

March 7, 2001

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2318

Page 1, line 1, after "contracts" insert "; to amend and reenact sections 26.1-40-18 and 26.1-40-22 of the North Dakota Century Code, relating to automobile warranties; and to repeal sections 26.1-40-19, 26.1-40-20, and 26.1-40-21 of the North Dakota Century Code, relating to automobile warranty insurance"

Page 1, line 3, underscore "**Property service contracts - Exemption.**"

Page 1, underscore lines 4 through 11

Page 1, line 12, underscore "property service contract may include" and insert immediately thereafter "motor vehicle;" and underscore "residential appliances; residential systems,"

Page 1, underscore lines 13 through 18

Page 1, after line 18, insert:

**"SECTION 2. AMENDMENT.** Section 26.1-40-18 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-40-18. Automobile warranties construed.** An automobile dealer or a third-party administrator who issues an automobile warranty ~~issued by anyone other than the automobile manufacturer or dealer is a contract of insurance and all warranties must be on a contract form prescribed or approved by the commissioner,~~ automobile mechanical breakdown contract, or automobile service contract shall maintain a policy of insurance which provides coverage for the dealer's or administrator's contractual obligation.

**SECTION 3. AMENDMENT.** Section 26.1-40-22 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-40-22. Penalty.** Any person violating ~~sections~~ section 26.1-40-18 ~~through 26.1-40-21~~ is guilty of a class A misdemeanor.

**SECTION 4. REPEAL.** Sections 26.1-40-19, 26.1-40-20, and 26.1-40-21 of the North Dakota Century Code are repealed."

Renumber accordingly