



OHIO EXEMPTS CERTAIN OPEN-LOOP PREPAID CARDS AND MERCHANT CREDIT CARDS FROM UNCLAIMED FUNDS DEFINITION

The Ohio General Assembly passed Ohio H.B. No. 353 regarding Ohio's Unclaimed Funds Law. The new law takes effect January 22, 2019.

The law as amended exempts from the definition of "unclaimed funds" any open-loop prepaid card issued by a financial organization or a business association for which the underlying funds do not expire. Under the law, an open-loop prepaid card is an electronic payment device that (i) is purchased or loaded on a prepaid basis for the future purchase or delivery of any goods or services, (ii) can be used to purchase goods and services at multiple unaffiliated merchants or service providers, and (iii) is not redeemable for cash in whole or in part.

The law as amended adds an exemption from the definition of "unclaimed funds" for any electronic payment device issued by a financial organization or a business association that has no expiration date and is (i) purchased or loaded on a prepaid basis for the future purchase or delivery of goods or services, (ii) redeemable upon presentation to a single merchant or service provider or an affiliated group of merchants or service providers, and (iii) not redeemable for cash in whole or in part.

The law amended the exemption for any credit due to a retail customer that is represented by a gift certificate, gift card, merchandise credit or merchandise credit card to include "any obligation due a retail customer" if the card or obligation is redeemable only for goods or services, including gift cards.

Finally, the law as amended exempts rewards cards from the definition of unclaimed funds.

Please contact us with any questions regarding the amendments to the Ohio Unclaimed Funds Law.

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