimed Personal Property Trust Fund, and records a portion of its value as State revenue. Rightful owners can reclaim their property at any time.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS forecasts the legislation to have no fiscal impact prior to FY 2023 and to lower Unclaimed Personal Property Trust Fund collections by \$17.5 million to \$26.3 million in FY 2023. Thereafter, the OLS expects the revenue loss to grow by 7.6 percent per year. It is unclear what portion of the revenue that would have accrued absent the bill's enactment the Department of the Treasury would have elected to transfer to the General Fund as State revenue.

The State revenue loss will occur because the bill will deprive the State in many instances of purchaser information and thus limit the State's ability to assert jurisdiction over many unused stored value cards under federal priority rules governing states' competing claims to abandoned property. Without jurisdiction, in turn, the State cannot initiate escheat action under the State's unclaimed property laws with respect to concerned unused stored value card balances. After the enactment of this bill the State will thus only have the legal authority to take custodial possession of unexpended balances on stored value cards for which card issuers voluntarily collect purchaser information.

Timeline: The OLS anticipates that the legislation will produce an annual State revenue loss starting in FY 2023. This is so because under existing law card issuers must begin in July 2016 to collect data identifying the purchasers' residence—information that is a prerequisite for the State to establish jurisdiction over unused stored value card balances. Once card issuers have purchaser information, they must report unexpended card balances to the State after five years of inactivity, or in July 2021 for the first batch of gift card balances deemed abandoned under the current customer information collection requirement. Since card issuers have until November in the following fiscal year to transfer to the State the accumulated balances that were deemed abandoned in a given fiscal year, the State will not take custodial possession of the first cohort of unexpended card balances under the current customer information collection requirement until November 2022, or in FY 2023.

“Lost” New Jersey Stored Value Card Balances: The OLS projects that \$292.3 million in stored value card balances owned by New Jersey consumers will either expire or be consumed by issuer fees in FY 2023. Under current law and jurisprudence, the State could take possession of a portion of this amount.

The OLS builds its estimate on CEB TowerGroup market research relating that about \$1 billion in nationwide gift card balances represented “spillage” in each of calendar years 2013 and 2014. (“Spillage” refers to balances that expired and amounts lost due to fees charged by card issuers.) The OLS converts the calendar year numbers to a \$1 billion FY 2014 figure. Next, the OLS apportions 3.78 percent thereof to New Jersey based on the ratio of the tax year 2011 federal adjusted gross income of New Jersey taxpayers relative to that of all United States taxpayers, as reported by the federal Internal Revenue Service. Consequently, the OLS estimates that New Jersey consumers lost \$37.8 million in gift card balances in FY 2014.

For future years, the OLS applies a 7.6 percent annual growth rate to the \$37.8 million, or the annualized growth rate for nationwide gift card sales from calendar year 2009 to calendar year 2013 using CEB TowerGroup data. For FY 2023, when the first batch of gift cards subject to the purchaser information collection requirement under current law will become escheatable, the OLS thus estimates \$73.1 million in gift card balances that New Jersey consumers will lose.

The \$73.1 million appears to be an underestimate, however, in light of the federal Credit Card Accountability, Responsibility and Disclosure Act of 2009. Effective as of February 2010, the act mandated a minimum five-year period after activation before gift cards can expire. The deferment temporarily reduced the value of lost gift card balances below historic levels from February 2010 through at least February 2015. According to CEB TowerGroup data, the ratio of lost card balances relative to new card purchases was about 0.85 percent in calendar year 2013 and is expected to decline to about 0.79 percent in calendar year 2014. The ratio had been 8.3 percent in calendar year 2007 and 7.7 percent in calendar year 2008.

Although not anticipating the ratio to return to previous levels, the OLS does expect an increase over the current 0.85 percent starting in February 2015, when balances on the first stored value cards acquired in February 2010 under the terms of the federal law will begin to expire. For that reason, the OLS quadruples the 0.85 percent ratio to 3.4 percent for stored value cards that will be sold starting in July 2016, when the State’s purchaser information collection requirement will go into effect under existing law.

