

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
Finance Committee Substitute Adopted 7/27/07
Fourth Edition Engrossed 7/30/07

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
ONE YEAR AFTER THE DATE OF PURCHASE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 13 of Chapter 66 of the General Statutes is amended by
adding a new section to read:

"§ 66-67.5. Requirements for maintenance fees for gift cards.

(a) Disclosure. – The seller or issuer of a gift card must conspicuously disclose
any maintenance fee charges at the time of purchase. The disclosure must be visible on
the gift card itself. No person, firm, or corporation engaged in commerce shall charge
any maintenance fee on a gift card for one calendar year following the date of the
purchase of the gift card.

(b) Penalty. – A seller or issuer of a gift card who violates this section commits
an unfair trade practice under G.S. 75-1.1 and is subject to a civil penalty in accordance
with G.S. 75-15.2.

(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

1 dialing an access number or an access code in addition to dialing the
2 phone number to which the user of the prepaid card seeks to connect.

3 (2) Maintenance fee. – Any fee that the owner of the gift card is subject to
4 when the gift card is redeemed, including a service or inactivity fee.

5 (d) Limitation. – The provisions of this section shall not apply to gift cards that
6 are issued by a financial institution or its operating subsidiary and that are usable at
7 multiple unaffiliated sellers of goods or services."

8 **SECTION 2.** This act becomes effective December 1, 2007, and applies to
9 gift cards as defined in G.S. 66-67.4, as enacted by Section 1 of this act, that are sold on
10 or after that date.