



General Assembly

February Session, 2006

Raised Bill No. 561

LCO No. 2599



Referred to Committee on

GENERAL LAW

Introduced by:

(GL)

AN ACT PROHIBITING EXPIRATION OF CREDIT RECEIPTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-460 of the 2006 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2006*):

4 (a) No person may sell or issue a gift certificate, as defined in section
5 3-56a, or issue a merchandise or service credit or receipt for such
6 merchandise or service credit that is subject to an expiration date. No
7 gift certificate, merchandise or service credit, receipt for such
8 merchandise or service credit or any agreement with respect to such
9 gift certificate, merchandise or service credit or receipt may contain
10 language suggesting that an expiration date may apply to the gift
11 certificate, merchandise or service credit or receipt.

12 (b) Nothing in this section shall be construed to prevent a holder
13 from honoring a gift certificate, the unredeemed value of which has
14 been reported to the Treasurer pursuant to part III of chapter 32, and
15 thereafter seeking reimbursement from the Treasurer.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2006	42-460
-----------	-----------------	--------

Statement of Purpose:

To prohibit the expiration of merchandise or service credit receipts.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]



Senate

CONNECTICUT STATE LIBRARY
LEGISLATIVE REFERENCE SECTION

General Assembly

File No. 159

February Session, 2006

Substitute Senate Bill No. 561

Senate, March 28, 2006

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT PROHIBITING EXPIRATION OF CREDIT RECEIPTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-460 of the 2006 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2006*):

4 (a) No person may sell or issue a gift certificate, as defined in section
5 3-56a, or issue a merchandise or service credit or receipt for such
6 merchandise or service credit that is subject to an expiration date. No
7 gift certificate, merchandise or service credit, receipt for such
8 merchandise or service credit or any agreement with respect to such
9 gift certificate or merchandise or service credit or receipt may contain
10 language suggesting that an expiration date may apply to the gift
11 certificate or merchandise or service credit or receipt.

12 (b) Nothing in this section shall be construed to prevent a holder
13 from honoring a gift certificate, the unredeemed value of which has
14 been reported to the Treasurer pursuant to part III of chapter 32, and

15 thereafter seeking reimbursement from the Treasurer.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2006	42-460
-----------	-----------------	--------

Statement of Legislative Commissioners:

In Subsec. (a) of section 1 "or" was added before merchandise for clarity.

GL *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill prohibits any person from issuing a merchandise or service credit which has an expiration date. This bill also prohibits any language suggesting that an expiration date may apply from appearing on the merchandise or service credit certificate. There is no fiscal impact.

The Out Years

There is no fiscal impact in the out years.

**OLR Bill Analysis
SB 561****AN ACT PROHIBITING EXPIRATION OF CREDIT RECEIPTS.****SUMMARY:**

This bill prohibits issuing a credit for merchandise or service, or a receipt for a merchandise or service credit, that has an expiration date. Further, such credits, receipts, or related agreements must not include any language suggesting that they expire. The law already prohibits issuing a gift certificate that has an expiration date or that has language suggesting that it expires.

EFFECTIVE DATE: October 1, 2006

BACKGROUND***Gift Certificate***

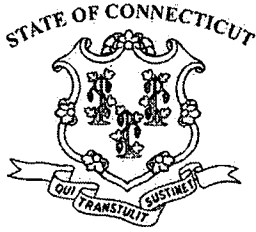
The law defines "gift certificate" as a record evidencing a promise, made for consideration, by the seller or issuer of the record that goods or services will be provided to the owner of the record to the value shown in the record. It includes but is not limited to (1) a record that contains a microprocessor chip, magnetic strip, or other means to store information that is pre-funded and for which an amount is deducted from the stored value upon each use; (2) a gift card; (3) a stored-value card or certificate; (4) a store card; or (5) a similar record or card. It does not include prepaid calling cards or prepaid commercial mobile radio services (CGS § 3-56a (5)).

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 15 Nay 0 (03/14/2006)



General Assembly

[SENATE] Amendment [A. 7]

February Session, 2006

LCO No. 5031



Offered by:

SEN. COLAPIETRO, 31st Dist.

REP. STONE, 9th Dist.

REP. GREENE, 105th Dist.

To: Subst. Senate Bill No. 561

File No. 159

Cal. No. 154

"AN ACT PROHIBITING EXPIRATION OF CREDIT RECEIPTS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (b) of section 42-110aa of the 2006 supplement
4 to the general statutes is repealed and the following is substituted in
5 lieu thereof (*Effective October 1, 2006*):

6 (b) Any person that utilizes an electronic system to record, monitor
7 and limit the number or total dollar value of returns made by a
8 consumer shall, prior to terminating the right of any such consumer to
9 return goods at such person's place of business pursuant to any such
10 limitation, provide written notice to such consumer that indicates such
11 termination. [Such termination notice shall not affect such consumer's
12 right to return any goods purchased by such consumer or purchased
13 for the benefit of such consumer prior to the date of such notice.] Any
14 such notice that is mailed to the last known address of such consumer

15 or to the address of such consumer that is obtained through reasonably
16 available public records shall be deemed to comply with the
17 notification requirements of this subsection.

