

STATE OF COLORADO
DEPARTMENT OF THE TREASURY

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Tips on BUYING and USING Gift Cards

Tips for BUYERS of Gift Cards

- Buy from a reputable business – and buy a card that will be convenient for the recipient to use.
- Ask about expiration dates and fees. The information may appear on the card itself, on the accompanying sleeve or envelope, in the terms and conditions, or on the issuer's website or another custom website. If you don't see it, ask for it in writing. Read all disclosures – and if they are too confusing, you may want to avoid purchasing the card.
- Give the receipt and information to the recipient (or a parent) to help protect the value of the card and in case it is lost or stolen. The recipient should know and understand the card's terms and conditions.

Tips for RECIPIENTS of Gift Cards

- Read the terms and conditions as soon as you get the card. Check the expiration policy and policies for lost or stolen cards.
- Record the card number and the customer service telephone number, and keep the information in a safe place.
- Keep track of your card. If it is lost or stolen, report it to the customer service number immediately.
- Use your card promptly to avoid losing it or hassling with expiration dates or fees.
- Check your card balance before you head out shopping. (Most cards offer a phone or Web option to do this.) And, if you're making a purchase that's more than your card balance, tell the cashier in advance.
- Keep your card even after you've spent the full amount, until you're sure that you don't need to return any merchandise.

CONSUMER ADVISORY

Banks issue and sell gift cards under the Visa, Mastercard, and American Express brands. The banks claim that federal law preempts state unclaimed property laws. If you have a card that was issued by a national bank or savings and loan and you think they have violated the law, please contact the Office of the Comptroller of the Currency (www.helpwithmybank.gov) or the Office of Thrift Supervision (www.ots.treas.gov).

FACT

Question: Does Colorado's Unclaimed Property Act apply to stored value cards and gift cards? If so, which section of the Act is applicable?

Answer: Pursuant to applicable principles of statutory interpretation, the broad provisions of Statute Section 38-13-103 and 104, C.R.S. of Colorado's Unclaimed Property Act encompass stored value cards (SVC), including gift cards. Therefore, the unused monetary value of cards held by a card issuer is subject to the provisions of the Act. Link to: [Formal opinion of the Colorado Attorney General, No. 05-01, AG Alpha No. TR UP AGBBH, April 13, 2005](#).

CASH IN THOSE OLD GIFT CARDS AND CERTIFICATES

Coloradans with unused gift cards may be able to redeem them for cash. The State Treasurer's office is holding more than \$13 million in unused gift certificate and card balances. Owners can search for refunds on the state's unclaimed property database by calling (303) 866-6070 or (800) 825-2111, or visit their website <http://www.colorado.gov/treasury/gcp/>.

Even if a name isn't listed, the state may still hold a consumer's unused balance. Most gift card retailers do not record the name or contact information for the purchaser or recipient. As a result, the unredeemed balances come to the state marked as "owner unknown." In order to receive a refund for the unused balance, the purchaser or recipient must file a claim with the Treasurer's office using the serial number on the gift card.

Not all retailers that do business in Colorado send unclaimed gift card balances to the State Treasurer's office. Unused gift card balances are sometimes remitted to the state where the retailer is incorporated. After claiming unclaimed gift card balances, you may not receive the full amount of the card balance. Colorado's unclaimed property law allows businesses to voluntarily deduct and retain from each certificate 2% of the value of the property or \$25, whichever is more.

PROPOSED LAW CHANGES

Congress recently passed the Credit Card Act of 2009. That law placed limits on expiration dates and inactivity fees associated with gift cards. Gift cards are now required to remain active for at least five years from the day of their activation. Dormancy or inactivity fees on gift cards can no longer be imposed unless there have been no activity in a 12-month period. Dormancy or inactivity fees must be clearly disclosed to gift card buyers.

If you have any questions regarding gift card or gift certificate transactions in Colorado, please contact the Treasurer's office at **303-866-6070** or **800-825-2111**.