

# THE CHAMBER TODAY

*A monthly publication of the Redwood City • San Mateo County Chamber of Commerce*

June 2002

## • Simitian Gift Certificate Bill Approved By Committee

Assemblyman Joe Simitian announced that the winner of his “There Oughta Be A Law Contest” was in Sacramento to testify on behalf of her entry which will protect consumers using gift certificates. Assembly Bill 2473, regarding gift certificates in bankruptcy, was unanimously approved by the Assembly Committee on Business and Professions on Tuesday, May 7<sup>th</sup>. This bill protects consumers by requiring businesses that have declared bankruptcy to honor gift certificates issued prior to the date of the bankruptcy filing.

“The idea for the bill came from Andrea Leiderman, with Kaiser Permanente and a Redwood City-San Mateo County Chamber Board Member, who participated in my ‘There Oughta Be a Law’ contest,” said Simitian. “Andrea had the unfortunate experience of visiting a local merchant where she found that she could not use her gift certificate because the store had filed for bankruptcy.”

Currently, during a bankruptcy, individual companies may choose not to honor a gift certificate. The goal of Simitian’s bill is to require businesses that declare bankruptcy to continue to honor previously issued gift certificates. Because the value represented by the gift certificate is the property of the recipient, not the store (in legal parlance a “value held in trust” by the store on behalf of the recipient), the gift certificate should appropriately continue to be honored while a company works its way out of bankruptcy. Bankruptcies are handled in federal court, and there is no requirement that the federal judge follow state law. However, a federal judge may, and often does, follow state law where it exists. This bill, thereby, provides federal courts with the opportunity to apply California law.

Leiderman, of Mountain View, who submitted the gift certificates bill idea to Simitian, was on hand to testify at the Committee hearing. Leiderman said, “Joe’s contest was an opportunity for me to try to strengthen consumer protection in the State of California. This bill proves that an average citizen can influence the legislative process by putting forth good ideas. Joe’s ‘There Oughta Be a Law’ contest was a great idea. I think every Legislator should do this.”

Assembly Bill 2473 will next go to the Assembly Floor for a vote.

# San Jose Mercury News

September 28, 2002

"This shows it matters if you get involved. If you bring an idea to a legislator, it can become law. I know that sounds shocking, but it happened today on three occasions."

— GOV. GRAY DAVIS

## CAPITAL IDEA CONTEST

THREE SUGGESTIONS BY BAY AREA CONSTITUENTS BECOME STATE LAW

By Ann E. Marimow

*Mercury News Sacramento Bureau*

SACRAMENTO — In the California politics version of reality television, the winners of Palo Alto Assemblyman Joe Simitian's "There Oughta Be a Law" contest collected their prizes Friday when Gov. Gray Davis signed into law their entries on pesticides, antifreeze and gift certificates.

"At a time when people are turned off by government and think it's too remote, this

shows it matters if you get involved," said an unusually ebullient Davis at a signing ceremony with the bills' champions: a nurse from Cupertino, a plastic surgeon from Portola Valley and a community relations director from Mountain View.

"If you bring an idea to a legislator, it can become law. I know that sounds shocking," Davis added, "but it happened today on three occasions."

Still, the "Survivor Sacramento" experi-

ence was not quite as glamorous or rewarding as one contestant had imagined. Lauren Ward, whose 6-month-old Westie terrier, Angus, had to be euthanized last year after ingesting antifreeze, said she was turned off by her perception that big business lobbyists dictated the agenda in Sacramento.

Ward's proposal (AB 2474) requires that

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### IF YOU'RE INTERESTED,

The second round of Simitian's contest is already under way. To request an entry form or more information, call (650) 688-6330, or e-mail assembly.member.simitian@assembly.ca.gov. Entries are due by 5 p.m. Oct. 18.

