

SENATE BILL NO. 2255

Introduced by

Senators Traynor, Krebsbach, Lindaas

Representatives Hawken, Kasper, Warner

1 A BILL for an Act to create and enact chapter 51-26 of the North Dakota Century Code, relating
2 to telephone solicitations; and to provide a penalty.

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

4 **SECTION 1.** Chapter 51-26 of the North Dakota Century Code is created and enacted
5 as follows:

6 **51-26-01. Definitions.** In this chapter, unless the context or subject matter otherwise
7 requires, the terms shall have the meanings as follows:

- 8 1. "Automatic dialing-announcing device" means a device that selects and dials
9 telephone numbers and that, working alone or in conjunction with other equipment,
10 disseminates a prerecorded or synthesized voice message to the telephone
11 number called.
- 12 2. "Caller" means a person, corporation, firm, partnership, association, or legal or
13 commercial entity that attempts to contact, or that contacts, a subscriber in this
14 state by using a telephone or a telephone line.
- 15 3. "Caller identification service" means a telephone service that permits telephone
16 subscribers to see the telephone number of incoming telephone calls.
- 17 4. "Established business relationship" means a relationship between a seller and
18 consumer based on the consumer's purchase, rental, or lease of the seller's goods
19 or services or a financial transaction between the consumer and seller, within the
20 twenty-four months immediately preceding the date of a telemarketing call.
- 21 5. "Message" means any telephone call, regardless of its content.
- 22 6. "Subscriber" means a person who has subscribed to residential telephone services
23 from a telephone company or the other persons living or residing with the

1 subscribing person, or a person who has subscribed to wireless or mobile
2 telephone services.

3 7. "Telephone solicitation" means any voice communication over a telephone line for
4 the purpose of encouraging charitable contributions, or the purchase or rental of, or
5 investment in, property, goods, services, or merchandise, including as defined in
6 subsection 3 of section 51-15-03, whether the communication is made by a live
7 operator, through the use of an automatic dialing-announcing device, or by other
8 means. Telephone solicitation does not include communications:

9 a. To any subscriber with that subscriber's prior express written invitation or
10 permission.

11 b. By or on behalf of any person with whom the telephone solicitor has an
12 established personal or business relationship.

13 c. By or on behalf of a charitable organization that is exempt from federal
14 income taxation under section 501 of the Internal Revenue Code, but only if
15 the following applies:

16 (1) The telephone call is made by a volunteer or employee of the charitable
17 organization; and

18 (2) The person who makes the telephone call immediately discloses the
19 following information upon making contact with the consumer:

20 (a) The person's true first and last name; and

21 (b) The name, address, and telephone number of the charitable
22 organization.

23 d. By or on behalf of any person whose exclusive purpose is to poll or solicit the
24 expression of ideas, opinions, or votes, unless the communication is made
25 through an automatic dialing-announcing device in a manner prohibited by
26 section 51-26-02.

27 e. By the individual soliciting without the intent to complete, and who does not in
28 fact complete, the sales presentation during the call, but who will complete the
29 sales presentation at a later face-to-face meeting between the individual
30 solicitor or person who makes the initial call and the prospective purchaser.

1 **51-26-02. Use of prerecorded or synthesized voice messages.** A caller may not
2 use or connect to a telephone line an automatic dialing-announcing device unless the
3 subscriber has knowingly requested, consented to, permitted, or authorized receipt of the
4 message or the message is immediately preceded by a live operator who obtains the
5 subscriber's consent before the message is delivered. This section and section 51-26-05 do
6 not apply to messages from school districts to students, parents, or employees, messages to
7 subscribers with whom the caller has a current business relationship, or messages advising
8 employees of work schedules.

9 **51-26-03. Message requirements.** When the message is immediately preceded by a
10 live operator, the operator must disclose at the outset of the message:

- 11 1. The name of the business, firm, organization, association, partnership, or entity for
12 which the message is being made;
- 13 2. The purpose of the message;
- 14 3. The identity or kinds of goods or services the message is promoting; and
- 15 4. If applicable, the fact that the message intends to solicit payment or commitment of
16 funds.

