

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

481R0449

SENATE COMMERCE ENGROSSED NO. **SB 81** - 2/11/2010

Introduced by: Senators Dempster, Gray, Hansen (Tom), Nesselhuf, Olson (Russell), and Turbak Berry and Representatives Solum, Cutler, Deadrick, Faehn, Hunhoff (Bernie), Rounds, and Schlekeway

1 FOR AN ACT ENTITLED, An Act to exempt open-loop prepaid cards from unclaimed
2 property provisions.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 43-41B be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The provisions of this chapter do not apply to open-loop prepaid cards for which the
7 underlying funds do not expire and the records of the depository institution do not disclose the
8 identity of the actual owner. For the purposes of this section, an open-loop prepaid card is an
9 electronic payment device that meets the following conditions:

- 10 (1) Is purchased or loaded, or both, on a prepaid basis for the future purchase or delivery
11 of any goods or services; and
- 12 (2) Can be used to purchase goods and services at multiple unaffiliated merchants or
13 service providers.

14 Section 2. That chapter 43-41B be amended by adding thereto a NEW SECTION to read as



1 follows:

2 Notwithstanding section 1 of this Act, the provisions of this chapter do not apply to any
3 rewards card. For the purposes of this Act, a rewards card is any awards, rewards, rebate,
4 loyalty, incentive, or promotional card for which no money was paid by the cardholder.

5 Section 3. That chapter 43-41B be amended by adding thereto a NEW SECTION to read as
6 follows:

7 Any unredeemed open-loop prepaid card or rewards card is subject only to any rights of a
8 purchaser or owner of such card and is not subject to any claim made by any state acting on
9 behalf of a purchaser or owner.