

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1084

H.P. 737

House of Representatives, March 1, 2005

An Act To Make Dormancy Fees on Gift Cards Illegal

Reference to the Committee on Judiciary suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative VALENTINO of Saco.
Cosponsored by Representatives: DUPLESSIE of Westbrook, PLUMMER of Windham,
Senator GAGNON of Kennebec and Representatives: MARLEY of Portland, PELLETIER-
SIMPSON of Auburn, THOMPSON of China, Senator: HOBBINS of York.

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

4 **Sec. 1. 33 MRSA §1953, sub-§1, ¶G,** as amended by PL 2003, c.
339, §2, is further amended to read:

6 G. A gift obligation, 3 years after December 31st of the
7 year in which the gift obligation occurred. A period of
8 limitation may not be imposed on the owner's right to redeem
9 the gift obligation. The gift obligation may not contain a
10 statement declaring that there is a period of limitation or
11 an expiration date on the gift obligation or other words to
12 that effect. The amount unclaimed is the face value of the
13 gift obligation, ~~except that the amount unclaimed is 60% of~~
14 ~~the gift obligation's face value if the issuer of the gift~~
15 ~~obligation does not impose a dormancy charge.~~ Fees
16 Notwithstanding section 1956, fees or charges may not be
17 imposed on gift obligations ~~unless they are noted on the~~
18 ~~gift obligation and are in accordance with section 1956.~~
19 ~~The amount of these charges or fees may not be~~
20 ~~unconscionable;~~

22 **SUMMARY**

24 Under current law, a gift obligation, such as a gift
25 certificate or gift card, is presumed abandoned if not claimed by
26 the end of the 3rd calendar year after the date of issue;
27 however, the issuer is prohibited from placing a limitation on
28 the gift obligation. An issuer is allowed to charge dormancy
29 charges if the gift obligation is not redeemed before the
30 obligation is presumed abandoned. There is no limit on these
31 dormancy charges. An issuer is also allowed to deduct dormancy
32 fees after the obligation is presumed abandoned; these fees may
33 not be unconscionable.

36 This bill does the following.

38 1. It prohibits an issuer from placing an expiration date
39 on a gift obligation.

40 2. It prohibits an issuer from charging dormancy charges or
41 other fees, either before or after the start of the presumptive
42 abandonment period.

43 3. It presumes that the abandoned amount is the face value
44 of the gift obligation, requiring the issuer to turn that amount
45 over to the Treasurer of State as abandoned property.