

**Testimony in Support of
HOUSE BILL NO. 1228
Senate Industry and Business Committee**

- March 14, 2023 -

Chairman Larsen, Senate Industry and Business Committee members, for the record my name is Todd D. Kranda. I am an attorney with the Mandan law firm of Kelsch Ruff Kranda Nagle & Ludwig. I appear before you today as a lobbyist on behalf of Verizon Wireless to express support for HB 1228 with a proposed amendment.

HB 1228 seeks to amend North Dakota law, namely Chapter 51-37 of the North Dakota Century Code regarding customer contract clauses and automatic renewals, and specifically to clarify the scope of the auto-renewal statutes to include the term "services" within the definitions. Verizon believes that this clarification with the addition of the term services, while well-intended, may be broader in scope and meaning than anticipated in that it may inadvertently capture an already excluded entity, specifically public utilities as defined in state law and regulated by the federal communications commission.

Section 51-37-03 of the North Dakota Century Code currently provides for the exclusion of "public utilities regulated under title 49 or the federal communications commission, or services provided by the public utilities".

The reason HB 1228 may infringe on the exceptions found in Section 51-37-03 of the North Dakota Century Code is due to the fact that Verizon operates approximately 325 affiliates nationally, some of which are nationally known entities currently doing business in North Dakota including MCI, and Tracfone.

By adding these three words: "and its affiliates" to the exceptions found in Section 51-37-03, namely subsection 2, to HB 1228, as shown in the Proposed Amendment attached, effectively closes the door on any unintended ambiguity that would arise if this distinction was not included in this bill. West Virginia and Kentucky inserted identical language in similar auto-renewal bills under consideration this year.

Please consider adding the Proposed Amendment as provided and then give HB 1228, as amended, a DO PASS recommendation. I am happy to try to answer any questions you may have.

**PROPOSED AMENDMENTS TO
HOUSE BILL NO. 1228**

Page 1, line 1, after the second comma insert "51-37-03,"

Page 3, after line 8, insert:

"SECTION 3. AMENDMENT. Section 51-37-03 of the North Dakota Century Code is amended and reenacted as follows:

51-37-03. Exceptions.

This chapter does not apply to:

1. The sale of insurance regulated under title 26.1;
2. The sale of public utilities regulated under title 49 or the federal communications commission, or services provided by the public utilities or their affiliates; or
3. A bank, bank holding company, credit union, or other financial institution or trust company regulated under title 6."

Renumber accordingly