

SENATE BILL NO. 238

INTRODUCED BY HIMSL, GREELY, DRAKE

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 74-608, R.C.M. 1947, TO ADD A NEW CLASS OF INDUSTRIAL EQUIPMENT UNDER THE RETAIL INSTALLMENT SALES ACT AND SETTING THE MAXIMUM FINANCE CHARGE FOR THE NEW CLASS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 74-608, R.C.M. 1947, is amended to read as follows:

"74-608. Finance charge limitation. (a) Notwithstanding the provisions of any other law, the finance charge included in a retail installment contract shall not exceed the following schedule:

(1) As to motor vehicles:

Class 1. Any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made--seven dollars (\$7) per one hundred dollars (\$100) per year.

Class 2. Any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of the same or not more than two (2) years prior to the year in which the sale is made--nine dollars (\$9) per one hundred dollars (\$100) per year.

Class 3. Any used motor vehicle not in class 2 and designated by the manufacturer by a year model more than two (2) years prior to the year in which the sale is made--eleven dollars (\$11) per one hundred dollars (\$100) per year.

(2) As to any industrial or construction equipment primarily designed for or used in construction, logging, or other industrial business, the price of which is over five thousand dollars (\$5,000)--nine dollars (\$9) per one hundred dollars (\$100) per year. This subsection shall not apply to agricultural equipment.

~~(2)~~ (3) As to services and goods other than motor vehicles as provided under subsections (1) and (2) above:

(i) On so much of the principal balance as does not exceed three hundred dollars (\$300), eleven dollars (\$11), per one hundred dollars (\$100) per year; (ii) if the principal balance exceeds three hundred dollars (\$300), but is less than one thousand dollars (\$1,000), nine dollars (\$9) per one hundred dollars (\$100) per year on that portion over three hundred dollars (\$300); (iii) if the principal balance exceeds one thousand dollars (\$1,000), seven dollars (\$7) per one hundred dollars (\$100) per year on that portion over one thousand dollars (\$1,000).

(b) Such finance charge shall be computed on the principal balance as determined under section 74-607 (f) on

1 contracts payable in successive monthly payments  
 2 substantially equal in amount from the date of the contract  
 3 until the maturity of the final installment, notwithstanding  
 4 that the total time balance thereof is required to be paid  
 5 in installments. A minimum finance charge of twenty dollars  
 6 (\$20) may be charged on any retail installment contract.

7 (c) When a retail installment contract provides for  
 8 payment, other than in equal successive monthly  
 9 installments, the finance charge may be a rate which will  
 10 provide the same yield as is permitted on monthly payment  
 11 contracts under subsections (a) and (b) hereof, having due  
 12 regard for the schedule of payments in the contract.

13 (d) Notwithstanding the provisions of any other law, a  
 14 retail charge account agreement may provide for, and the  
 15 seller or holder may charge, collect and receive a finance  
 16 charge, as specified herein, for the privilege of paying in  
 17 installments thereunder. The finance charge may be computed  
 18 from month to month (which need not be a calendar month) or  
 19 other regular billing cycle period by applying a rate not to  
 20 exceed one and one-half per cent (1 1/2%) for each such  
 21 monthly period to an amount (not including any unpaid  
 22 finance charge) not in excess of the greatest of:

23 (i) the average daily balance in the account in the  
 24 billing cycle period; or

25 (ii) the median amount within a ten dollar (\$10) range

1 within which such average daily balance or beginning balance  
 2 falls, provided the seller applies the same rate of finance  
 3 charge to all such balances within such range.

4 (e) If the finance charge so determined pursuant to (d)  
 5 above, for such monthly period is less than fifty cents  
 6 (50¢), a maximum finance charge not in excess of fifty cents  
 7 (50¢) may be charged, received and collected for such  
 8 period."

-End-

Approved by Committee  
on Business and Industry

SENATE BILL NO. 238

INTRODUCED BY HIMSL, GREELEY, DRAKE

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION 74-603, R.C.M. 1947, TO ADD A NEW CLASS OF INDUSTRIAL EQUIPMENT UNDER THE RETAIL INSTALLMENT SALES ACT AND SETTING THE MAXIMUM FINANCE CHARGE FOR THE NEW CLASS."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 74-603, R.C.M. 1947, is amended to read as follows:

"74-603. Finance charge limitation. (a) Notwithstanding the provisions of any other law, the finance charge included in a retail installment contract shall not exceed the following schedule:

(1) As to motor vehicles:

Class 1. Any new motor vehicle designated by the manufacturer by a year model not earlier than the year in which the sale is made--seven dollars (\$7) per one hundred dollars (\$100) per year.

Class 2. Any new motor vehicle not in class 1 and any used motor vehicle designated by the manufacturer by a year model of the same or not more than two (2) years prior to the year in which the sale is made--nine dollars (\$9) per one hundred dollars (\$100) per year.

Class 3. Any used motor vehicle not in class 2 and designated by the manufacturer by a year model more than two (2) years prior to the year in which the sale is made--eleven dollars (\$11) per one hundred dollars (\$100) per year.

(2) As to any industrial or construction equipment primarily designed for or used in construction, logging, MINING, or other industrial business, the price of which is over five thousand dollars (\$5,000)--nine dollars (\$9) per one hundred dollars (\$100) per year. This subsection shall not apply to agricultural equipment.

~~(2)~~ (3) As to services and goods other than motor vehicles as provided under subsections (1) and (2) above:  
(i) On so much of the principal balance as does not exceed three hundred dollars (\$300), eleven dollars (\$11), per one hundred dollars (\$100) per year; (ii) if the principal balance exceeds three hundred dollars (\$300), but is less than one thousand dollars (\$1,000), nine dollars (\$9) per one hundred dollars (\$100) per year on that portion over three hundred dollars (\$300); (iii) if the principal balance exceeds one thousand dollars (\$1,000), seven dollars (\$7) per one hundred dollars (\$100) per year on that portion over one thousand dollars (\$1,000).

(b) Such finance charge shall be computed on the principal balance as determined under section 74-607 (f) on

SECOND READING

1 contracts payable in successive monthly payments  
 2 substantially equal in amount from the date of the contract  
 3 until the maturity of the final installment, notwithstanding  
 4 that the total time balance thereof is required to be paid  
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13 (d) Notwithstanding the provisions of any other law, a  
 14 retail charge account agreement may provide for, and the  
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 19 other regular billing cycle period by applying a rate not to  
 20 exceed one and one-half per cent (1 1/2%) for each such  
 21 monthly period to an amount (not including any unpaid  
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25 (ii) the median amount within a ten dollar (\$10) range

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 3 charge to all such balances within such range.

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 22 finance charge) not in excess of the greatest of:

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21 Class 2. Any new motor vehicle not in class 1 and any  
22 used motor vehicle designated by the manufacturer by a year  
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1 Class 3. Any used motor vehicle not in class 2 and  
2 designated by the manufacturer by a year model more than two  
3 (2) years prior to the year in which the sale is  
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7 primarily designed for or used in construction, logging,  
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14 (i) On so much of the principal balance as does not exceed  
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