

# 56:8-110

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2002                    **CHAPTER:** 14  
**NJSA:** 56:8-110                (Gift certificates valid until redeemed)  
**BILL NO:** A555

**SPONSOR(S):** Impreveduto and Fraguela

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:**                    **ASSEMBLY:** Consumer Affairs

**SENATE:** Commerce

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**            **ASSEMBLY:** February 11, 2002

**SENATE:** March 7, 2002

**DATE OF APPROVAL:** April 9, 2002

### FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (First reprint enacted)

**A555**

[SPONSORS STATEMENT:](#) (Begins on page 2 of original bill) [Yes](#)

**COMMITTEE STATEMENT:**                    [ASSEMBLY:](#) [Yes](#)

[SENATE:](#) [Yes](#)

**FLOOR AMENDMENT STATEMENTS:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

[GOVERNOR'S PRESS RELEASE ON SIGNING:](#) [Yes](#)

### FOLLOWING WERE PRINTED:

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

P.L. 2002, CHAPTER 14, *approved April 9, 2002*  
Assembly, No. 555 (*First Reprint*)

1 **AN ACT** concerning gift certificates and supplementing P.L.1960, c.39  
2 (C.56:8-1 et seq.).

3

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

6

7 1. a. A gift certificate issued by a retail <sup>1</sup>[mercantile or service]  
8 merchandise<sup>1</sup> establishment <sup>1</sup>[for merchandise or service]<sup>1</sup> shall be  
9 valid until presented in exchange for that merchandise <sup>1</sup>[or service]<sup>1</sup>,  
10 or shall have any and all conditions and limitations: (1) disclosed to the  
11 purchaser of the gift certificate at the time of purchase and (2)  
12 conspicuously printed on the gift certificate.

13 b. As used in this act, "gift certificate" means a written promise  
14 given in exchange for payment to provide merchandise <sup>1</sup>[or a  
15 service]<sup>1</sup> in a specified amount or of equal value to the bearer of the  
16 certificate.

17 <sup>1</sup>As used in this act, "merchandise" means and includes any objects,  
18 wares, goods, commodities, services or anything offered, directly or  
19 indirectly, to the public for sale.

20 As used in this act, "retail merchandise establishment" means any  
21 place of business where merchandise is exposed or offered for sale at  
22 retail to members of the consuming public.<sup>1</sup>

23

24 <sup>1</sup>[2. A retail mercantile or service establishment issuing a gift  
25 certificate shall maintain a record of the transaction for the issuance of  
26 each such certificate for not less than 12 months following the date of  
27 purchase of the gift certificate.]<sup>1</sup>

28

29 <sup>1</sup>[3.] 2.<sup>1</sup> The Director of the Division of Consumer Affairs in the  
30 Department of Law and Public Safety shall adopt, pursuant to the  
31 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
32 seq.), rules and regulations necessary to implement this act.

33

34 <sup>1</sup>[4.] 3.<sup>1</sup> It is an unlawful practice and a violation of P.L.1960,  
35 c.39 (C.56:8-1 et seq.) to violate the provisions of this act.

36

37 <sup>1</sup>[5.] 4.<sup>1</sup> This act shall take effect on the first day of the fourth

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

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ACO committee amendments adopted January 31, 2002.

1 month following enactment, except that section 2 shall take effect  
2 immediately.

