

UNCLAIMED PROPERTY ALERT

Ohio excludes gift cards, open loop prepaid cards and rewards cards from Unclaimed Property Law

On October 23, 2018, Ohio enacted HB 353 which exempts gift cards, open loop prepaid cards and reward cards from the Unclaimed Property law.

Section 169.01(B)(2) has been revised to include provisions that exempt the following:

- Gift certificates, gift cards, merchandise credit, or merchandise credit cards redeemable only for goods or services, including gift cards issued by financial organizations or business associations. Electronic payment devices that have no expiration date must meet the following conditions:
 - It is purchased or loaded on a prepaid basis for purchase/delivery of goods or services
 - It is redeemable upon presentation to a single merchant or service provider or an affiliated group of merchants or service providers
 - It is not redeemable for cash in whole or in part
- Open-loop prepaid cards that are issued by a financial organization or a business association for which the underlying funds do not expire. An "open-loop prepaid card" means an electronic payment device that meets all of the following conditions:
 - It is purchased or loaded on a prepaid basis for the future purchase or delivery of any good or service
 - It can be used to purchase goods and services at multiple unaffiliated merchants or service providers
 - It is not redeemable for cash in whole or in part
- Reward Cards – includes any loyalty, incentive, or promotional type program that is issued by a financial organization or a business association whether represented by a card or electronic record. Reward cards include the following:

- Cards or electronic records consisting of points, cash, or other tokens of value given to a cardholder as a reward or incentive for engaging in a transaction or a series of transactions
- The unpaid portion of a reward card when the reward card is partially loaded by the cardholder with the remaining portion funded as a reward or incentive

The act is effective on the 91st day after being filed with the Secretary of State.

View the full text of the bill [here](#).

What does this mean to you?

For holders that issue gift cards, this bill clarifies the conditions which must be met in order to exempt gift cards from unclaimed property reporting. It also adds the exemption of open-loop prepaid cards and rewards card. Therefore, these card types will not be escheatable to Ohio.

This article is intended for informational purposes and is not to be considered legal advice. For additional questions concerning this alert, contact Dana Terry at dterry@georgeson.com or 201-539-1998.

Georgeson actively tracks legislative changes and periodically reaches out to states for updates. Review previous Unclaimed Property Alerts:

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