The OLS believes that the quadrupling of the ratio is also reasonable because the federal law prohibits the imposition of dormancy, inactivity or service fees before a card has been inactive for at least 12 months. The OLS expects this limitation to preserve the value of gift cards, which, in turn, should expand the pool of potentially unused escheatable card balances under current law.

Accordingly, the OLS quadruples to \$292.3 million its provisional estimate that \$73.1 million in current New Jersey gift card balances will escheat to the State in FY 2023.

Escheating New Jersey Stored Value Card Balances: Several restrictions on the scope of potentially escheatable stored value card balances, enumerated below, motivate the OLS to expect that under current law the State would only take custodial possession of between 10 percent and 15 percent of the estimated \$292.3 million in gift card value that New Jersey consumers will forfeit in FY 2023. The State might thus collect between \$17.5 million and \$26.3 million and the OLS adopts this range as the bill’s estimated FY 2023 revenue loss and applies an annual 7.6 percent growth factor thereto for subsequent fiscal years, or the annualized growth rate for gift card sales from calendar year 2009 to calendar year 2013, as reported by CEB TowerGroup.

Seven factors restrict the scope of potentially escheatable stored value card balances. *First*, P.L.2012, c.14 stipulates that only 60 percent of abandoned card balances escheat to the State.

*Second*, P.L.2010, c.25 and P.L.2012, c.14 exempt from escheatment a) cards issued under a promotional program, customer loyalty program, charitable program or by a business having sold \$250,000 or less of stored value cards in the prior year; and b) cards redeemable for admission to events or venues (such as movie theaters) and the purchase of goods and services at the event or venue. *Third*, P.L.2010, c.25 authorizes the State Treasurer to exempt from the escheatment process businesses that demonstrate that they cannot reasonably comply with the law. *Fourth*, P.L.2012, c.14 created the right for certain card holders to receive cash from card issuers equal to the amount of unexpended card balances if they are less than \$5. *Fifth*, CEB TowerGroup's "spillage" category on which the OLS bases its estimate includes card value consumers loose because of card issuer fees and because issuers cease business operations. But neither are subject to escheatment. *Sixth*, it is unclear to what extent merchants and consumers would comply with the purchaser information collection requirements under current law. *Seventh*, while upholding a significant portion of New Jersey's stored value card escheat program, courts have already constrained its originally envisioned scope.

*Section:*        *Revenue, Finance and Appropriations*  
*Analyst:*       *Thomas Koenig*  
                      *Lead Fiscal Analyst*  
*Approved:*     *David J. Rosen*  
                      *Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).



ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

**SENATE, No. 2235**

**STATE OF NEW JERSEY**

DATED: OCTOBER 2, 2014

The Assembly Consumer Affairs Committee reports favorably Senate Bill No. 2235.

This bill eliminates consumer data collection requirements imposed on retailers issuing certain gift cards.

Current law provides that qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, an issuer of a stored value card is required to collect the name and address of the purchaser or owner of the card. Pursuant to this requirement, issuers are to maintain a record, which includes at a minimum, the consumer's zip code. Under the provisions of the law, the data collection requirement does not take effect until July 2016.

This bill amends current law to relieve merchants of the responsibility to collect personal consumer data, in advance of this requirement taking effect in July 2016.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 2235

# STATE OF NEW JERSEY

DATED: DECEMBER 15, 2014

The Assembly Appropriations Committee reports Favorably Senate Bill No. 2235.

This bill eliminates consumer data collection requirements imposed on retailers issuing certain gift cards.

Current law provides that qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, an issuer of a stored value card is required to collect the name and address of the purchaser or owner of the card. Pursuant to this requirement, issuers are to maintain a record which includes at a minimum the consumer's zip code. Under the provisions of the law, the data collection requirement does not take effect until July 2016.