3

4

5

\_\_\_\_\_

6

7 Requires gift certificates to be valid until redeemed unless conditions  
8 and limitations are fully disclosed.

# ASSEMBLY, No. 555

## STATE OF NEW JERSEY 210th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2002 SESSION

**Sponsored by:**

**Assemblyman ANTHONY IMPREVEDUTO**

**District 32 (Bergen and Hudson)**

**Assemblyman RAFAEL J. FRAGUELA**

**District 33 (Hudson)**

**Co-Sponsored by:**

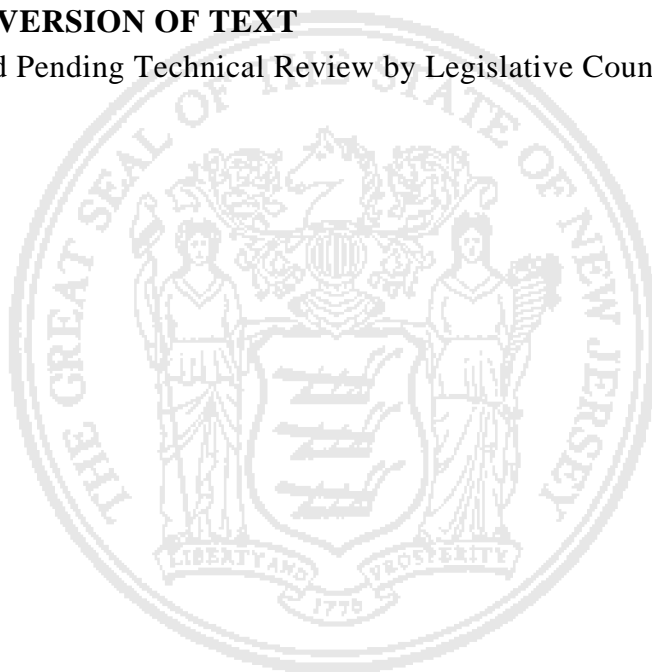
**Assemblywoman Previte**

**SYNOPSIS**

Requires gift certificates to be valid until redeemed unless conditions and limitations are fully disclosed.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 2/1/2002)**

A555 IMPREVEDUTO, FRAGUELA

2

1 AN ACT concerning gift certificates and supplementing P.L.1960, c.39  
2 (C.56:8-1 et seq.).

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. a. A gift certificate issued by a retail mercantile or service  
8 establishment for merchandise or service shall be valid until presented  
9 in exchange for that merchandise or service, or shall have any and all  
10 conditions and limitations: (1) disclosed to the purchaser of the gift  
11 certificate at the time of purchase and (2) conspicuously printed on the  
12 gift certificate.

13 b. As used in this act, "gift certificate" means a written promise  
14 given in exchange for payment to provide merchandise or a service in  
15 a specified amount or of equal value to the bearer of the certificate.

16  
17 2. A retail mercantile or service establishment issuing a gift  
18 certificate shall maintain a record of the transaction for the issuance of  
19 each such certificate for not less than 12 months following the date of  
20 purchase of the gift certificate.

21  
22 3. The Director of the Division of Consumer Affairs in the  
23 Department of Law and Public Safety shall adopt, pursuant to the  
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
25 seq.), rules and regulations necessary to implement this act.

26  
27 4. It is an unlawful practice and a violation of P.L.1960, c.39  
28 (C.56:8-1 et seq.) to violate the provisions of this act.

29  
30 5. This act shall take effect on the first day of the fourth month  
31 following enactment, except that section 2 shall take effect  
32 immediately.

33  
34  
35 STATEMENT

36  
37 This bill requires a gift certificate issued by a retail mercantile or  
38 service establishment to be valid until the gift certificate is redeemed  
39 unless the conditions and limitations of the gift certificate are fully  
40 disclosed to the purchaser and are conspicuously printed on the gift  
41 certificate. As defined in this bill, a "gift certificate" is a written  
42 promise given in exchange for payment to provide merchandise or  
43 service in a specific amount or of equal value to the bearer of the  
44 certificate.

45 The bill also provides that a retail mercantile or service  
46 establishment issuing a gift certificate shall maintain a record of the

**A555 IMPREVEDUTO, FRAGUELA**

3

- 1 transaction for the issuance of each such certificate for not less than
- 2 12 months following the date of purchase of the gift certificate.

# ASSEMBLY CONSUMER AFFAIRS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 555**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JANUARY 31, 2002

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 555.

Assembly Bill 555 supplements the Consumer Fraud Act, P.L.1960, c.39 (C.56:8-1 et seq.) to require that a gift certificate issued by a retail mercantile or service establishment remain valid until the certificate is redeemed, unless other conditions and limitations are disclosed to the purchaser and are conspicuously printed on the certificate. A "gift certificate" is defined in the bill as a "written promise given in exchange for payment to provide merchandise or a service in a specified amount or of equal value to the bearer of the certificate."

The committee adopted amendments to clarify the establishments subject to the bill's provisions. The amendments changed the references from "retail mercantile or service" establishments to "retail merchandise" establishments. The amendments also incorporated definitions for "merchandise" and "retail merchandise establishment" to ensure that their meanings in the bill were consistent with the meanings of those terms in the Consumer Fraud Act.

As introduced, the bill provided that those retail mercantile establishments issuing gift certificates maintain records of the transactions relating to the sale of each of their certificates for a period of not less than 12 months following the date of the sale of the certificate. The committee amended the bill to remove this record keeping requirement.

The Director of the Division of Consumer Affairs is authorized to promulgate all necessary rules and regulations.

