

CONTRACTS AND OBLIGATIONS

CHAPTER 83

SENATE BILL NO. 2150

(Senator Klein)
(Representative Lefor)

AN ACT to amend and reenact section 9-01-21 of the North Dakota Century Code, relating to vehicle theft protection product warranties.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 9-01-21 of the North Dakota Century Code is amended and reenacted as follows:

9-01-21. Property service contracts - Exemption.

1. The marketing, selling, offering for sale, issuing, making, providing, or proposing to make and the administering of a property service contract or vehicle theft protection product warranty is not subject to the provisions of title 26.1.
2. A property service contract is a contract or agreement for a separately stated consideration, for a specific duration, to provide for the repair, replacement, or maintenance or for the indemnification for the repair, replacement, or maintenance of new or used property if an operational or structural failure is due to a defect in materials, manufacturing, or normal wear and tear. Property covered under a property service contract may include motor vehicles; residential appliances; residential systems, including plumbing, electrical, heating, cooling, and ventilation; and other residential property. The contract may provide coverage for:
 - a. Damage to property resulting from power surges;
 - b. Accidental damage to property resulting from handling; ~~and~~
 - c. Payment of indemnity for incidental damages, such as food spoilage, towing, and rental and emergency road service;
 - d. The repair or replacement of tires and wheels on a motor vehicle damaged as a result of coming into contact with a road hazard;
 - e. The removal of dents, dings, or creases on a motor vehicle which can be repaired using the process of paintless dent removal without affecting the existing paint finish and without sanding, bonding, painting, or replacing a vehicle body panel;

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- f. The repair of small motor vehicle windshield chips or cracks which may include replacement of the windshield for chips or cracks that cannot be repaired;
 - g. The replacement of a motor vehicle key or key fob if the key or key fob becomes inoperable, lost, or stolen; or
 - h. In conjunction with a motor vehicle leased for use, the repair, replacement, or maintenance of property; or indemnification for repair, replacement, or maintenance; due to excess wear and use or damage to items, including tires, paint cracks or chips, missing interior or exterior parts; or excess mileage resulting in a lease-end charge; or any other charge for damage deemed excess wear and use by a lessor under a motor vehicle lease, provided the payment may not exceed the purchase price of the vehicle.
3. Under a vehicle theft protection program warranty, incidental costs may be reimbursed in either a fixed amount specified in the warranty or by use of a formula itemizing specific incidental costs incurred by the warranty holder. Payments may not duplicate any benefits or expenses paid to the warranty holder by an insurer providing comprehensive coverage under a motor vehicle insurance policy covering the stolen motor vehicle. However, the payment of incidental costs at a pre-established, flat amount of seven thousand five hundred dollars or less does not duplicate any benefits or expenses payable under the comprehensive motor vehicle insurance policy.
4. For the purpose of this section, unless the context otherwise requires:
 - a. "Incidental costs" means expenses specified in a vehicle theft protection program warranty and incurred by the warranty holder due to the failure of a vehicle theft protection program to perform as provided in the contract.
 - b. "Vehicle theft protection product" means a device or system installed on or applied to a motor vehicle, which is designed to prevent loss or damage to a motor vehicle from theft, and includes a vehicle theft protection program warranty.
 - c. "Vehicle theft protection product warranty" means a written agreement by a warrantor which provides, if the vehicle theft protection product fails to prevent loss or damage to a motor vehicle from theft, the warrantor will pay to or on behalf of the warranty holder specified incidental costs resulting from the failure or the vehicle theft protection product to perform pursuant to the terms of the vehicle theft protection product warranty.
 - d. "Road hazard" means a hazard encountered while driving a motor vehicle which includes potholes, rocks, wood debris, metal parts, glass, plastic, curbs, or composite scraps.

Approved April 1, 2021

Filed April 1, 2021

CHAPTER 84

SENATE BILL NO. 2047

(Industry, Business and Labor Committee)
(At the request of the Commission on Uniform State Laws)

AN ACT to amend and reenact section 9-15.2-13 of the North Dakota Century Code, relating to conduct prohibited under the Revised Uniform Athlete Agents Act; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 9-15.2-13 of the North Dakota Century Code is amended and reenacted as follows:

9-15.2-13. Prohibited conduct.

~~4. An athlete agent, with the intent to influence a student athlete or, if the athlete is a minor, a parent or guardian of the athlete to enter an agency contract, may not take any of the following actions or encourage any other individual to take or assist any other individual in taking any of the following actions on behalf of the agent intentionally:~~

- ~~a-1. Give a student-athlete or, if the athlete is a minor, give a parent or guardian of the athlete materially false or misleading information or make a materially false promise or representation with the intent to influence the athlete, parent, or guardian to enter an agency contract;~~
- ~~b-2. Furnish anything of value to the athlete before the athlete enters into the contract; or~~
 - ~~e. Furnish anything of value to an individual other than the athlete or another registered athlete agent.~~
2. An athlete agent may not intentionally do any of the following or encourage any other individual to do any of the following on behalf of the agent:
 - a. a student-athlete or another individual, if to do so may result in loss of the athlete's eligibility to participate in the athlete's sport, unless:
 - a. The agent notifies the athletic director of the educational institution at which the athlete is enrolled or at which the agent has reasonable grounds to believe the athlete intends to enroll, not later than seventy-two hours after giving the thing of value; and
 - b. The athlete or, if the athlete is a minor, the parent or guardian of the athlete acknowledges to the agent in a record that receipt of the thing of value may result in loss of the athlete's eligibility to participate in the athlete's sport;
3. Initiate contact, directly or indirectly, with a student-athlete or, if the athlete is a minor, a parent or guardian of the athlete, to recruit or solicit the athlete or,

- parent, or guardian to enter an agency contract unless registered under this chapter;
- ~~b-4.~~ Fail to create or, retain, or to permit inspection of the records required by section 9-15.2-12;
 - ~~e-5.~~ Fail to register when required by section 9-15.2-03;
 - ~~d-6.~~ Provide materially false or misleading information in an application for registration or renewal of registration;
 - ~~e-7.~~ Predate or postdate an agency contract; or
 - ~~f-8.~~ Fail to notify a student-athlete or, if the athlete is a minor, a parent or guardian of the athlete, before the athlete or, parent, or guardian signs an agency contract for a particular sport that the signing may ~~make the athlete ineligible~~ result in loss of the athlete's eligibility to participate as a student-athlete in that in the athlete's sport;
 9. Encourage another individual to do any of the acts described in subsections 1 through 8 on behalf of the agent; or
 10. Encourage another individual to assist any other individual in doing any of the acts described in subsections 1 through 8 on behalf of the agent.

Approved March 22, 2021

Filed March 23, 2021