



SPONSOR: Rep. Lambert & Rep. Ramone & Rep. Dorsey Walker &
Sen. Mantzavinos & Sen. Hocker
Reps. Baumbach, Collins, Harris, Morrison, Phillips; Sen.
Huxtable

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 317

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO THE SALE OF GIFT CARDS.

1 WHEREAS, Delaware ranks number two among states in the number of fraud reports per 100,000 population; and

2 WHEREAS, the FTC received 6,742 fraud reports from Delaware consumers last year; and

3 WHEREAS, the median amount lost to fraud in Delaware is \$700; and

4 WHEREAS, customers who purchase a gift card in response to a fraudulent request usually have no recourse to
5 recover that lost money; and

6 WHEREAS, businesses who sell third-party gift cards can help to protect their customers from fraud by placing
7 signage, raising awareness about the risks of using the gift cards in response to a fraudulent request; and

8 WHEREAS, younger people lose money to fraud more often than older people, but older people lose higher
9 amounts of money; and

10 WHEREAS, according to the FTC, older adults were less likely to report losing money to fraud, but those 70 and
11 over reported much higher median individual losses; and

12 WHEREAS, the median reported loss for people 70-79 was \$800, and an astounding \$1,500 for those 80 and over.

13 NOW, THEREFORE:

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

15 Section 1. Amend Subchapter I, Chapter 25, Title 6 of the Delaware Code by making deletions as shown by strike
16 through and insertions as shown by underline as follows:

17 § 2510A. Notice; gift card fraud.

18 (a) As used in this section, "gift card" means a tangible electronic payment device that:

19 (1) Is issued in a specific amount.

20 (2) May or may not be increased in value or reloaded.

21 (3) Is purchased and/or loaded on a prepaid basis for the future purchase or delivery of any goods or services.

22 (4) Is honored upon presentation at third-party locations.

23 **(b) No person, firm, partnership, association, retailer or corporation may a sell a gift card to a purchaser unless the**
24 **seller displays a conspicuous notice at or near where the gift card is physically displayed and at or near each physical**
25 **location where the sale occurs.**

26 **(c) The notice required by subsection (b) must caution the purchaser about prepaid card scams and instruct the**
27 **purchaser on what to do if they suspect they might be a potential victim of such a scam.**

SYNOPSIS

This bill creates a requirement for all sellers of third-party gift cards to display a notice of potential scams involving gift cards.