Establishments that violate the provisions of the bill are deemed to be engaged in an unlawful practice and subject to the penalties set forth in the Consumer Fraud Act. In addition to any other penalty provided by law, a violator is subject to a fine of not more than \$10,000 for a first offense. The fine for a second, and each subsequent offense, is \$20,000.

This bill was pre-filed for introduction in the 2002 legislative session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE COMMERCE COMMITTEE

STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 555**

**STATE OF NEW JERSEY**

DATED: FEBRUARY 28, 2002

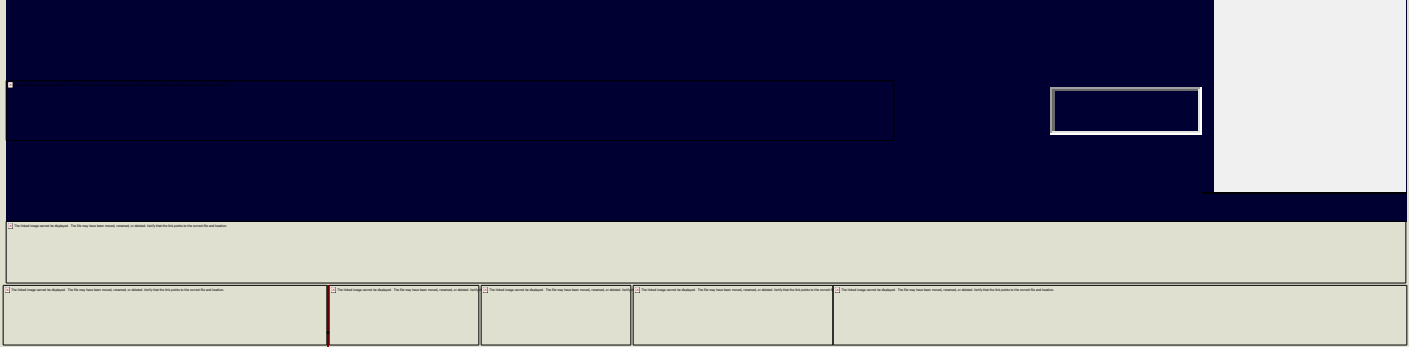
The Senate Commerce Committee reports favorably Assembly Bill No. 555 (1R).

This bill supplements the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), to require that a gift certificate issued by a retail merchandise establishment remain valid until the certificate is redeemed, unless conditions and limitations on redemption are disclosed to the purchaser and are conspicuously printed on the certificate. A "gift certificate" is defined in the bill as a written promise given in exchange for payment to provide merchandise in a specified amount or of equal value to the bearer of the certificate.

The Director of the Division of Consumer Affairs is authorized to promulgate all necessary rules and regulations.

Violation of the provisions of this bill is a violation of the consumer fraud act and violators are subject to penalties, which may include a fine of not more than \$10,000 for a first violation and not more than \$20,000 for any subsequent violation. In addition, the Attorney General is authorized to seek and obtain in a summary action an injunction prohibiting any violator from continuing to engage in such unlawful practice.





 **Press Releases**



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TRENTON, NJ 08625

Contact: Paul Aronsohn  
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RELEASE: April 09, 2002

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**Governor McGreevey Signs Legislation Allowing Gift Certificates to be Valid Until Redeemed**  
***Retailers must print any limitations on gift cards and certificates***

(TRENTON)-Governor James E. McGreevey today signed Assembly Bill 555, which requires retailers to conspicuously print terms and limitations on gift certificates, otherwise, consumers can redeem its value at any time.

"This consumer friendly law will allow New Jerseyans to get the true value of their dollar," said McGreevey. "Anyone who has received or purchased a gift certificate or gift card that does not specifically state the expiration date or other limitations will now be able to redeem it at any time."

According to the legislation, unless a gift certificate, or more commonly, a gift card, states the expiration date or other limitations directly on it, a consumer will be able to redeem its value at any time. Additionally, the conditions and limitations must be fully disclosed and printed clearly on the certificate or card.

"By requiring retailers to clearly print the terms and limitations on the certificate or card, we can ensure that shoppers are being treated fairly," stated McGreevey.

Sponsored by Assemblymen Anthony Impreveduto (D-Bergen/Hudson) and Rafael Fraguera (D-Hudson), the bill unanimously passed the Assembly (70-0) on February 11th and unanimously passed the Senate (39-0) on March 7th.

The law, which is not retroactive, will take effect on the first day of the fourth month following enactment, September 1, 2002 and will be enforced by the Division of Consumer Affairs.



State of New Jersey Governor's Office

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