

Sixtieth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2210

Introduced by

Senators J. Lee, Krebsbach

Representatives Kaldor, Porter, Price

1 A BILL for an Act to create and enact a new section to chapter 13-01 of the North Dakota
2 Century Code, relating to the amount of late payment charges and finance charges on medical
3 bills; and to amend and reenact sections 13-01-14 and 13-01-15 of the North Dakota Century
4 Code, relating to the amount of late payment charges on medical bills.

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

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

8 **13-01-14. Late payment charge on accounts receivable - ~~Medical bills~~ Exceptions.**

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

services provider may not charge, receive, or collect a credit service charge on money due on a revolving charge account under chapter 51-14.

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

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

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

c. Money due a medical services provider on accounts receivable for medical bills.

SECTION 2. A new section to chapter 13-01 of the North Dakota Century Code is created and enacted as follows:

Late payment charge on accounts receivable for medical services - Limitations on extensions of credit by medical providers.

1. This section applies to a creditor that is a medical services provider for debts incurred in providing medical services.

2. A creditor that is a medical services provider may not charge, receive, or collect a late payment charge on money due on an account receivable for medical services except as provided under this section. For purposes of late charges on accounts receivable under this section:

a. An account for medical services, except an account for medical services of a licensed nursing facility or basic care facility, does not become delinquent until ninety days have passed following receipt of the billed medical services; and

b. An account for medical services of a licensed nursing facility or basic care facility does not become delinquent until forty-five days have passed following billing of the medical services.

3. The account receivable late payment charge allowed under this section may not be charged unless, when the obligation was incurred, the creditor did not intend to extend any credit and late payment of the obligation was unanticipated.

4. A creditor that is not a hospital may charge, receive, and collect an account receivable late payment charge under this section at a rate that does not exceed one percent per month. A creditor that is a hospital may charge, receive, and collect an account receivable late payment charge under this section at a rate that

does not exceed one percent per month, not to exceed twenty-five dollars per month.

5. Notwithstanding a higher rate or amount that may be allowed under any other law or agreed to in any written or verbal agreement, the finance charge, credit service charge, or rate of interest for an extension of credit for medical services which is charged by:

a. A medical services provider that is not a hospital may not exceed one percent per month.

b. A hospital may not exceed one percent per month, not to exceed twenty-five dollars per month.

SECTION 3. AMENDMENT. Section 13-01-15 of the North Dakota Century Code is amended and reenacted as follows:

13-01-15. Late payment on accounts receivable - Periodic statement to be furnished to debtor.

1. A creditor may not charge the account receivable late payment charge provided for ~~in~~ under section 13-01-14 ~~only if~~ or section 2 of this Act unless the creditor promptly supplies the debtor with a statement as of the end of each monthly period, or other regular period agreed upon by the creditor and the debtor, in which there is any unpaid balance.

2. Such statement must ~~recite~~ state, in any order, the following:

~~4.~~ a. The percentage amount of the late payment charge which will be charged beginning thirty days after the obligation is incurred for purposes of section 13-01-14, or beginning after the billed medical services become delinquent for purposes of section 2 of this Act.

~~2.~~ b. The unpaid balance at the end of the period.

~~3.~~ c. An identification of any amount debited to the debtor's account during the period.

~~4.~~ d. The payments made by or for the debtor to the creditor during the period.

~~5.~~ e. The amount of the late payment charge.

~~The items need not be stated in the sequence or order set forth above.~~

- 1 3. Additional items may be included in the statement to explain the computations
- 2 made in determining the amount to be paid by the debtor.