

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS -- GIFT  
CARD FRAUD

Introduced By: Representatives Casimiro, Noret, and Morales

Date Introduced: February 21, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW — GENERAL  
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 59

4 GIFT CARD FRAUD

5 **6-59-1. Definitions.**

6 As used in this chapter, the following words and phrases shall have the following meanings:

7 (1) "Gift card" means a tangible device, whereon is embedded or encoded in an electronic  
8 or other format, a value issued in exchange for payment, which promises to provide to the bearer  
9 merchandise of equal value to the remaining balance of the device.

10 (2) "Merchandise" means any objects, wares, goods, commodities, services, or anything  
11 offered, directly or indirectly, to the public for sale.

12 (3) "Retail mercantile establishment" means any place of business where merchandise is  
13 exposed or offered for sale at retail to members of the consuming public.

14 **6-59-2. Posting of notice of gift card fraud at retail establishments.**

15 No person, firm, partnership, association, retail mercantile establishment or corporation  
16 shall sell a gift card to a purchaser unless the seller displays a conspicuous notice at or near where  
17 the gift card is displayed or at or near the physical location where the sale occurs, that:

18 (1) Cautions the purchaser about prepaid card scams; and

1           (2) Instructs the purchaser on what to do if they suspect they might be a potential victim of  
2 such a scam.

3           **6-59-3. Employee training.**

4           Every retail mercantile establishment in this state that displays gift cards for sale shall train  
5 employees on how to identify and respond to gift card fraud. The attorney general's office will  
6 disseminate suggested training materials.

7           **6-59-4. Penalty for violation.**

8           Any person, firm, partnership, association, corporation or retail mercantile establishment  
9 that violates the provisions of this chapter shall be subject to a civil penalty of five hundred dollars  
10 (\$500), which may be collected and enforced by the Rhode Island department of attorney general,  
11 consumer protection division. The superior court shall have jurisdiction of proceedings for the  
12 enforcement of the penalty provided by this chapter.

13           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS -- GIFT  
CARD FRAUD

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1           This act would require retail mercantile establishments in the state that display gift cards  
2 for sale to post a notice warning of gift card fraud and instructions on what to do if a customer  
3 suspects being a victim of fraud. The act would also require employees to be trained on how to  
4 identify and respond to gift card fraud. The attorney general's office would be required to  
5 disseminate suggested training materials.

6           Any violations of this act would be subject to a civil penalty in the amount of five hundred  
7 dollars (\$500).

8           This act would take effect upon passage.

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