

NewsTimes

State out to close gift card loophole Court ruling lets malls charge fees

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Connecticut outlawed expiration dates on gift cards three years ago, along with any fees for not using the cards by a certain time.

But some mall companies, including the owners of the Danbury Fair mall, still charge these fees legally, state officials contend.

And a recent New Hampshire court ruling could result in more businesses following suit.

In early August, a federal judge in New Hampshire ruled that Simon Property Group could continue to charge fees stemming from its Visa gift card, ruling that any national bank-issued card would not have to follow state rules.

Simon Property, owner of Crystal Mall in Waterford, is one of the country's largest mall property owners.

The federal law means The Macerich Company, which owns the Danbury Fair mall, legally charges fees. According to numbers provided by the Connecticut treasurer's office, Macerich charges \$2 monthly fees for gift cards after 12 months. If a card expires, then it charges \$2 to transfer it to another gift card.

Simon Property charges \$15 when a card expires, according to the state. It also charges \$2.50 monthly after 12 months.

Other malls such as the Stamford Town Center and The Shoppes of Buckland Hills don't charge monthly administrative fees in Connecticut because their gift cards aren't issued by federal banks.

Connecticut Attorney General Richard Blumenthal and Treasurer Denise Nappier urged Congress Friday to strengthen federal law, allowing states more authority in enforcing their gift card laws.

"If they are allowed to stand, every mall property or business will follow Simon's lead," Nappier said.

Nappier said the charges are unfair to consumers and penalize them for not using gift cards by a certain time. All malls can legally charge purchase fees in Connecticut. According to the state, Macerich charges \$6.95 for purchasing gift cards online and \$2 in person.

While consumers going to Danbury Fair mall or Crystal Mall may face fees for mall gift cards, they likely won't incur fees if they buy gift cards from individual retailers.

Blumenthal said he's investigating whether Macerich is violating state law.

Macerich officials could not be reached for comment.

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