Under current law, qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, merchants are required to collect the name and address of the consumer and maintain a record thereto recording, at a minimum, the consumer's zip code.

This bill eliminates the requirement that merchants collect the name and address of qualifying stored value card consumers and related record retention requirements ahead of its required implementation.

As reported, this bill is identical to Assembly Bill No. 3480, as also reported by the committee.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) forecasts the legislation to have no fiscal impact prior to FY 2023 and to lower Unclaimed Personal Property Trust Fund collections by \$17.5 million to \$26.3 million in FY 2023. Thereafter, the OLS expects the revenue loss to grow by 7.6 percent per year. It is unclear what portion of the revenue that would accrue, absent the bill's enactment, the Department of the Treasury would elect to transfer to the General Fund as State revenue.

The State revenue loss will occur because the bill will deprive the State in many instances of purchaser information and thus limit the State's ability to assert jurisdiction over many unused stored value cards under federal priority rules governing states' competing claims to abandoned property. Without jurisdiction, in turn, the State cannot initiate escheat action under the State's unclaimed property laws with

respect to concerned unused stored value card balances. After the enactment of this bill the State will have the legal authority to take custodial possession of unexpended balances only on stored value cards for which card issuers voluntarily collect purchaser information.

The OLS anticipates that the bill will produce an annual State revenue loss starting in FY 2023. Under existing law card issuers must begin in July 2016 to collect data identifying the purchasers' residence, information that is a prerequisite for the State to establish jurisdiction over unused stored value card balances. Once card issuers have purchaser information, they must report unexpended card balances to the State after five years of inactivity, or in July 2021 for the first batch of gift card balances deemed abandoned under the current customer information collection requirement. As card issuers have until November in the following fiscal year to transfer to the State the accumulated balances that were deemed abandoned in a given fiscal year, the State will not take custodial possession of the first cohort of unexpended card balances under the current customer information collection requirement until November 2022, or in FY 2023.

# ASSEMBLY, No. 3480

## STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JUNE 26, 2014

**Sponsored by:**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblyman RAJ MUKHERJI**

**District 33 (Hudson)**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Co-Sponsored by:**

**Assemblyman Mazzeo**

**SYNOPSIS**

Eliminates consumer data collection requirements for certain gift cards.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/19/2014)**

1 AN ACT eliminating consumer data collection requirements for  
2 certain gift cards, amending section 5 of P.L.2010, c.25  
3 (C.46:30B-42.1).

4  
5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 5 of P.L.2010, c.25 (C.46:30B-42.1) is amended to  
9 read as follows:

10 5. a. A stored value card for which there has been no stored  
11 value card activity for five years is presumed abandoned. This  
12 subsection shall apply to any stored value card issued on or after  
13 July 1, 2010.

14 b. The proceeds of a general purpose reloadable card presumed  
15 abandoned shall be the value of the card, in money, on the date the  
16 general purpose reloadable card is presumed abandoned. The  
17 proceeds of all other stored value cards presumed abandoned shall  
18 be 60% of the value of the card, in money, on the date the stored  
19 value card is presumed abandoned.

20 c. **【Beginning the first day of the 49th month following the**  
21 **date of enactment of P.L.2012, c.14, an issuer of a stored value card**  
22 **shall obtain the name and address of the purchaser or owner of each**  
23 **stored value card issued or sold and shall, at a minimum, maintain a**  
24 **record of the zip code of the owner or purchaser.】** (Deleted by  
25 amendment, P.L. , c. ) (pending before the Legislature as this  
26 bill)

27 d. Nothing in this section shall be construed to prevent an  
28 issuer from honoring a stored value card, the unredeemed value of  
29 which has been reported to the State Treasurer pursuant to  
30 R.S.46:30B-1 et seq., and thereafter seeking reimbursement from  
31 the State Treasurer pursuant to R.S.46:30B-62.

