

SENATE BILL 2702
By Harper

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18, relative to gift certificates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by adding the following new section:

47-18-127.

(a) On or after July 1, 2006, no person or entity shall sell a gift certificate to a purchaser containing an expiration date. Any gift certificate sold on or after such effective date shall be redeemable in cash for its full cash value, or subject to replacement with a new gift certificate at no cost to the purchaser or holder.

(b) A gift certificate sold without an expiration date is valid until redeemed or replaced.

(c) No fee, surcharge or other additional expense may be imposed for the purchase, redemption or replacement of a gift certificate.

(d) This section shall not apply to any of the following gift certificates issued on or after July 1, 2006, provided the expiration date appears in capital letters in at least 10-point font on the front of the gift certificate:

(1) Gift certificates that are distributed by the issuer to a consumer pursuant to an awards, loyalty or promotional program without any money or other thing of value being given in exchange for the gift certificate by the consumer.

(2) Gift certificates that are sold below face value at a volume discount to employers or given or sold below face value to nonprofit and/or charitable organizations for fundraising purposes.

SECTION 2. This act shall take effect on July 1, 2006, the public welfare requiring it.