



March 10, 2026

Wisconsin Senate Committee on Agriculture and Revenue  
Wisconsin State Senate  
Madison, Wisconsin

**Re: AB 894 (Relating to gift cards & gift obligations)**

Dear Chair Testin and Committee Members,

On behalf of the Alliance of Wisconsin Retailers, thank you for the opportunity to share comments regarding AB 894, relating to gift cards and gift obligations. Our organization represents retailers across Wisconsin, serving consumers in every community.

As you know, gift cards are widely used by consumers and are an important part of how retailers serve customers. We appreciate the Committee's work to ensure consumer protections in this area and align Wisconsin law with federal laws and regulations. At the same time, we would like to highlight several areas of the bill that would benefit from clarification as the legislation moves forward.

**Key Areas of Concern with AB 894**

- **Promotional Gift Cards and Federal Alignment**

Federal law under the Credit Card Accountability Responsibility and Disclosure (CARD) Act treats certain loyalty, award, or promotional cards differently from traditional gift cards. Instruments such as bonus cards, rewards cards, or other promotional cards are generally excluded from the federal gift card rule's expiration and fee restrictions, provided they meet specific disclosure requirements. It is not clear whether AB 894 provides a similar exemption. The bill's definition of "gift obligation" may unintentionally capture promotional instruments treated differently under federal law, potentially creating conflicting compliance requirements. Clarifying that promotional or loyalty-based cards are exempt, consistent with federal law, would help avoid confusion.

- **Retailer Responsibility for Third-Party Issued Cards**

Many retailers sell gift cards issued by financial institutions (such as Visa or Mastercard). In these cases, the retailer acts only as the point of sale while the issuing bank controls the card terms, including expiration dates and other conditions. As written, the bill could potentially expose retailers to liability for card terms they do not control. Clarification that retailers are not responsible for issuer-controlled terms would align responsibility with the appropriate party.

- **Replacement Cards and the Five-Year Timeline**

Retailers often assist customers by replacing lost, stolen, or malfunctioning gift cards. These replacement cards simply carry the remaining balance of the original card. The bill does not appear to clearly state whether issuing a replacement card restarts the five-year timeline. Clarifying that replacement cards inherit the timeline of the original card would prevent unintended compliance complications.

- **Private Right of Action**

AB 894 creates a new private right of action related to gift obligations. This raises concerns for retailers, as they could face litigation even when acting in good faith or when simply following card terms established by third-party issuers. We respectfully ask the Committee to remove the private right of action and its accompanying penalties. Enforcement through the state provides a more consistent and predictable framework for interpreting and applying the law.

### **Gift Card Fraud and Organized Retail Crime**

We also encourage the Committee to consider the growing issue of gift card fraud and related organized retail crime. Across the country, criminal networks increasingly target gift cards through tampering, fraud schemes, and coordinated theft activity. Retailers have taken significant steps to combat these crimes, including expanding employee training, increasing consumer awareness efforts, and strengthening partnerships with law enforcement.

However, Wisconsin law currently lacks clear statutory recognition of gift card fraud schemes. Addressing this gap would help ensure law enforcement has the tools necessary to prosecute these crimes and would support broader efforts to reduce gift card tampering and fraud affecting Wisconsin consumers.

Thank you for your consideration and for the opportunity to share the perspective of Wisconsin retailers. We look forward to working with the Committee to ensure the bill achieves its consumer protection goals while reflecting the operational realities of gift card programs.

Sincerely,

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