32 e. This section does not apply to:

33 (1) a stored value card that is distributed by the issuer, directly  
34 or indirectly, to a person under a promotional, incentive, rewards, or  
35 customer loyalty program or a charitable program for which no  
36 direct monetary consideration is paid by the owner;

37 (2) a stored value card that is donated or sold below face value  
38 to a nonprofit or charitable organization or an educational  
39 organization;

40 (3) a stored value card that is redeemable for admission to  
41 events or venues at a particular location or group of affiliated  
42 locations, or for goods or services in conjunction with admission to  
43 those events or venues, or both, at the event or venue or at specific  
44 locations affiliated with and in geographic proximity to the event or  
45 venue; and

**EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is  
not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 (4) a stored value card issued by any issuer that in the past year  
2 sold stored value cards with a face value of \$250,000 or less. For  
3 purposes of this subsection, sales of stored value cards by  
4 businesses that operate either (1) under the same trade name as or  
5 under common ownership or control with another business or  
6 businesses in the State, or (2) as franchised outlets of a parent  
7 business, shall be considered sales by a single issuer.

8 f. The State Treasurer is authorized to grant an exemption from  
9 such provisions concerning stored value cards, on such terms and  
10 conditions as the State Treasurer may require, for a business or  
11 class of businesses that demonstrate good cause to the satisfaction  
12 of the State Treasurer. In exercising his discretion pursuant to this  
13 section, the State Treasurer may consider relevant factors including,  
14 but not limited to, the amount of stored value card transactions  
15 processed, the technology in place, whether or not stored value  
16 cards issued contain a microprocessor chip, magnetic strip, or other  
17 means designed to trace and capture information about place and  
18 date of purchase, and such other factors as the State Treasurer shall  
19 deem relevant.

20 g. Notwithstanding the provisions of this act or any other law  
21 to the contrary, only a stored value card which is exempt from the  
22 provisions of this act pursuant to subsection e. or f. of this section  
23 shall be deemed a gift card or gift certificate for purposes of  
24 P.L.2002, c.14 (C.56:8-110 et seq.).

25 h. Beginning September 1, 2012 if a stored value card is  
26 redeemed and a balance of less than \$5 remains on the card after  
27 redemption, at the owner's request the merchant or other entity  
28 redeeming the card shall refund the balance in cash to the owner.

29 A merchant or other entity required to comply with the  
30 provisions of this subsection shall be liable to a penalty of \$500 for  
31 each violation plus restitution of the amount of the cash value  
32 remaining on the stored value card, provided however that the  
33 amount of the penalty shall be trebled for an aggregate of 100 such  
34 violations occurring during any 12 month period. Failure to provide  
35 requested cash redemption for each stored value card shall be  
36 considered a separate violation. Upon receiving evidence of any  
37 violation of the provisions of this subsection, the Director of the  
38 Division of Consumer Affairs, or the director's designee, is  
39 empowered to hold hearings upon those violations and upon finding  
40 the violation to have been committed, to assess a penalty against the  
41 person alleged to have committed the violation in the amounts  
42 provided in this subsection. The director shall thereafter return to  
43 the owner of the card the amount of the cash value remaining on the  
44 card recovered under this subsection, and this shall be the sole  
45 remedy available to the owner for those violations.

46 This subsection does not impose on an issuer or merchant or  
47 other entity required to comply with the provisions of this  
48 subsection an obligation to advertise the availability of a refund

1 balance redemption. Notwithstanding the foregoing or any  
2 provision in section 3 of P.L.1981, c.454 (C.56:12-16), an issuer,  
3 seller or redeemer of stored value cards may elect to include a  
4 disclosure or may, in the alternative, include a statement on the  
5 stored value card or other marketing materials that the card "is not  
6 redeemable for cash except as required by law" or similar  
7 statement.

8 This subsection shall not apply to (1) a non-reloadable stored  
9 value card with an initial value of \$5 or less; or (2) a stored value  
10 card that is not purchased but is provided in lieu of a refund for  
11 returned merchandise; or (3) a stored value card that can be  
12 redeemed at multiple merchants that are not under common  
13 ownership or control, including but not limited to network-branded  
14 stored value cards.

