



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Carla Napolitano

H.B. 353

132nd General Assembly
(As Introduced)

Reps. Reineke, Dever, Sprague

BILL SUMMARY

- Excludes certain open-loop prepaid cards, closed-loop prepaid cards, and rewards cards from the Unclaimed Funds Law.
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CONTENT AND OPERATION

Unclaimed Funds Law overview

Ohio's Unclaimed Funds Law, in part, (1) specifies the types of funds that after a specified period of time are to be declared unclaimed, (2) requires holders of such funds to report to the Director of Commerce specified information regarding these funds, give notice to the owners or beneficiaries of the funds, and pay a portion of the funds to the Director, and (3) requires the Director annually to publish a notice of the unclaimed funds in the appropriate county to notify the owners or beneficiaries of the funds of the funds' existence and to facilitate their reclamation.¹ "Unclaimed funds" generally are defined as moneys and property for which the owner, within a specified period of time, has not done any of the following:

- (1) Increased, decreased, or adjusted the amount of the funds;
- (2) Assigned, paid premiums, or encumbered the funds;
- (3) Presented an appropriate record for the crediting of the funds or received payment of the funds;
- (4) Corresponded with the holder concerning the funds;

¹ R.C. 169.01, 169.02, 169.03, 169.05, and 169.06.

(5) Otherwise indicated an interest in or knowledge of the funds;

(6) Transacted business with the holder.²

The bill excludes certain open-loop prepaid cards, closed-loop prepaid cards, and rewards cards from the Unclaimed Funds Law.

Exceptions to Unclaimed Funds Law

Open-loop and closed-loop prepaid cards

Under the bill, an *open-loop card* is an electronic payment device that (1) is purchased or loaded on a prepaid basis for the future purchase or delivery of any goods or services, and (2) can be used to purchase goods and services at multiple unaffiliated merchants or service providers. The bill excludes open-loop cards from the Unclaimed Funds law, if (1) the funds do not expire and (2) the holder does not have record of the actual owner of the card.³

Also, any closed-loop prepaid card that has no expiration date is excluded from the Unclaimed Funds Law. A *closed-loop prepaid card* is an electronic payment device that (1) is purchased or loaded on a prepaid basis for the future purchase or delivery of goods or services, (2) is redeemable upon presentation to a single merchant or service provider or an affiliated group of merchants or service providers.⁴

Rewards card

Lastly, the bill excludes any rewards card from the Unclaimed Funds Law. The bill defines *rewards card* as an awards, rewards, rebate, loyalty, incentive, or promotional card for which no money was paid by the cardholder.⁵

HISTORY

ACTION	DATE
Introduced	09-20-17

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² R.C. 169.01(B)(1).

³ R.C. 169.01(B)(2)(e).

⁴ R.C. 169.01(B)(2)(f).

⁵ R.C. 169.01(B)(2)(g).

