

April 15, 2005

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1359

That the Senate recede from its amendments as printed on page 1190 of the House Journal and page 739 of the Senate Journal and that Engrossed House Bill No. 1359 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 13-01 of the North Dakota Century Code, relating to the amount of late payment charges and finance charges on medical bills; and to", replace "section" with "sections", and after "13-01-14" insert "and 13-01-15"

Page 1, line 6, after "**receivable**" insert "**- Exceptions**"

Page 1, line 10, overstrike "Except as provided in subsection 4, the" and insert immediately thereafter "The" and after "charge" insert "provided under this section"

Page 1, line 12, overstrike "in" and insert immediately thereafter "under", after "may" insert "not", and overstrike "only if" and insert immediately thereafter "unless"

Page 1, line 15, overstrike "A creditor may not charge, receive, or collect a late payment charge on medical or"

Page 1, overstrike line 16

Page 1, line 17, overstrike "charge may be imposed at a rate that does not exceed one percent per month"

Page 1, line 18, overstrike ". This subsection does not"

Page 1, overstrike line 19

Page 1, line 20, overstrike "5."

Page 1, after line 22, insert:

"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. 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.
- 2. 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.
- 3. A creditor that is not a hospital or clinic 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 or clinic 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 fifty dollars per month.
- 4. Notwithstanding a higher rate or amount that may be allowed under chapter 51-14, section 47-14-05, or a written 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 or clinic may not exceed one percent per month.
  - b. A hospital or clinic may not exceed one percent per month, not to exceed fifty 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.~~

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

Renumber accordingly