15 i. The funds associated with a stored value card sold on or  
16 after December 1, 2012 shall be valid until redemption and shall not  
17 expire. However, a stored value card may contain an expiration date  
18 to the extent permitted by federal law that applies only to the card  
19 or other tangible medium through which the underlying funds can  
20 be accessed, provided those underlying funds do not expire.

21 j. For stored value cards sold on or after December 1, 2012, in  
22 addition to the requirements of section 37 of P.L.2002, c.35  
23 (C.46:30B-43.1), no fees or charges shall be imposed on a stored  
24 value card except that the issuer may charge (1) an activation,  
25 issuance, purchase or similar fee related to the issuance and  
26 purchase of a stored value card and for each occurrence of adding  
27 value to an existing stored value card; and (2) a replacement card  
28 fee with respect to lost, stolen or damaged stored value cards  
29 provided that these fees are disclosed in writing prior to issuance or  
30 referenced on the stored value card or the stored value card  
31 packaging. The State Treasurer may adopt regulations regarding the  
32 establishment of activation, issuance, purchase or similar fees, fees  
33 for adding value to an existing stored value card, and replacement  
34 card fees.

35 A general purpose reloadable card shall not be subject to the  
36 provisions of this subsection.

37 k. As used in this section:

38 "Stored value card activity" means the purchase or issuance of  
39 the stored value card, a transaction executed by the owner that  
40 increased or decreased the value of the stored value card, or  
41 communication by the owner of the stored value card with the  
42 issuer of the stored value card concerning the value of the balance  
43 remaining on the stored value card as evidenced by a  
44 contemporaneous record prepared by or on behalf of the issuer.

45 "Issuer" means an issuer of a stored value card that is a person,  
46 retailer, merchant, vendor, provider or business association with the  
47 obligations of a holder to accept the stored value card as redeemable

1 for, solely or a combination of, merchandise, services, or cash, and  
2 to report and deliver proceeds of the stored value card if abandoned.

3 "General purpose reloadable card" means a stored value card  
4 issued by a bank or other similarly regulated financial institution or  
5 by a licensed money transmitter that is (1) usable and honored upon  
6 presentation at multiple merchants or service providers that are not  
7 under common ownership or control for goods or services or at  
8 automated teller machines, (2) issued in a requested prepaid amount  
9 which amount may be, at the option of the issuer, increased in value  
10 or reloaded if requested by the cardholder, and (3) not marketed or  
11 labeled as a gift card; the term "reloadable card" includes a  
12 temporary non-reloadable card issued solely in connection with a  
13 reloadable card.

14 (cf:P.L.2012, c.14, s.1)

15

16 2. This act shall take effect immediately.

17

18

19

#### STATEMENT

20

21 This bill eliminates consumer data collection requirements for  
22 certain gift cards. The purpose of this bill is to relieve merchants of  
23 the responsibility to collect personal consumer data on qualifying  
24 stored value card purchases before the escheat related requirement  
25 goes into effect in July of 2016.

26 Under current law, qualified stored value card proceeds escheat  
27 to the State after five years of inactivity. As a counterpart to this  
28 policy, merchants are required to collect the name and address of  
29 the consumer and maintain a record thereto recording, at a  
30 minimum, the consumer's zip code. Technically, the collection of  
31 personal consumer data requirement is not scheduled to take effect  
32 until July of 2016.

33 This bill eliminates the requirement that merchants collect the  
34 name and address of qualifying stored value card consumers and  
35 related record retention requirements ahead of implementation.



