Starting January 1st, Oregon Will Require Cash Redemption for Certain Gift Cards

by Deborah S. Thoren-Peden, JiJi Park and Amy L. Pierce

On June 14, Governor John Kitzhaber signed into law Oregon Senate Bill 756, which amends Oregon's gift card law to prohibit selling a gift card that does not give the cardholder the option to redeem it for cash when the balance on the card is less than $5 and the card has been used for at least one purchase.

Effective **January 1, 2012**, Oregon will join California and other states in requiring certain gift cards to be redeemable for cash if balances on the cards falls below a threshold amount. Except as otherwise provided for in Sections 646A.276(2) and 646A.278 of the Oregon Revised Statutes, Oregon's existing gift card law prohibits a person from selling a gift card that has (a) an expiration date, (b) a face value that declines as a result of the passage of time or the lack of use of the card or (c) a fee related to the card. Oregon Senate Bill 756, introduced on February 17, 2011, and signed into law by Governor Kitzhaber on June 14, 2011, will amend Section 646A.276 of the Oregon Revised Statues to add that a person may also not sell a gift card "[t]hat does not give the cardholder the option to redeem the card for cash when the face value of the card has declined to an amount less than $5 and the card has been used for at least one purchase." Amended Section 646A.276 also defines "cash" to mean money or a check.

Click here to read Amended Section 646A.276 of the Oregon Revised Statues.

If you have questions, please contact the Pillsbury attorney with whom you regularly work or the authors:

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