

## Louisiana

### Are mandatory arbitration provisions recognized in your state? If so, are there any limitations to its enforcement?

Under Louisiana Law, mandatory arbitration provisions are “valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract.”<sup>i</sup> For example, arbitration provisions have been held unenforceable when included in an unenforceable contract of adhesion.<sup>ii</sup>

Outside of such situations in which the arbitration contract or the contract containing the arbitration provision are deemed unenforceable contracts, mandatory arbitration provisions will be upheld in Louisiana courts.

### What is your state’s law, if any, regarding gift cards, subscription services and loyalty programs?

Louisiana law provides specific provisions for the issuance and administration of gift cards/certificates and subscription services.

#### Gift Certificates/Cards<sup>iii</sup>:

Gift certificates cannot have an expiration date less than five years from the date of issuance. The expiration date must appear in capital letters in at least ten-point font on the gift certificate.

Gift certificates cannot have a service fee except for a one-time handling fee, which cannot exceed \$1.00 per gift certificate.

Gift certificates that do not have an expiration date are valid until redeemed or replaced.

These provisions do not apply to gift certificates that are distributed pursuant to a loyalty or promotional program that are not given in exchange for money or anything of value or to gift certificates that are sold below face value or donated to nonprofit and charitable organizations for fundraising purposes.

An issuer of a gift certificate may set its own terms so long as they are not in contravention of the statutory requirements.<sup>iv</sup>

#### Subscription Services<sup>v</sup>:

If a contract for the sale or lease of products or services will automatically renew unless canceled by the consumer, the automatic renewal clause must be disclosed clearly and conspicuously in the contract or contract offer.

If a contract for the sale or lease of products or services will automatically renew unless canceled by the consumer, the instructions on how to cancel the contract must be disclosed clearly and conspicuously in the initial contract, contract offer, or with delivery

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of the products or services.

If the failure to comply with the foregoing provisions is the result of an error, the consumer is entitled to a full refund or credit for all amounts billed to or paid by the consumer from the date of the renewal until the date of the termination of the contract, or the date of the subsequent notice of renewal, whichever occurs first.

These provisions will not apply to contracts entered prior to January 1, 2011; contracts that allow for cancellation by written notice within thirty days or within one month after the initial period has expired; or contracts issued by certain financial institutions and insurers.

Contracts that have automatically renewed in violation of the foregoing will revert to a thirty-day renewal contract in accordance with the same terms.

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<sup>i</sup> La. R.S. § 9:4201.

<sup>ii</sup> See *Sutton Steel & Supply, Inc. v. BellSouth Mobility, Inc.*, 2007-146 (La.App. 3 Cir. 12/12/07); 971 So. 2d 1257.

<sup>iii</sup> La. R.S. § 51:1423. "Gift certificates" are defined as:

[A] writing identified as a gift certificate or gift card purchased by a buyer for use by a person not redeemable in cash and usable in its fact amount in lieu of cash in exchange for goods or services supplied by the seller. A gift certificate or gift card shall include an electronic card with a banked dollar value, a merchandise credit, a certificate where the issuer has received payment for the full face value of the future purchase or delivery of goods or services and any other medium that evidences the giving of consideration in exchange for the right to redeem the certificate, electronic card or other medium for goods, food, services, credit or money of at least equal value.

<sup>iv</sup> See *Moss v. Lowe's Home Centers, Inc.*, 2016-630, 2016 WL 7234765 (La.App. 3 Cir. 12/14/16).

<sup>v</sup> La. R.S. § 9:2716.