



# WGA POSITION PAPER

## Regulation of Gift Cards

*WGA Position:* The WGA supports SB 392 introduced by Senator Mary Lazich, and opposes AB 583 offered by Rep. Peggy Krusick and Senator Sheila Harsdorf.

**W**ith the increased popularity of gift cards, state legislatures have turned their attention to addressing the laws governing gift card use. Two very different bills have been introduced with the intention of regulating gift cards.

Working in conjunction with the retail community, Senator Mary Lazich (R-Walworth) introduced SB 392, which would require disclosure, whether in writing, on a receipt or on the card, of expiration dates and service fees. This bill would be favorable for the retail community, and would allow retail businesses to account for revenues and liabilities in a timely manner.

On the other side of the spectrum, Assembly Bill 583, introduced by Representative Peggy Krusick (D-Milwaukee) and Senator Sheila Harsdorf (R-River Falls), would prohibit retailers from putting expiration dates and service fees on cards. If this bill passed, it would hurt the grocery industry causing difficulties in accounting practices and jeopardize more than \$20 million of sales-tax generating economic activity in Wisconsin.

Aside from accounting troubles, the grocery industry would also be penalized for service fees. Many retailers outsource the production, processing, and maintenance of gift cards to a third party, which charges a service fee for non-use that the retailer passes along to consumers. If Rep. Krusick's bill were to pass, retailers would be unable to pass along the service charge, and would have to pay for any fee generated by a customer.

SB 392 unanimously passed the Senate earlier this month and is now headed to the Assembly Financial Institutions Committee for a vote before going to the full Assembly.

**Action Required:** Please ask your Assemblyperson to support SB 392 and oppose AB 583. Thank members of the Senate for passing SB 392.