

North Carolina

Are mandatory arbitration provisions recognized in your state? If so, are there any limitations to its enforcement?

Yes, North Carolina generally recognizes mandatory arbitration provisions:

An agreement contained in a record to submit to arbitration any existing or subsequent controversy arising between the parties to the agreement is valid, enforceable, and irrevocable except upon a ground that exists at law or in equity for revoking a contract.ⁱ

Notably, “there is no legislative bar to arbitrating claims which are based on tortious conduct or unfair and deceptive trade practices and claims for punitive damages as long as they arise out of or relate to a contract that provides for arbitration or its breach.”ⁱⁱ

Binding arbitration is not available as a form of dispute resolution for child custody and child support as those matters are continually under the court’s jurisdiction and are modifiable pursuant to N.C.G.S.A. 50-13.7.ⁱⁱⁱ

What is your state’s law, if any, regarding gift cards, subscription services and loyalty programs?

GIFT CARDS

Gift cards are governed by the miscellaneous provisions of North Carolina’s Commerce and Business code. North Carolina sets certain requirements for maintenance fees on gift cards.^{iv} Gift cards are defined as

A record evidencing a promise, made for monetary consideration, by a seller or issuer that goods or services will be provided to the owner of the record to the value shown in the record. A gift card includes a record that contains a microprocessor chip, magnetic strip, or other storage medium that is prefunded and for which the value is adjusted upon each use, a gift certificate, a stored-value card or certificate, a store card, or a prepaid long-distance telephone service that is activated by a prepaid card that required dialing an access number or an access code in addition to dialing the phone number to which the user of the prepaid card seeks to connect.^v

The seller or issuer of a gift card “must conspicuously disclose any maintenance fee charges at the time of purchase,” and said disclosure must be visible on the gift card itself.^{vi} There can be no maintenance fees assessed against the gift card by any person or entity for 1 calendar year following the purchase of the gift card.^{vii} The failure to comply with the notice requirements is an unfair trade practice under N.C.G.S.A. 75-1.1 and is subject to civil

penalty pursuant to N.C.G.S.A. 75-15.2.^{viii}

Gift cards are governed by North Carolina's abandoned property law. A gift card is presumed abandoned when a gift card bearing an expiration date remains unredeemed or dormant for more than 3 years after sale of the gift card.^{ix} The value of an abandoned gift card is 60% of the unredeemed portion of the face value of the gift card.^x The following gift cards are not considered abandoned property:

gift cards that conspicuously state the gift card does not expire;

gift card that bears no expiration date; or

gift cards that states the date of expiration does not apply in North Carolina.^{xi}

SUBSCRIPTION SERVICES/LOYALTY PROGRAMS

We could not locate any state statutes, case law, or regulations on subscription services or loyalty programs.

What is your state's law, if any, regarding safeguarding consumer credit card or other private data (i.e., cyber security)?

Businesses in North Carolina must take reasonable measures to protect against unauthorized access to personal information of North Carolina residents in connection with the disposal of stored or recorded personal information (which includes a person's first and last name in connection with their financial account numbers, driver's license numbers, social security numbers, digital signatures, or biometric data). N.C. Gen. Stat. § 75-64; see *id.* at § 75-60.1(10) (defining "personal information"). Businesses may not intentionally disclose an individual's social security number to third parties or to the general public. N.C. Gen. Stat. § 75-62. Businesses may not intentionally disclose personal information of consumers who have previously objected to the disclosure of their personal information. N.C. Gen. Stat. § 75-66. Someone whose information is disclosed in violation of this provision may recover actual or statutory damages from the violators. *Id.* Businesses in North Carolina and businesses that own or license personal information from North Carolina residents are required to provide affected consumers with notice within a reasonable time after notice of a security breach affecting or likely affecting their personal information. N.C. Gen. Stat. § 75-65.

What is your state's law, if any, regarding the collection and handling of financial information?

Other than the statutory sections described above, North Carolina has not enacted state-specific statutes regulating the collection of consumer financial data, generally. The North Carolina General Assembly is currently considering a bill proposed in April 2023 that would give consumers certain rights over their personal data held by businesses. The bill has not yet been enacted as of May 2024.

ⁱ N.C.G.S.A. § 1-569.6(a).

ⁱⁱ *Miller v. Two State Const. Co., Inc.*, 455 S.E.2D 678, 681 (N.C. App. 1995) (citing *Rodgers Builders v. McQueen*, 331 S.E.2D 726 (N.C. App. 1985)).

ⁱⁱⁱ *Crutchley v. Crutchley*, 293 S.E.2d 793, 796 (N.C. 1982).

^{iv} N.C.G.S.A. § 66-67.5.

^v *Id.* at § 67.5(c)(1).

^{vi} *Id.* at § 67.5(a).

^{vii} *Id.*

^{viii} *Id.* at § 67.5(b).

^{ix} N.C.G.S.A. 116B-53(c)(8).

^x *Id.*

^{xi} N.C.G.S.A. § 116B-54(b).