**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 3480**  
**STATE OF NEW JERSEY**  
**216th LEGISLATURE**

DATED: JULY 3, 2014

**SUMMARY**

**Synopsis:** Eliminates consumer data collection requirements for certain gift cards.

**Type of Impact:** Recurring Unclaimed Personal Property Trust Fund revenue loss starting in FY 2023.

**Agencies Affected:** Department of the Treasury.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Prior to FY 2023</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>
<b>State Revenue Loss</b>	\$0	\$17,500,000 to \$26,300,000	\$18,900,000 to \$28,300,000

- The Office of Legislative Services (OLS) projects the legislation to have no fiscal impact prior to FY 2023 and to lower Unclaimed Personal Property Trust Fund collections by \$17.5 million to \$26.3 million in FY 2023. Thereafter, the OLS expects the revenue loss to grow by 7.6 percent per year. It is unclear what portion of the revenue that would have accrued absent the bill's enactment the Department of the Treasury would have elected to transfer to the General Fund as State revenue.
- The State revenue loss will occur because the bill will deprive the State in many instances of purchaser information and thus limit the State's ability to assert jurisdiction over many unused stored value cards under federal priority rules governing states' competing claims to abandoned property. Without jurisdiction, in turn, the State cannot initiate escheat action under the State's unclaimed property laws with respect to concerned unused stored value card balances. After the enactment of this bill the State will thus only have the legal authority to take custodial possession of unexpended balances on stored value cards for which card issuers voluntarily collect purchaser information.
- No State revenue loss will occur prior to FY 2023 as the first cohort of unused stored value card balances that would have escheated to the State as abandoned property based on the current consumer information collection requirement would not have done so until FY 2023.

## **BILL DESCRIPTION**

Assembly Bill No. 3480 of 2014 eliminates the requirement that merchants begin to collect in July of 2016 the name and address of purchasers of qualifying stored value cards, such as gift cards and certificates, and maintain, at a minimum, a record of the purchasers' zip codes.

The collection of purchaser information is a prerequisite under federal priority rules governing states' competing claims to abandoned property for the State to establish jurisdiction over unused stored value cards. Once jurisdiction is established, 60 percent of unexpended qualifying card balances escheat to the State following a five-year inactivity period.

In general, under the State's unclaimed property laws, the State deems certain properties abandoned by their rightful owners if no activity related thereto has been recorded during statutorily defined periods of time. The State then takes custodial possession of the property ("escheatment"), deposits it in the Unclaimed Personal Property Trust Fund, and records a portion of its value as State revenue. Rightful owners can reclaim their property at any time.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS forecasts the legislation to have no fiscal impact prior to FY 2023 and to lower Unclaimed Personal Property Trust Fund collections by \$17.5 million to \$26.3 million in FY 2023. Thereafter, the OLS expects the revenue loss to grow by 7.6 percent per year. It is unclear what portion of the revenue that would have accrued absent the bill's enactment the Department of the Treasury would have elected to transfer to the General Fund as State revenue.

The State revenue loss will occur because the bill will deprive the State in many instances of purchaser information and thus limit the State's ability to assert jurisdiction over many unused stored value cards under federal priority rules governing states' competing claims to abandoned property. Without jurisdiction, in turn, the State cannot initiate escheat action under the State's unclaimed property laws with respect to concerned unused stored value card balances. After the enactment of this bill the State will thus only have the legal authority to take custodial possession of unexpended balances on stored value cards for which card issuers voluntarily collect purchaser information.

Timeline: The OLS anticipates that the legislation will produce an annual State revenue loss starting in FY 2023. This is so because under existing law card issuers must begin in July 2016 to collect data identifying the purchasers' residence—information that is a prerequisite for the State to establish jurisdiction over unused stored value card balances. Once card issuers have purchaser information, they must report unexpended card balances to the State after five years of inactivity, or in July 2021 for the first batch of gift card balances deemed abandoned under the current customer information collection requirement. Since card issuers have until November in the following fiscal year to transfer to the State the accumulated balances that were deemed abandoned in a given fiscal year, the State will not take custodial possession of the first cohort of unexpended card balances under the current customer information collection requirement until November 2022, or in FY 2023.

“Lost” New Jersey Stored Value Card Balances: The OLS projects that \$292.3 million in stored value card balances owned by New Jersey consumers will either expire or be consumed by issuer fees in FY 2023. Under current law and jurisprudence, the State could take possession of a portion of this amount.

