

Can I Get a Refund on My Gift Card? In Texas, Yes!

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Gift cards from retailers, restaurants, and hospitality clients continue to be a growing aspect of the industry. In 2009, Congress passed the Credit Card Accountability Responsibility and Disclosure Act which governs store gift cards, gift certificates, and prepaid cards. Although the federal Act does provide certain prohibitions on fees, charges, and expiration dates on these cards, it does not preempt state laws which provide additional protections for consumers. The Texas Legislature passed certain restrictions regarding expiration dates on gift cards which went into law in 2005, but has provided little restrictions or guidance on the issue since that time. Still, the Texas State Comptroller's office is currently holding over \$12,000,000 in unclaimed gift cards in the name of Texas residents.

Texans are eligible to receive refunds on gift cards that fall below a certain minimum value. State Representative Dwayne Bohac (R-Houston) sponsored a bill in the previous legislative session which easily passed both the Texas House and Senate and allows consumers to obtain refunds on balances of under \$2.50 on many gift cards. The bill met very little opposition from the Texas Retailers Association, who found the burden on business to be minimal and consistent with good customer service.

Restaurant, retail, and hospitality clients need to be aware that consumers holding gift cards with minimal balances could be entitled to refunds under the new Texas law. For those clients operating in multiple states, it is important to be aware that states such as California, Rhode Island, and Vermont have also implemented laws entitling consumers to refunds for unused portions of gift cards in amounts up to \$10.00. Kane Russell Coleman Logan PC is pleased to offer its services to retail, restaurant, and hospitality clients in minimizing the costs associated with gift cards and the issues involving this recently enacted legislation.