



Testimony to the Economic Matters Committee
HB896 Consumer Protection - Retail Sales of Gift Cards (Gift Card Scams Prevention Act of 2024)
Position: Favorable

2/23/2024

February 22, 2024
The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, Maryland 21401
cc: Members, House Economic Matters

Honorable Chair Wilson and members of the committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

I am writing in strong support of HB896, which sets forth a comprehensive framework designed to counteract fraudulent activities related to gift cards, particularly in the digital landscape.

By requiring online retailers of gift cards within the state to register with the Division of Consumer Protection of the Office of the Attorney General, this bill not only enhances transparency, but also empowers consumers with the confidence that their transactions are conducted through reputable and accountable channels.

Outside of e-commerce, this bill is also crucial for consumer protection in brick and mortar shops. By obligating retailers to train their employees in recognizing potential scams, HB896 equips businesses to be active participants in safeguarding consumers, thereby contributing to a more resilient and vigilant retail environment. Another element of this bill is the emphasis on public awareness. Requiring retailers to prominently display notices around areas where gift cards are showcased serves as a vital educational tool, enlightening consumers about the potential risks associated with gift cards and providing guidance on their appropriate usage.

The packaging requirements and prohibition of displaying sensitive information such as CVVs, security codes, or barcodes on packaging not only protects consumers but also reflects a forward-thinking approach to addressing evolving fraud tactics.

For these reasons, we urge your favorable report on HB896.

Sincerely,
Zoe Gallagher, Policy Associate