17 **51-26-04. Requirements on automatic dialing-announcing devices.** A caller may
18 not use an automatic dialing-announcing device unless the device is designed and operated so
19 as to disconnect within ten seconds after termination of the telephone call by the subscriber. A
20 caller may not use an automatic dialing-announcing device that uses a random or sequential
21 number generator unless the equipment excludes calls to the following telephone numbers:

- 22 1. Emergency telephone numbers, including 911, of any hospital, medical physician,
23 health care facility, ambulance or emergency medical provider, fire protection
24 facility, or law enforcement agency.
- 25 2. Any guest room or patient room of a hospital, health care facility, elderly care
26 home, or similar establishment.
- 27 3. A paging service, a cellular telephone service, a specialized mobile radio service,
28 or any service for which the called party is charged for the call.
- 29 4. The telephone numbers maintained on a no-call list established pursuant to section
30 51-26-09.

1 **51-26-05. Time of day limit.** A caller may not use an automatic dialing-announcing
2 device nor make any telephone solicitation before eight a.m. or after nine p.m. at the telephone
3 subscriber's location.

4 **51-26-06. Prohibited telephone solicitations.** A caller may not make or cause to be
5 made any telephone solicitation to the telephone line of any subscriber in this state who is on
6 the no-call list established and maintained under section 51-26-09.

7 **51-26-07. Identification by caller.** Any caller who makes a telephone solicitation to a
8 subscriber in this state shall immediately and clearly state at the beginning of the call the
9 caller's true first and last name, the caller's telephone number, the caller's city and state of
10 location, and the name of the business on whose behalf the telephone solicitation is made.

11 **51-26-08. Interference with caller identification.** A caller who makes a telephone
12 solicitation to a subscriber in this state may not knowingly use any method to block or otherwise
13 deliberately circumvent the subscriber's use of a caller identification service.

14 **51-26-09. Establishment of no-call list.** The attorney general shall establish and
15 maintain a list of telephone numbers of subscribers who object to receiving telephone
16 solicitations. The attorney general may fulfill the requirements of this section by contracting
17 with an agent for the establishment and maintenance of the list. The attorney general may
18 adopt rules governing the establishment, distribution, and operation of the no-call list, as the
19 attorney general deems necessary and appropriate to fully implement the provisions of this
20 chapter, in addition to the following provisions:

- 21 1. Any subscriber may contact the attorney general or the attorney general's agent
22 and give notice, in the manner prescribed by the attorney general, that the
23 subscriber objects to receiving telephone solicitations. The attorney general shall
24 add the telephone number of any subscriber who gives notice of objection to the
25 list maintained pursuant to this section.
- 26 2. Any notice given by a subscriber under this section shall be effective for five years
27 unless revoked by the subscriber. Any subsequent notices given by the same
28 subscriber related to a different telephone number are separate from the original
29 notice.
- 30 3. The attorney general shall allow subscribers to give notice under this section by
31 mail or telephone or electronically.

- 1 4. The attorney general shall establish the procedures by which a person wishing to
2 make telephone solicitations may obtain access to the list. To the extent
3 practicable, those procedures shall allow for access to paper or electronic copies of
4 the list.
- 5 5. If, pursuant to federal law, the federal trade commission and the federal
6 communications commission establish a national list of telephone numbers of
7 subscribers who object to receiving telephone solicitations, the attorney general
8 may include subscribers who live in North Dakota and are included in the national
9 list in the list established under this section. The attorney general may also
10 transmit to the federal trade commission and the federal communications
11 commission the telephone numbers included on the no-call list established under
12 this section and may request that those telephone numbers be included in the list.
- 13 6. A person or entity desiring to make telephone solicitations shall pay a fee, payable
14 to the attorney general, for access to, or for paper or electronic copies of, the list
15 established under section 51-26-09. The fee for acquisition of the list may not
16 exceed two hundred dollars per quarter, or eight hundred dollars per year.
- 17 7. A caller who makes a telephone solicitation to the telephone line of any subscriber
18 must have obtained, at the time of the call, a current version of the list no later than
19 ten days after the issuance of the current version. A caller who complies with this
20 requirement is not liable for any violation of section 51-26-06 relating to a
21 solicitation made to a subscriber's telephone number within ten days after that
22 subscriber's telephone number first appeared on the current version of the list.

23 **51-26-10. Release of information.** Information contained in the list established under
24 section 51-26-09 may not be used for any purposes except compliance with this chapter or in a
25 proceeding or action under this chapter or chapter 51-15. The information contained in the list
26 is an exempt record as defined in section 44-04-17.1.

