HOUSE DOCKET, NO. 887 FILED ON: 1/13/2025

# HOUSE . . . . . No. 1611

## The Commonwealth of Massachusetts

PRESENTED BY:

***Tackey Chan***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to gift card fraud.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|---|---|---|
| *Tackey Chan* | *2nd Norfolk* | *1/13/2025* |
| *Rodney M. Elliott* | *16th Middlesex* | *5/8/2025* |

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# HOUSE . . . . . No. 1611

By Representative Chan of Quincy, a petition (accompanied by bill, House, No. 1611) of Tackey Chan for legislation to establish penalties for certain crimes involving gift cards. The Judiciary.

## The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court**
**(2025-2026)**

An Act relative to gift card fraud.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1: Chapter 266 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by inserting after section 37E the following new sections:-

SECTION 37F. Crimes Involving Gift Cards: Definitions.

Section 37F. As used in this section, and section thirty-seven G of this chapter, the following words shall have the following meanings, unless context otherwise requires:

"Cardholder" means any person to whom a physical or virtual gift card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a gift card to another person.

"Card issuer" means any person that issues a gift card or the agent of that person with respect to that card.

"Closed-Loop Gift Card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment; and is redeemable upon presentation by a consumer at a single merchant or group of affiliated merchants.

"Gift Card" means a physical or digital "closed-loop gift card" or "open-loop gift card" that is either activated or inactivated.

"Gift Card Redemption Information" means information unique to each gift card which allows the cardholder to access, transfer, or spend the funds on that gift card.

"Open-Loop Gift Card" means a card, code, or device that is issued to a consumer on a prepaid basis primarily for personal, family, or household purposes in a specified amount, regardless of whether that amount may be increased or reloaded in exchange for payment; and is redeemable upon presentation at multiple unaffiliated merchants for goods or services within the payment card network.

"Gift Card Seller" means a merchant that is engaged in the business of selling open-loop or closed-loop gift cards to consumers.

"Value" means the greatest amount of economic loss the owner of the property might reasonably suffer including, in the case of a gift card, the full monetary face value or potential value for variable load gift cards.

SECTION 37G. Crimes Involving Gift Cards

Section 37G. (a) Any person who, with intent to defraud, acquires or retains possession of a gift card or gift card redemption information without the consent of the cardholder, card issuer, or gift card seller is guilty of larceny under section 34 of this chapter.

(b) Any person who, with intent to defraud, alters or tampers with a gift card is guilty of forgery under chapter 267.

(c) Any person who, with intent to defraud, uses, for the purpose of obtaining money, goods, services, or anything else of value, a gift card or gift card redemption information that has been obtained in violation of sections (a) or (b) of this section is guilty of larceny under section 34 of this chapter. If the value of all money, goods, services, and other things of value obtained in violation of this section exceeds one thousand two hundred dollars ($1,200) in any consecutive six-month period, then the person shall be guilty of felony larceny.