

## **BILL ANALYSIS**

Senate Research Center  
84R6105 GRM-D

H.B. 2391  
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Business & Commerce  
5/21/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties contend that current law does not entitle a consumer to receive a cash refund on a low-value gift card in the consumer's possession and that stored value or gift cards with nominal balances often go unused or are lost. The parties also note that these low-value cards can create a burden for retailers needing to track the cards for auditing purposes. H.B. 2391 seeks to address this issue by balancing the rights of the consumer and the retailer in a commonsense manner.

H.B. 2391 amends current law relating to the redemption of certain stored value cards, including gift cards, for cash.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 604, Business & Commerce Code, by adding Subchapter D, as follows:

#### **SUBCHAPTER D. REDEMPTION OF CERTAIN LOW-VALUE CARDS**

Sec. 604.151. **APPLICABILITY OF SUBCHAPTER.** (a) Provides that this subchapter does not apply to a stored value card:

- (1) described by Sections 604.002(1)-(3) (relating to cards issued by certain institutions, prepaid calling cards, or issued under an awards, rewards, loyalty, incentive, rebate, or promotional program);
- (2) issued as a refund for merchandise returned without a receipt; or
- (3) that has an initial value of \$5 or less and to which additional value cannot be added.

(b) Provides that except as otherwise provided by Subsection (a), Section 604.002 does not apply to this subchapter.

Sec. 604.152. **CASH REFUND FOR LOW-VALUE CARD.** Requires the seller, at the consumer's request, to refund the balance of the card in cash to the consumer if a stored value card is redeemed in person to make a purchase and a balance of less than \$2.50 remains following the redemption.

SECTION 2. Effective date: September 1, 2015.