27 **51-26-11. Private enforcement.** Any person who receives a telephone solicitation or
28 message in violation of this chapter may bring an action to enjoin such violation, or for
29 damages, or both. The court may award the plaintiff the plaintiff's actual damages or damages
30 up to two thousand dollars for each violation, whichever is greater. The court may award the

plaintiff costs, expenses, and reasonable attorney's fees. This section shall not limit any other claims the person may have against the caller.

51-26-12. Limitation of actions. No action or proceeding may be brought under this chapter:

1. More than one year after the person bringing the action knew or should have known of the alleged violation; or
2. More than one year after the termination of any proceeding or action by the attorney general, whichever is later.

51-26-13. Powers of the attorney general - Remedies - Injunction - Other relief. When it appears to the attorney general that a person has engaged in, or is engaging in, any practice declared to be unlawful by this chapter, the attorney general, in enforcing this chapter, has all powers provided in this chapter or chapter 51-15, and may seek all remedies in this chapter or chapter 51-15.

51-26-14. Cease and desist orders. When it appears to the attorney general that a person has engaged in, or is engaging in, any practice declared to be unlawful by this chapter or by any rule or order of the attorney general issued under this chapter, the attorney general, without notice and hearing, may issue any cease and desist order which the attorney general deems necessary or appropriate in the public interest, including if any person fails or refuses to file any statement or report, or obey any subpoena issued by the attorney general under this chapter or chapter 51-15. A person aggrieved by an order issued under this section may request a hearing before the attorney general if a written request is made within ten days after the receipt of the order. An adjudicative proceeding under this section must be conducted in accordance with chapter 28-32, unless otherwise specifically provided herein.

51-26-15. Civil penalties in an adjudicative proceeding. When it appears to the attorney general that a person has engaged in, or is engaging in, any practice declared to be unlawful by this chapter or by any rule or order of the attorney general issued under this chapter, the attorney general may impose by order and collect a civil penalty against any person found in an adjudicative proceeding to have violated any provision of this chapter, or any rule or order adopted under this chapter, in an amount not more than two thousand dollars for each violation of this chapter or any rule or order adopted under this chapter. The attorney general may bring an action in district court to recover penalties under this section.

1 **51-26-16. Costs recoverable in adjudicative proceeding - Hearing costs.** If the
2 attorney general prevails in an adjudicative proceeding pursuant to section 51-26-14 or
3 51-26-15, the attorney general may assess the nonprevailing person for all adjudicative
4 proceeding and hearing costs, including reasonable attorney's fees, investigation fees, costs,
5 and expenses of any investigation and action brought under the provisions of this chapter.

6 **51-26-17. Civil penalties in court proceeding.** The court may award the attorney
7 general civil penalties of not more than two thousand dollars per violation of this chapter. A
8 violation of this chapter constitutes a violation of chapter 51-15 and the court may award civil
9 penalties under section 51-15-11.

10 **51-26-18. Costs recoverable in court proceeding.** The attorney general is entitled to
11 an award of reasonable attorney's fees, investigation fees, costs, and expenses of any
12 investigation and action brought under the provisions of this chapter.

13 **51-26-19. Separate violations - Nonexclusive remedies and penalties.** For each
14 remedy or penalty under this chapter or chapter 51-15, or otherwise provided by law, each
15 telephone solicitation or message shall constitute a separate violation for purposes of an
16 adjudicative proceeding or an action in district court. The remedies, duties, prohibitions, and
17 penalties of this chapter are not exclusive and are in addition to all other causes of action,
18 remedies, and penalties in chapter 51-15, or otherwise provided by law.

19 **51-26-20. Caller identification service nonliability.** No provider of caller identification
20 service shall be held liable for violations of this chapter committed by other persons or entities.

21 **51-26-21. Disposition of fees, penalties, and recoveries.** All fees, penalties, and
22 recoveries of attorney's fees, investigation fees, costs, and expenses collected pursuant to this
23 chapter shall be retained by the attorney general for enforcement of this chapter, including to
24 pay costs, expenses, and attorney's fees and salaries incurred in the operation of the attorney
25 general's consumer protection and antitrust division. However, the attorney general may
26 deposit any excess funds not required for enforcement of this chapter in the attorney general
27 refund fund under section 54-12-18.

28 **51-26-22. Venue.** The attorney general or a plaintiff in a private enforcement action
29 may bring an action pursuant to this chapter in either the county of the telephone subscriber's
30 residence or Burleigh County.