

Service Charges and Fees on Gift Certificates

This Act directs that a person may not charge additional monthly or annual service or maintenance fees on a gift certificate. Under the Act, a person may not limit the time for redemption of a gift certificate to a date before six years after the date of purchase of the gift certificate, place an expiration date on a gift certificate before six years after the date of purchase of the gift certificate, or include on a gift certificate any statement suggesting that an expiration or redemption date may apply to a gift certificate.

Submitted as:
North Dakota
Chapter 446 of 2005
Status: Enacted into law in 2005.

Suggested State Legislation

(Title, enacting clause, etc.)

1 Section 1. [*Short Title.*] This Act may be cited as: “An Act To Address Gift Certificate
2 Expiration And Fees.”

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4 Section 2. [*Definitions.*] As used in this Act:
5 “Gift certificate” means a record evidencing a promise, made for monetary consideration,
6 by the seller or issuer of the record that goods or services will be provided to the owner of the
7 record to the value shown in the record. The term includes a record that contains a
8 microprocessor chip, magnetic strip, or other means of storage of information that is prefunded
9 and for which the value is decreased upon each use; a gift card; an electronic gift card; an online
10 gift account; a stored-value card; a store card; a prepaid telephone card; or a similar record or
11 card. The term does not include a general-use prepaid card issued by a prepaid card issuer,
12 including a plastic card or other electronic payment device that is usable at multiple, unaffiliated
13 merchants or service providers or at an automatic teller machine, and purchased or loaded on a
14 prepaid basis; a general-use prepaid card issued by a prepaid card issuer and purchased by a
15 person that is not an individual; or a debit card linked to a deposit account.

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17 Section 3. [*Expiration Dates and Service Fees.*] A person may not charge additional
18 monthly or annual service or maintenance fees on a gift certificate. A person may not limit the
19 time for redemption of a gift certificate to a date before [six years after the date of purchase of
20 the gift certificate], place an expiration date on a gift certificate before [six years after the date of
21 purchase of the gift certificate], or include on a gift certificate any statement suggesting that an
22 expiration or redemption date, except as permitted in this section, may apply to a gift certificate.
23 This section does not apply to a gift certificate distributed to a consumer pursuant to an awards,
24 loyalty, or promotional program without any money or other thing of value being given in
25 exchange for the gift certificate by the consumer. Any restriction or limitation on such gift
26 certificate must be disclosed to the consumer, in writing, at the time the gift certificate is
27 distributed to the consumer.

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29 Section 4. [*Enforcement Powers, Remedies, and Penalties.*] The [attorney general] shall
30 enforce this Act. In enforcing this Act, the [attorney general] has all the powers provided in this

31 Act or [insert citation] and may seek all remedies in this Act or [insert citation]. A violation of
32 this Act constitutes a violation of [insert citation]. The remedies, duties, prohibitions, and
33 penalties of this Act are not exclusive and are in addition to all other causes of action, remedies,
34 and penalties as otherwise provided by state law.

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36 Section 5. [*Severability.*] [Insert severability clause.]

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38 Section 6. [*Repealer.*] [Insert repealer clause.]

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40 Section 7. [*Effective Date.*] [Insert effective date.]