

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1479

H.P. 1084

House of Representatives, March 31, 2003

An Act To Protect Maine Consumers from Hidden Fees and Charges

Submitted by the Office of the Treasurer of State pursuant to Joint Rule 204.
Reference to the Committee on Judiciary suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BRANNIGAN of Portland.
Cosponsored by Representatives: DUPREY of Medway, JODREY of Bethel.

2 Be it enacted by the People of the State of Maine as follows:

4 Sec. 1. 33 MRSA §1952, sub-§§4-A and 5-A are enacted to read:

6 4-A. Face value. "Face value" means the original purchase
8 price or original issued value of a gift obligation if unused or,
if partially used, the remaining balance prior to the deduction
of any service charges, fees or dormancy charges.

10 5-A. Gift obligation. "Gift obligation" means an
12 obligation of a business association arising from a transaction
14 between the business association and a consumer to provide goods
or services at a future date. This includes, but is not limited
to, a gift certificate, gift card, on-line gift account or other
representation or evidence of the obligation.

16 Sec. 2. 33 MRSA §1953, sub-§1, ¶G, as amended by PL 1999, c.
18 232, §1, is further amended to read:

20 G. A gift certificate obligation, 3 years after December
22 31st of the year in which the certificate was sold; the gift
obligation occurred. A period of limitation may not be
24 imposed on the owner's right to redeem the gift obligation.
26 The amount abandoned is the price paid by the purchaser for
face value of the gift certificate obligation, except that
28 the amount abandoned is 60% of the certificate's gift
obligation's face value if the issuer of the certificate
30 does not impose a dormancy charge or period
of limitations on the owner's right to redeem the
32 certificate at 100% of face value. Fees or charges may not
be imposed on gift obligations unless they are contained in
34 a written agreement at the time of purchase or provided to
an instrument holder in writing 30 days prior to their
effective date. The amount of these charges or fees may not
be unconscionable;

38 SUMMARY

40 This bill adds "face value" to the abandoned property laws
42 definition section to resolve issues of interpretation. The bill
defines "gift obligation."

44 The bill also clarifies the abandonment period of a gift
46 obligation and that the amount abandoned is the face value of the
gift obligation.

48 The bill prohibits the imposition of a fee or charge on a
50 gift obligation unless the fee or charge is contained in a
written agreement at the time of purchase of the gift obligation.