18 Sec. 502. Section 21-35b of the general statutes is repealed and the
19 following is substituted in lieu thereof (*Effective October 1, 2006*):

20 (a) No person shall advertise, offer for sale or sell a stock of goods,
21 wares or merchandise under the description of closing-out sale unless
22 he shall have obtained a license from the Commissioner of Consumer
23 Protection authorizing the conducting of such sale for each location at
24 which such sale is to be conducted.

25 (b) Each person desiring to conduct a closing-out sale shall deposit
26 with the Commissioner of Consumer Protection the sum of five
27 hundred dollars or a dollar amount equal to one per cent of the
28 wholesale cost of the inventory filed pursuant to subsection (c) of this
29 section whichever is greater; provided that no such deposit shall
30 exceed five thousand dollars. Upon application in the sum to be
31 prescribed by said commissioner and upon deposit to said
32 commissioner of a further sum of one hundred dollars as a state license
33 fee, said commissioner shall issue to the applicant a "closing-out sale
34 license", authorizing him to advertise and conduct a sale consistent
35 with that requested in the application.

36 (c) Each person applying for a "closing-out sale license" shall make
37 such application therefor in writing and under oath stating all the facts
38 relating to the reasons and character of such sale, including the
39 opening and terminating dates of the proposed sale, a complete
40 inventory of the goods, wares and merchandise actually on hand in the
41 place where such sale is to be conducted in the manner prescribed by
42 the commissioner, and all details necessary to locate exactly and
43 identify fully the goods, wares or merchandise to be sold, and shall
44 disclose the names and residences of owner or owners or partners in
45 whose interest the sale is to be conducted. No license shall be issued
46 unless the application is submitted to the commissioner at least five

47 days prior to the requested commencement date of the closing-out
48 sale. Any applicant who uses the services of a promoter as defined in
49 section 21-35a for a closing-out sale shall include a signed and dated
50 copy of the agreement between such applicant and such promoter as
51 part of the application. The commissioner may, by regulation, request
52 such other information to be submitted by the applicant as he deems
53 necessary.

54 (d) Each person holding a closing-out sale license issued under this
55 section shall file with the Commissioner of Consumer Protection a
56 monthly report, commencing one month from the opening date of the
57 sale, enumerating all goods, wares or merchandise sold, transferred or
58 otherwise disposed of by the licensee or his agents, servants or
59 employees during that month pursuant to the closing-out sale. Said
60 commissioner shall prescribe the form for such reporting.

61 (e) All documentation concerning the goods, wares and
62 merchandise to be included in such closing-out sale, including but not
63 limited to purchase orders and delivery statements, shall be made
64 available by the licensee for inspection by an authorized representative
65 of the commissioner during regular business hours.

66 (f) Each person holding a closing-out sale license shall (1) include
67 the license number and a notice that any gift card, gift certificate, as
68 defined in section 3-56a, or credit receipt issued by such person or by
69 the business for which such person has applied for such license, may
70 be redeemed prior to the termination date of such license in any
71 advertisement, together with clear and conspicuous disclosure of the
72 termination date of such closing-out sale license, and (2) post such
73 license in a conspicuous location at the point of sale.

74 (g) Each person holding a closing-out sale license shall honor a gift
75 card, gift certificate, as defined in section 3-56a, or credit receipt issued
76 by such person or by the business for which such person has applied
77 for such license.

78 (h) If a retailer transfers all of its assets to or merges with another

79 person or entity, such other person or entity shall honor a gift card, gift
80 certificate, as defined in section 3-56a, or credit receipt issued by such
81 retailer, provided the issuing retailer does not maintain at least one
82 retail outlet in this state.

83 (i) No person shall advertise, offer for sale or sell a gift card, gift
84 certificate, as defined in section 3-56a, or issue a credit receipt after
85 such person has applied for a closing-out sale license pursuant to this
86 section. The provisions of this subsection shall not apply to retail
87 outlets in this state intended to remain open for business after a
88 closing-out sale terminates, and for which a closing-out sale license has
89 not been applied for."

154

SENATE AMENDMENT

Calendar: 154

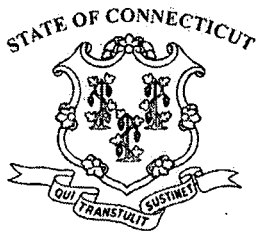
LOC: 5031

ENR: 564

A

ALLOTTED VOICES ☒ REJECTED VOICES ☐

ALLOTTED HOURS ☐ REJECTED HOURS ☐



General Assembly

(SENATE) Amendment

February Session, 2006

LCO No. 4833



Offered by:

SEN. COLAPIETRO, 31st Dist.

REP. STONE, 9th Dist.

REP. GREENE, 105th Dist.

