

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2318

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2318

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2318

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 29, 2001

Tape Number	Side A	Side B	Meter #
1	x		0 to 11.5
(March 19/01) 1	x		7.5 to 15.2
Committee Clerk Signature <i>Don & Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB2318 relating to property service contracts.

SENATOR KLEIN: The purpose of this bill is to allow retailers to offer consumers service contracts for their products without needing a license from the insurance department.

RUSS HANSON, ND Retail Association (NDRA), in support of the bill. Written testimony attached. Favor the proposed amendment .

LARRY MASLOWSKI, ND Insurance Department. Neutral position. Offer information and amendments to clarify intent. Written testimony attached.

REP. JIM KASPER: Cosponsor. Favors this bill. These are not insurance contracts, they are not underwritten by insurance companies, so licensing should not be needed.

TERRY WEIS, ND Assn. Of Insurance and Financial Advisors, support this bill.

SENATOR KLEIN: Motion: Adopt amendment. SENATOR EVERY: Second.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2318

Hearing Date January 29 2001.

Roll call vote: 7 yes; 0 no; 0 absent or not voting. Motion carried.

SENATOR ESPEGARD: Motion: Do pass as amended. SENATOR TOLLEFSON: Second.

Roll call vote: 7 yes; 0 no; 0 absent or not voting. Motion carried.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2318

Hearing Date ~~January 29, 2001~~.

(March 19, 2001) Tape 1-A-7.5 to 15.2

Committee reconvened. All members, except Senator Espeguard, present. House amendments to this bill discussed.

Senator Klein: I introduced this bill for the retail association. Basically what they did was put back what we had amended out.

Bob Lamp, Automobile Assn. of ND. The Insurance Department presented the amendment taking motor vehicles out. After discussions with us they agreed to put it back in, and that is the amendment the House put in. The basic reason is that automobile service contracts in current code have a lot of different interpretations. If a dealer or a manufacturer sells the service contract they are not considered insurance but if a third party does, it is considered insurance. That has caused huge problems for dealers because if it becomes insurance there is a huge tax implication for the dealers. We think it is better that if they do assign this to third parties our consumer is better protected under this type of arrangement. If you can protect the consumer and also help the dealer we think that is appropriate. In this case the contract will not be considered insurance but must be guaranteed by an insurance policy. This is what the amendment does. Urge do concur.
Discussion held, regarding warranties.

Senator Klein: Motion to accede to House amendment. **Senator Every:** Second.

Roll call vote: 6 yes; 0 no; 1 absent not voting. Motion carried.

Floor assignment: **Senator Klein.**

Date: 1/29/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2318

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt amendment

Motion Made By S. Klein Seconded By S. Every

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:
To remove "motor vehicles" from this bill

REPORT OF STANDING COMMITTEE

SB 2318: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2318 was placed on the Sixth order on the calendar.

Page 1, line 10, after the first "property" insert "if an operational or structural failure is due to a defect in materials, manufacturing, or normal wear and tear"

Page 1, line 11, remove "motor vehicles;"

Page 1, line 15, after the semicolon insert "and"

Page 1, remove lines 16 and 17

Page 1, line 18, replace "d" with "c"

Renumber accordingly

Date: 3/19/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2318

Senate Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Accede to house amendments

Motion Made By Sen Klein Seconded By Sen Every

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	A				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) _____ No _____

Absent _____

Floor Assignment Sen Klein

If the vote is on an amendment, briefly indicate intent:

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2318

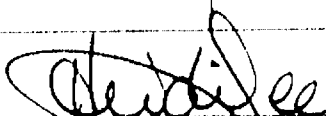
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2318(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 12, 2001

Tape Number	Side A	Side B	Meter #
3	X		6.0-16.9
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Lemieux: Explained bill.

Bob Lamp: There are three types of auto-insurance and the third-party issuers are causing the problem **Proposed amendments.**

Vice-Chairman Keiser: What if we exempt third party from being agents?

Lamp: I'm not sure if that's feasible.

Vice-Chairman Keiser: I move the amendments.

Rep Kasper: I second.

Rep Lemieux: I move a do pass as amended.

Rep Severson: I second.

15 yea, 0 nay, 0 absent Carrier Rep Lemieux

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2318

Page 1, line 1, after "contracts" and before the period insert "amend and reenact sections 26.1-40-18 and 26.1-40-22, relating to automobile warranties; and to repeal sections 26.1-40-19, 26.1-40-20, and 26.1-40-21"

Page 1, line 12, after "include" insert "motor vehicle;"

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 that issues an automobile warranty issued by anyone other than the automobile manufacturer or dealer is a contract, automobile mechanical breakdown contract, or automobile service contract of insurance and all warranties must be on a contract form prescribed or approved by the commissioner must maintain a policy of insurance that 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

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2318

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

Page 1, line 12, after "include" insert "motor vehicles;"

Page 1, after line 18, insert:

"SECTION 2. REPEAL. Sections 26.1-40-18, 26.1-40-19, 26.1-40-20, 26.1-40-21, and 26.1-40-22 of the North Dakota Century Code are repealed."

Renumber accordingly

Date: 3-7-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2318

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended

Motion Made By Lemieux Seconded By Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich	✓		Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 15 No 0

Absent 0

Floor Assignment Rep Lemieux

If the vote is on an amendment, briefly indicate intent:

