

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2204

Introduced by

Senators J. Lee, Espgaard, Warner

Representatives Iverson, Kingsbury

1 A BILL for an Act to amend and reenact sections 13-01-14 and 51-14-01 of the North Dakota
2 Century Code, relating to medical services provider late payment charges and credit service
3 charges.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 13-01-14 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **13-01-14. Late payment charge on accounts receivable - Medical bills.**

- 8 1. A creditor may charge, receive, and collect a late payment charge on all money
9 due on account from thirty days after the obligation of the debtor to pay has been
10 incurred.
- 11 2. Except as provided in subsection 4, the late payment charge may not exceed one
12 and three-fourths percent per month.
- 13 3. The late payment charge provided in this section may be charged only if, when the
14 obligation was incurred, the creditor did not intend to extend any credit beyond
15 thirty days and any late payment of the obligation was unanticipated.
- 16 4. A creditor may not charge, receive, or collect a late payment charge on medical or
17 hospital bills during the initial ninety days following services. A After the initial
18 ninety days have passed, a late payment charge may be imposed at a rate that
19 does not exceed one percent per month, but the. Except for a creditor that is a
20 licensed nursing facility or a basic care facility, a late payment charge cannot
21 under this subsection may not exceed twenty-five dollars per month. This
22 subsection does not apply in cases of financial hardship as certified by the creditor.
23 A medical services provider may not charge, receive, or collect a credit service
24 charge on money due on a revolving charge account under chapter 51-14.

1 5. ~~This~~ Except as otherwise provided under subsection 4, this section does not apply
2 to:

3 a. Money due on retail installment contracts, as defined in chapter 51-13.

4 b. Money due on revolving charge accounts, as defined in chapter 51-14.

5 **SECTION 2. AMENDMENT.** Section 51-14-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **51-14-01. Definitions.** In this chapter, unless the context otherwise requires:

8 1. "Credit service charge" means the amount, however expressed, which the retail
9 buyer contracts to pay or pays the retail seller in excess of the amount of credit
10 extended, representing the total charges by the retail seller incident to investigating
11 and extending credit under a revolving charge agreement and for extending to the
12 retail buyer the privilege of paying over a period of time therefor.

13 2. "Retail buyer" or "buyer" means a person who buys personal property from a retail
14 seller, or to whom a retail seller otherwise extends credit, pursuant to a revolving
15 charge agreement.

16 3. "Retail seller" or "seller" means a:

17 a. A person who that pursuant to a revolving charge agreement, agrees to sell
18 or sells goods or services pursuant to a revolving charge agreement and a,
19 other than medical services. The term does not include a medical services
20 provider.

21 b. A state-chartered or national bank that extends credit by the advancement of
22 moneys or the payment for goods or services under a revolving charge
23 agreement.

24 4. "Revolving charge agreement" means a written instrument, defining the terms of
25 credit extended from time to time ~~pursuant thereto, pursuant to which~~ under the
26 terms of the agreement. Under the agreement, the buyer's total unpaid balance
27 ~~thereunder~~, whenever incurred, is payable over a period of time and under the
28 terms of which a credit service charge, other than the portion thereof consisting of
29 late payment or other charges, is to be computed in relation to the buyer's unpaid
30 balance from time to time.