

109TH CONGRESS
1ST SESSION

H. R. 85

To direct the Federal Trade Commission to issue rules which prohibit
expiration dates and fees on gift certificates.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Mr. FRELINGHUYSEN introduced the following bill; which was referred to the
Committee on Energy and Commerce

A BILL

To direct the Federal Trade Commission to issue rules which
prohibit expiration dates and fees on gift certificates.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Gift Card Protection
5 Act”.

6 **SEC. 2. PROHIBITION ON EXPIRATION DATES AND FEES**
7 **FOR GIFT CERTIFICATES.**

8 (a) PROHIBITION.—Not later than 180 days after the
9 date of enactment of this Act, the Federal Trade Commis-
10 sion shall promulgate a rule under section 18(a) of the

1 Federal Trade Commission Act (15 U.S.C. 57a(a)) pro-
2 viding that it shall be an unfair or deceptive act or practice
3 under section 5 of such Act (15 U.S.C. 45) for any gift
4 certificate issued by any person after the effective date of
5 such rule to include or bear an expiration date, or for any
6 person to deduct any service charges or dormancy fees
7 from a gift certificate issued after the effective date of
8 such rule.

9 (b) EFFECTIVE DATE OF RULE.—The rule required
10 by subsection (a) shall take effect 90 days after such rule
11 is promulgated pursuant to such subsection.

12 (c) LIMITATION.—Nothing in this Act or in the rule
13 to be promulgated pursuant to this section shall be con-
14 strued to prohibit an authorized State official from pro-
15 ceeding in State court on the basis of an alleged violation
16 of any civil or criminal statute of such State.

17 **SEC. 3. DEFINITION OF GIFT CERTIFICATE.**

18 The term “gift certificate” shall mean a writing iden-
19 tified as a gift certificate purchased by a buyer for use
20 by a person other than the buyer, or at a later date, not
21 redeemable for cash and usable in its face amount for
22 goods or services provided by the seller. Such term shall
23 include an electronic card with a stored dollar value, a
24 merchandise credit, or any other medium that evidences

- 1 that the issuer has received payment for the full face value
- 2 for the future purchase or delivery of goods or services.

