

**SENATE BILL NO. 2286**

Introduced by

Senators Fairfield, Heitkamp, Krebsbach

Representatives Charging, Kroeber, S. Meyer

- 1 A BILL for an Act to create and enact a new section to chapter 51-07 of the North Dakota  
2 Century Code, relating to unfair trade practices and gift certificates; and to provide a penalty.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** A new section to chapter 51-07 of the North Dakota Century Code is  
5 created and enacted as follows:

6 **Deceptive trade practices - Gift certificates - Penalty.**

- 7 1. For purposes of this section, "gift certificate" means a writing identified as a gift  
8 certificate or gift card purchased by a buyer for use by a person not redeemable in  
9 cash and usable in its face amount in lieu of cash in exchange for goods or  
10 services supplied by the seller. The term includes an electronic card with a banked  
11 dollar value, a merchandise credit, a certificate for which the issuer has received  
12 payment for the full face value of the future purchase or delivery of goods or  
13 services, or any other medium that evidences the giving of consideration in  
14 exchange for the right to redeem the certificate, electronic card, or other medium  
15 for goods, food, services, credit, or money of at least an equal value.
- 16 2. Any gift certificate sold in this state is subject to the following limitations:
- 17 a. An expiration date may not be less than five years from the date of issuance,  
18 and any expiration date must appear in capital letters and in at least ten-point  
19 font on the gift certificate.
- 20 b. A service fee may not be charged, including fee for dormancy. However,  
21 nothing in this section prevents an issuer from charging a one-time handling  
22 fee, which may not exceed one dollar per gift certificate.
- 23 3. A gift certificate sold without an expiration date is valid until redeemed or replaced.
- 24 4. This section does not apply to any of the following:

- 1                   a.    A gift certificate that is distributed by the issuer to a consumer pursuant to an
- 2                        awards, loyalty, or promotional program without any money or other thing of
- 3                        value being given in exchange for the gift certificate by the consumer.
- 4                   b.    A gift certificate that is sold below face value to a nonprofit or charitable
- 5                        organization for fundraising purposes.
- 6           5.    Any person that violates this section is guilty of a class B misdemeanor.