The OLS builds its estimate on CEB TowerGroup market research relating that about \$1 billion in nationwide gift card balances represented “spillage” in each of calendar years 2013 and 2014. (“Spillage” refers to balances that expired and amounts lost due to fees charged by card issuers.) The OLS converts the calendar year numbers to a \$1 billion FY 2014 figure. Next, the OLS apportions 3.78 percent thereof to New Jersey based on the ratio of the tax year 2011 federal adjusted gross income of New Jersey taxpayers relative to that of all United States taxpayers, as reported by the federal Internal Revenue Service. Consequently, the OLS estimates that New Jersey consumers lost \$37.8 million in gift card balances in FY 2014.

For future years, the OLS applies a 7.6 percent annual growth rate to the \$37.8 million, or the annualized growth rate for nationwide gift card sales from calendar year 2009 to calendar year 2013 using CEB TowerGroup data. For FY 2023, when the first batch of gift cards subject to the purchaser information collection requirement under current law will become escheatable, the OLS thus estimates \$73.1 million in gift card balances that New Jersey consumers will lose.

The \$73.1 million appears to be an underestimate, however, in light of the federal Credit Card Accountability, Responsibility and Disclosure Act of 2009. Effective as of February 2010, the act mandated a minimum five-year period after activation before gift cards can expire. The deferment temporarily reduced the value of lost gift card balances below historic levels from February 2010 through at least February 2015. According to CEB TowerGroup data, the ratio of lost card balances relative to new card purchases was about 0.85 percent in calendar year 2013 and is expected to decline to about 0.79 percent in calendar year 2014. The ratio had been 8.3 percent in calendar year 2007 and 7.7 percent in calendar year 2008.

Although not anticipating the ratio to return to previous levels, the OLS does expect an increase over the current 0.85 percent starting in February 2015, when balances on the first stored value cards acquired in February 2010 under the terms of the federal law will begin to expire. For that reason, the OLS quadruples the 0.85 percent ratio to 3.4 percent for stored value cards that will be sold starting in July 2016, when the State’s purchaser information collection requirement will go into effect under existing law.

The OLS believes that the quadrupling of the ratio is also reasonable because the federal law prohibits the imposition of dormancy, inactivity or service fees before a card has been inactive for at least 12 months. The OLS expects this limitation to preserve the value of gift cards, which, in turn, should expand the pool of potentially unused escheatable card balances under current law.

Accordingly, the OLS quadruples to \$292.3 million its provisional estimate that \$73.1 million in current New Jersey gift card balances will escheat to the State in FY 2023.

Escheating New Jersey Stored Value Card Balances: Several restrictions on the scope of potentially escheatable stored value card balances, enumerated below, motivate the OLS to expect that under current law the State would only take custodial possession of between 10 percent and 15 percent of the estimated \$292.3 million in gift card value that New Jersey consumers will forfeit in FY 2023. The State might thus collect between \$17.5 million and \$26.3 million and the OLS adopts this range as the bill’s estimated FY 2023 revenue loss and applies an annual 7.6 percent growth factor thereto for subsequent fiscal years, or the annualized growth rate for gift card sales from calendar year 2009 to calendar year 2013, as reported by CEB TowerGroup.

Seven factors restrict the scope of potentially escheatable stored value card balances. *First*, P.L.2012, c.14 stipulates that only 60 percent of abandoned card balances escheat to the State.

