

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE DRS65220-LD-38 (01/08)

Short Title: Prohibit Gift Card Maintenance Fees.

(Public)

Sponsors: Senator Atwater.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT ISSUERS OF GIFT CARDS FROM CHARGING  
MAINTENANCE FEES.

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. Prohibit maintenance fees for gift cards.**

(a) No person, firm, or corporation engaged in commerce shall charge a  
maintenance fee on a 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 definitions apply:

(1) 'Gift card' means 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, but is not limited to, 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.

(2) 'Maintenance fee' means any fee that the owner of the gift card is  
subject to when the gift card is redeemed, including a service or  
inactivity fee."

1           **SECTION 2.** This act becomes effective October 1, 2007, and applies to gift  
2 cards as defined in G.S. 75-40, as enacted by Section 1 of this act, that are sold on or  
3 after that date.