

## **CHAPTER 51-14.1 CREDIT CARDS**

**51-14.1-01. Definition of credit cards and other terms and imposition of liability on cardholder.** In this chapter, unless the context otherwise requires:

1. "Accepted credit card" means any credit card which the cardholder has requested in writing or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit. A renewal credit card must be deemed to be accepted if it is issued within one year after a prior card has been paid for or used. A credit card issued in connection with a merger, acquisition, or the like of card issuers or credit card services in substitution for an accepted credit card must be deemed to be an accepted credit card.
2. "Adequate notice" means a writing which is conspicuous and which is printed on the credit card or on each periodic statement.
3. "Card issuer" means any person who issues a credit card.
4. "Cardholder" means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.
5. "Conspicuous" means any term or clause which is so written that a reasonable person against whom it is to operate ought to have noticed it.
6. "Credit card" means any card, plate, coupon book, or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.
7. "Unauthorized use" means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no benefit.

**51-14.1-02. Liability of cardholder.** A provision imposing liability on a cardholder for the unauthorized use of a credit card is effective only if the card is an accepted credit card, the liability imposed is not in excess of one hundred dollars, the card issuer gives adequate notice to the cardholder of the potential liability, and the unauthorized use occurs before the cardholder has notified the card issuer of the loss or theft of the card or of any unauthorized use.

Except as hereinbefore provided, a cardholder incurs no liability from the unauthorized use of either an accepted or an unaccepted credit card.

**51-14.1-03. Acceptance of check not conditioned on disclosure of credit card number - Use of credit card for identification allowed.** A person may not require, as a condition of acceptance of a check or other draft, that the person presenting the check provide a credit card number; nor may the person accepting the check or other draft record the credit card number. A person may request the person presenting the check to display a credit card as evidence of creditworthiness or as additional identification; however, only information concerning the type and issuer of the credit card may be recorded.

**51-14.1-04. Use of credit card when issuer guarantees cardholder checks allowed.** Sections 51-14.1-03 through 51-14.1-05 do not prohibit a person from recording a credit card number as a condition for cashing or accepting the check or other draft when that person has agreed with the card issuer to cash or accept checks or other drafts from the issuer's cardholders and the issuer guarantees cardholder checks or other drafts cashed or accepted by that person.

**51-14.1-05. Penalty.** Any person who violates any provision of sections 51-14.1-03 through 51-14.1-05 is guilty of an infraction.