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By: **Delegates Kaiser, Barkley, Conway, Dumais, Feldman, Goldwater,  
Gordon, King, Lee, Madaleno, Montgomery, Morhaim, F. Turner, and  
Weir**

Introduced and read first time: February 7, 2005

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Gift Certificates - Expiration and Service Fees**

3 FOR the purpose of prohibiting a person from selling a gift certificate that contains  
4 an expiration date unless certain conditions are met; prohibiting a person from  
5 selling a gift certificate that contains a service fee under certain circumstances;  
6 authorizing a seller of a gift certificate to assess a service fee for dormancy  
7 under certain circumstances; providing that a gift certificate sold in violation of  
8 this Act shall be considered valid and shall not be subject to an expiration date  
9 or service fee; providing that a seller of a gift certificate is not required to  
10 redeem a gift certificate for cash; providing for the application of this Act;  
11 defining a certain term; and generally relating to the expiration of and service  
12 fees on gift certificates.

13 BY adding to

14 Article - Commercial Law

15 Section 14-1319

16 Annotated Code of Maryland

17 (2000 Replacement Volume and 2004 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Commercial Law**

21 14-1319.

22 (A) (1) IN THIS SECTION, "GIFT CERTIFICATE" MEANS A DEVICE  
23 CONSTRUCTED OF PAPER, PLASTIC, OR ANY OTHER MATERIAL THAT IS:

24 (I) SOLD BY A PERSON FOR A CASH VALUE THAT CAN BE USED TO  
25 PURCHASE GOODS OR SERVICES; OR

26 (II) ISSUED AS A STORE CREDIT FOR RETURNED GOODS.

- 1 (2) "GIFT CERTIFICATE" DOES NOT INCLUDE:
- 2 (I) A PREPAID TELEPHONE CALLING CARD;
- 3 (II) A PREPAID TECHNICAL SUPPORT CARD;
- 4 (III) A PREPAID CARD FOR INTERNET SERVICES;
- 5 (IV) A COUPON FOR DISCOUNTED GOODS OR SERVICES; OR
- 6 (V) A GIFT CERTIFICATE THAT IS DISTRIBUTED TO A CONSUMER
- 7 UNDER AN AWARDS, LOYALTY, OR PROMOTIONAL PROGRAM IN WHICH THE
- 8 RECIPIENT DOES NOT GIVE MONEY OR VALUE FOR THE GIFT CERTIFICATE.
- 9 (B) A PERSON MAY NOT SELL A GIFT CERTIFICATE THAT CONTAINS:
- 10 (1) AN EXPIRATION DATE UNLESS THE EXPIRATION DATE:
- 11 (I) IS AT LEAST 5 YEARS AFTER THE DATE OF ISSUANCE OF THE
- 12 GIFT CERTIFICATE; AND
- 13 (II) IS PRINTED CLEARLY IN A VISIBLE PLACE ON THE FRONT OR
- 14 BACK OF THE GIFT CERTIFICATE IN AT LEAST 10 POINT FONT; OR
- 15 (2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A
- 16 SERVICE FEE, INCLUDING A SERVICE FEE FOR DORMANCY.
- 17 (C) FOR A GIFT CERTIFICATE WITH A REMAINING VALUE OF \$5 OR LESS, A
- 18 SELLER MAY ASSESS A SERVICE FEE FOR DORMANCY NOT TO EXCEED \$1 PER
- 19 MONTH.
- 20 (D) A GIFT CERTIFICATE THAT IS SOLD IN VIOLATION OF SUBSECTION (B) OF
- 21 THIS SECTION SHALL BE CONSIDERED VALID AND MAY NOT BE SUBJECT TO AN
- 22 EXPIRATION DATE OR SERVICE FEE.
- 23 (E) A SELLER OF A GIFT CERTIFICATE IS NOT REQUIRED TO REDEEM A GIFT
- 24 CERTIFICATE FOR CASH.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be

26 construed to apply only prospectively and may not be applied or interpreted to have

27 any effect on or application to any gift certificate issued before the effective date of

28 this Act.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect

30 October 1, 2005.