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
AS AMENDED BY
HOUSE AMENDMENT NO. 1

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

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

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

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

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

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

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

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

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

NOW, THEREFORE:

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

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

§ 2510A. Notice; gift card fraud.

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

(1) Is issued in a specific amount.

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

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

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

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

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

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