

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1359

Introduced by

Representatives Kreidt, Galvin, Uglem

Senator Brown

1 A BILL for an Act to amend and reenact section 13-01-14 of the North Dakota Century Code,
2 relating to the amount of late payment charges on medical bills.

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

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

6 **13-01-14. Late payment charge on accounts receivable.**

- 7 1. A creditor may charge, receive, and collect a late payment charge on all money
8 due on account from thirty days after the obligation of the debtor to pay has been
9 incurred.
- 10 2. Except as provided in subsection 4, the late payment charge may not exceed one
11 and three-fourths percent per month.
- 12 3. The late payment charge provided in this section may be charged only if, when the
13 obligation was incurred, the creditor did not intend to extend any credit beyond
14 thirty days and any late payment of the obligation was unanticipated.
- 15 4. A creditor may not charge, receive, or collect a late payment charge on medical or
16 hospital bills during the initial ninety days following services. Interest may not
17 begin to accrue until the ninety-first day after the obligation of the debtor to pay has
18 been incurred. A late payment charge may be imposed at a rate ~~that does not~~
19 ~~exceed one percent per month~~ equal to the prime rate published in the Wall Street
20 Journal on the first Monday in December of each year plus two percentage points
21 rounded to the nearest whole number percentage point and may not be
22 compounded in any manner, but the charge cannot exceed twenty-five dollars per
23 month. The twenty-five dollar per month limit under this subsection does not apply

- 1 to a creditor that is a licensed nursing facility or a basic care facility. This
- 2 subsection does not apply in cases of financial hardship as certified by the creditor.
- 3 5. This section does not apply to:
- 4 a. Money due on retail installment contracts, as defined in chapter 51-13.
- 5 b. Money due on revolving charge accounts, as defined in chapter 51-14.