

**FIRST ENGROSSMENT
with House Amendments**

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED 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**

9 **Exceptions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 collect an account receivable late payment charge under this section at a rate that
2 does not exceed one percent per month, not to exceed twenty-five dollars per
3 month.

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

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

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

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

14 **13-01-15. Late payment on accounts receivable - Periodic statement to be**
15 **furnished to debtor.**

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

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

22 4- a. The percentage amount of the late payment charge which will be charged
23 beginning thirty days after the obligation is incurred for purposes of section
24 13-01-14, or beginning after the billed medical services become delinquent for
25 purposes of section 2 of this Act.

26 2- b. The unpaid balance at the end of the period.

27 3- c. An identification of any amount debited to the debtor's account during the
28 period.

29 4- d. The payments made by or for the debtor to the creditor during the period.

30 5- e. The amount of the late payment charge.

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

Sixtieth
Legislative Assembly

- 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.