To: Subst. Senate Bill No. 561

File No. 159

Cal. No. 154

"AN ACT PROHIBITING EXPIRATION OF CREDIT RECEIPTS."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (b) of section 42-110aa of the 2006 supplement
4 to the general statutes is repealed and the following is substituted in
5 lieu thereof (*Effective October 1, 2006*):

6 (b) Any person that utilizes an electronic system to record, monitor
7 and limit the number or total dollar value of returns made by a
8 consumer shall, prior to terminating the right of any such consumer to
9 return goods at such person's place of business pursuant to any such
10 limitation, provide written notice to such consumer that indicates such
11 termination. [Such termination notice shall not affect such consumer's
12 right to return any goods purchased by such consumer or purchased
13 for the benefit of such consumer prior to the date of such notice.] Any
14 such notice that is mailed to the last known address of such consumer

15 or to the address of such consumer that is obtained through reasonably
16 available public records shall be deemed to comply with the
17 notification requirements of this subsection.

18 Sec. 502. Section 21-35b of the general statutes is repealed and the
19 following is substituted in lieu thereof (*Effective October 1, 2006*):

20 (a) No person shall advertise, offer for sale or sell a stock of goods,
21 wares or merchandise under the description of closing-out sale unless
22 he shall have obtained a license from the Commissioner of Consumer
23 Protection authorizing the conducting of such sale for each location at
24 which such sale is to be conducted.

25 (b) Each person desiring to conduct a closing-out sale shall deposit
26 with the Commissioner of Consumer Protection the sum of five
27 hundred dollars or a dollar amount equal to one per cent of the
28 wholesale cost of the inventory filed pursuant to subsection (c) of this
29 section whichever is greater; provided that no such deposit shall
30 exceed five thousand dollars. Upon application in the sum to be
31 prescribed by said commissioner and upon deposit to said
32 commissioner of a further sum of one hundred dollars as a state license
33 fee, said commissioner shall issue to the applicant a "closing-out sale
34 license", authorizing him to advertise and conduct a sale consistent
35 with that requested in the application.

36 (c) Each person applying for a "closing-out sale license" shall make
37 such application therefor in writing and under oath stating all the facts
38 relating to the reasons and character of such sale, including the
39 opening and terminating dates of the proposed sale, a complete
40 inventory of the goods, wares and merchandise actually on hand in the
41 place where such sale is to be conducted in the manner prescribed by
42 the commissioner, and all details necessary to locate exactly and
43 identify fully the goods, wares or merchandise to be sold, and shall
44 disclose the names and residences of owner or owners or partners in
45 whose interest the sale is to be conducted. No license shall be issued
46 unless the application is submitted to the commissioner at least five

47 days prior to the requested commencement date of the closing-out
48 sale. Any applicant who uses the services of a promoter as defined in
49 section 21-35a for a closing-out sale shall include a signed and dated
50 copy of the agreement between such applicant and such promoter as
51 part of the application. The commissioner may, by regulation, request
52 such other information to be submitted by the applicant as he deems
53 necessary.

54 (d) Each person holding a closing-out sale license issued under this
55 section shall file with the Commissioner of Consumer Protection a
56 monthly report, commencing one month from the opening date of the
57 sale, enumerating all goods, wares or merchandise sold, transferred or
58 otherwise disposed of by the licensee or his agents, servants or
59 employees during that month pursuant to the closing-out sale. Said
60 commissioner shall prescribe the form for such reporting.

61 (e) All documentation concerning the goods, wares and
62 merchandise to be included in such closing-out sale, including but not
63 limited to purchase orders and delivery statements, shall be made
64 available by the licensee for inspection by an authorized representative
65 of the commissioner during regular business hours.

66 (f) Each person holding a closing-out sale license shall (1) include
67 the license number and a notice that any gift card, gift certificate, as
68 defined in section 3-56a, or credit receipt issued by such person or by
69 the business for which such person has applied for such license, may
70 be redeemed prior to the termination date of such license in any
71 advertisement, together with clear and conspicuous disclosure of the
72 termination date of such closing-out sale license, and (2) post such
73 license in a conspicuous location at the point of sale.

74 (g) Each person holding a closing-out sale license shall honor a gift
75 card, gift certificate, as defined in section 3-56a, or credit receipt issued
76 by such person or by the business for which such person has applied
77 for such license.

78 (h) If a retailer transfers its assets to or merges with another person

79 or entity, such other person or entity shall honor a gift card, gift
80 certificate, as defined in section 3-56a, or credit receipt issued by such
81 retailer, provided the issuing retailer does not maintain at least one
82 retail outlet in this state.

83 (i) No person shall advertise, offer for sale or sell a gift card, gift
84 certificate, as defined in section 3-56a, or credit receipt after such
85 person has applied for a closing-out sale license pursuant to this
86 section."

SENATE AMENDMENT

Calendar: 154
LCO: 483
Bill: 56

ADOPTED voice ☐ REJECTED voice ☐
ADOPTED roll ☐ REJECTED roll ☐