To provide increased consumer protections for gift cards.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To provide increased consumer protections for gift cards.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Gift Card Consumer Protection Act of 2012”.

SEC. 2. EXPANDED DEFINITION OF GIFT CARDS TO IN-

CLUDE LOYALTY, AWARD, AND PROMO-

TIONAL GIFT CARDS.

Section 915(a)(2) of the Electronic Fund Transfer Act (15 U.S.C. 1693l–1(a)(2)) is amended—

(1) in the paragraph heading, by striking “GEN-

ERAL USE” and inserting “GENERAL-USE”; and
(2) in subparagraph (D), by striking clause (iii)
and redesignating clauses (iv) through (vi) as
clauses (iii) through (v), respectively.

SEC. 3. BAN ON FEES FOR INACTIVITY ASSOCIATED WITH
GIFT CARDS.

Section 915(b) of the Electronic Fund Transfer Act
(15 U.S.C. 1693l–1(b)) is amended to read as follows:
“(b) Prohibition on imposition of fees or
charges.—It shall be unlawful for any person to impose
a dormancy fee, an inactivity charge or fee, or a service
fee with respect to a gift certificate, store gift card, or
general-use prepaid card.”.

SEC. 4. BAN ON EXPIRATION DATES ON GIFT CARDS.

Section 915(c) of the Electronic Fund Transfer Act
(15 U.S.C. 1693l–1(c)) is amended—
(1) by striking “(1) In general.—Except as
provided in paragraph (2), it shall” and inserting
“It shall”; and
(2) by striking paragraph (2).

SEC. 5. CLERICAL AMENDMENT.

Section 915(d)(2) of the Electronic Fund Transfer
Act (15 U.S.C. 1693l–1(d)(2)) is amended by striking
“shall”.

SEC. 6. CONSUMER PROTECTIONS FOR WHEN A COMPANY
THAT ISSUES GIFT CARDS FILES FOR BANKRUPTCY PROTECTION.

(a) EFTA.—Section 915 of the Electronic Fund Transfer Act (15 U.S.C. 1693l–1) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (e) the following:

“(d) REQUIREMENTS FOR A GIFT CERTIFICATE, STORE GIFT CARD, OR GENERAL-USE PREPAID CARD SELLER OR ISSUER THAT HAS FILED FOR BANKRUPTCY PROTECTION.—It shall be unlawful for any person—

“(1) to sell or issue a gift certificate or store gift card if that person has filed for bankruptcy protection under title 11, United States Code; or

“(2) to resell or reissue a gift certificate, store gift card, or general-use prepaid card, if—

“(A) the original seller or issuer of the gift certificate, store gift card, or general-use prepaid card has filed for bankruptcy protection under title 11, United States Code; and

“(B) 7 days or more have elapsed since that original seller or issuer filed for bankruptcy protection under title 11, United States Code.”.
(b) TITLE 11.—Title 11, United States Code, is amended—

(1) in section 362(a), by striking paragraph (6) and inserting the following:

“(6) any act to collect, assess, or recover a claim against the debtor that arose before the date of commencement of the case under this title, except that this paragraph shall not operate as a stay against the presentation or redemption of a gift certificate or store gift card at full value;”;

(2) in section 363(c), by striking paragraph (1) and inserting the following:

“(1) If the business of the debtor is authorized to be operated under section 721, 1108, 1203, 1204, or 1304 of this title, and unless the court orders otherwise, the trustee—

“(A) may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing;

“(B) may use property of the estate in the ordinary course of business, without notice or a hearing; and

“(C) shall honor a gift certificate or store gift card issued by the debtor at full value and treat the gift certificate or store gift card the same as cash.”.