

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1517
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted
5/23/07

Short Title: Prohibit Gift Card Maintenance Fees.

(Public)

Sponsors:

Referred to:

March 28, 2007

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE CONSPICUOUS DISCLOSURE OF ANY
MAINTENANCE FEES CHARGED FOR GIFT CARDS AND TO PROHIBIT
ISSUERS OF GIFT CARDS FROM CHARGING MAINTENANCE FEES FOR
TWO YEARS AFTER THE DATE OF PURCHASE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 75 of the General Statutes is amended by
adding a new section to read:

"§ 75-40. Requirements for maintenance fees for gift cards.

(a) Any maintenance fee charged for a gift card shall be clearly disclosed at the time of purchase, and this disclosure shall be conspicuously visible on the gift card itself. No person, firm, or corporation engaged in commerce shall charge any maintenance fee on a gift card for two calendar years following the date of the purchase of the gift card.

(b) Any violation of this section shall be punishable by the imposition of a civil penalty of one thousand dollars (\$1,000) for each violation. A violation of this section is an unfair trade practice under G.S. 75-1.1.

(c) Definitions. – As used in this section, the following terms mean:

(1) Gift card. – A record evidencing a promise, made for monetary consideration, by a seller or issuer that goods or services will be provided to the owner of the record to the value shown in the record. A gift card includes a record that contains a microprocessor chip, magnetic strip, or other storage medium that is pre-funded and for which the value is adjusted upon each use, a gift certificate, a stored-value card or certificate, a store card, or a prepaid long-distance telephone service that is activated by a prepaid card that required dialing an access number or an access code in addition to dialing the phone number to which the user of the prepaid card seeks to connect.

1 (2) Maintenance fee. – Any fee that the owner of the gift card is subject to
2 when the gift card is redeemed, including a service or inactivity fee."
3 **SECTION 2.** This act becomes effective October 1, 2007, and applies to gift
4 cards as defined in G.S. 75-40, as enacted by Section 1 of this act, that are sold on or
5 after that date.