

Starting September 1st, Texas Will Require Cash Redemption of Certain Stored Value Cards

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Commencing on September 1, 2015, Texas will join several other states in requiring that certain stored value cards be redeemable for cash.

Texas House Bill 2391, which becomes effective September 1, 2015, requires cash redemption, upon a cardholder's request, of a stored value card that has been used to make an in-person purchase and has a balance of less than \$2.50. Certain stored value cards are exempt from this requirement, including a stored value card (1) issued by (a) a financial institution acting as a financial agent of the United States or Texas, (b) a federally insured financial institution, as defined by Section 201.101 of the Texas Finance Code, if the financial institution is primarily liable for the card as the issuing principal, or (c) an air carrier holding a certificate of public convenience and necessity under Title 49 of the United States Code; (2) issued as a prepaid calling card by a prepaid calling card company regulated under Section 55.253 of the Texas Utilities Code; (3) distributed by the issuer to a person under any awards, rewards, loyalty, incentive, rebate, or promotional program and not issued or reloaded in exchange for money tendered by the cardholder; (4) issued as a refund for merchandise returned without a receipt; or (5) issued with an initial value of \$5.00 or less and to which additional value cannot be added.

[Click here](#) to read a copy of H.B. 2391.

If you have any questions about the content of this alert, please contact the Pillsbury attorney with whom you regularly work or the authors below.

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