*Second*, P.L.2010, c.25 and P.L.2012, c.14 exempt from escheatment a) cards issued under a promotional program, customer loyalty program, charitable program or by a business having sold \$250,000 or less of stored value cards in the prior year; and b) cards redeemable for admission to events or venues (such as movie theaters) and the purchase of goods and services at the event or venue. *Third*, P.L.2010, c.25 authorizes the State Treasurer to exempt from the escheatment process businesses that demonstrate that they cannot reasonably comply with the law. *Fourth*, P.L.2012, c.14 created the right for certain card holders to receive cash from card issuers equal to the amount of unexpended card balances if they are less than \$5. *Fifth*, CEB TowerGroup's "spillage" category on which the OLS bases its estimate includes card value consumers loose because of card issuer fees and because issuers cease business operations. But neither are subject to escheatment. *Sixth*, it is unclear to what extent merchants and consumers would comply with the purchaser information collection requirements under current law. *Seventh*, while upholding a significant portion of New Jersey's stored value card escheat program, courts have already constrained its originally envisioned scope.

*Section:*        *Revenue, Finance and Appropriations*  
*Analyst:*       *Thomas Koenig*  
                      *Lead Fiscal Analyst*  
*Approved:*     *David J. Rosen*  
                      *Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3480**

**STATE OF NEW JERSEY**

DATED: OCTOBER 2, 2014

The Assembly Consumer Affairs Committee reports favorably on Assembly Bill No. 3480.

This bill eliminates consumer data collection requirements imposed on retailers issuing certain gift cards.

Current law provides that qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, an issuer of a stored value card is required to collect the name and address of the purchaser or owner of the card. Pursuant to this requirement, issuers are to maintain a record, which includes at a minimum, the consumer's zip code. Under the provisions of the law, the data collection requirement does not take effect until July 2016.

This bill amends current law to relieve merchants of the responsibility to collect personal consumer data, in advance of this requirement taking effect in July 2016.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3480

# STATE OF NEW JERSEY

DATED: DECEMBER 15, 2014

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3480.

This bill eliminates consumer data collection requirements imposed on retailers issuing certain gift cards.

Current law provides that qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, an issuer of a stored value card is required to collect the name and address of the purchaser or owner of the card. Pursuant to this requirement, issuers are to maintain a record which includes at a minimum the consumer's zip code. Under the provisions of the law, the data collection requirement does not take effect until July 2016.

Under current law, qualified stored value card proceeds escheat to the State after five years of inactivity. As a counterpart to this policy, merchants are required to collect the name and address of the consumer and maintain a record thereto recording, at a minimum, the consumer's zip code.

This bill eliminates the requirement that merchants collect the name and address of qualifying stored value card consumers and related record retention requirements ahead of its required implementation.

As reported, this bill is identical to Senate Bill No. 2235, as also reported by the committee.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) forecasts the legislation to have no fiscal impact prior to FY 2023 and to lower Unclaimed Personal Property Trust Fund collections by \$17.5 million to \$26.3 million in FY 2023. Thereafter, the OLS expects the revenue loss to grow by 7.6 percent per year. It is unclear what portion of the revenue that would accrue, absent the bill's enactment, the Department of the Treasury would elect to transfer to the General Fund as State revenue.

The State revenue loss will occur because the bill will deprive the State in many instances of purchaser information and thus limit the State's ability to assert jurisdiction over many unused stored value cards under federal priority rules governing states' competing claims to abandoned property. Without jurisdiction, in turn, the State cannot initiate escheat action under the State's unclaimed property laws with

respect to concerned unused stored value card balances. After the enactment of this bill the State will have the legal authority to take custodial possession of unexpended balances only on stored value cards for which card issuers voluntarily collect purchaser information.

The OLS anticipates that the bill will produce an annual State revenue loss starting in FY 2023. Under existing law card issuers must begin in July 2016 to collect data identifying the purchasers' residence, information that is a prerequisite for the State to establish jurisdiction over unused stored value card balances. Once card issuers have purchaser information, they must report unexpended card balances to the State after five years of inactivity, or in July 2021 for the first batch of gift card balances deemed abandoned under the current customer information collection requirement. As card issuers have until November in the following fiscal year to transfer to the State the accumulated balances that were deemed abandoned in a given fiscal year, the State will not take custodial possession of the first cohort of unexpended card balances under the current customer information collection requirement until November 2022, or in FY 2023.