HOUSE BILL NO. 625

INTRODUCED BY FABREGA, GOODOVER, MOORE, ROBBINS

IN THE HOUSE

February 3, 1981	Introduced and referred to Committee on Business and Industry.
February 20, 1981	Committee recommend bill do pass as amended. Report adopted.
February 21, 1981	Bill printed and placed on members' desks.
	Second reading, do pass.
February 23, 1981	Correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 89; Noes, 9. Transmitted to Senate.

IN THE SENATE

March 2, 1981	Introduced and referred to Committee on Business and Industry.
March 16, 1981	Committee recommend bill be concurred in. Report adopted.
March 18, 1981	Motion pass consideration.
March 19, 1981	Second reading, concurred in.
March 23, 1981	Third reading, concurred in. Ayes, 43; Noes, 6.

IN THE HOUSE

March 2	24,	1981	Returned from Senate. Con- curred in. Sent to enrolling.
			Reported correctly enrolled.

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A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW CREDITORS TO CHARGE A LATE PAYMENT CHARGE OF 1 1/2 PERCENT ON ACCOUNTS RECEIVABLE FOR MERCHANDISE SOLD AT RETAIL, STARTING 30 DAYS AFTER THE OBLIGATION IS INCURRED; AND TO REQUIRE CREDITORS TO SUPPLY DEBTORS WITH A PERIODIC STATEMENT OF SUCH ACCOUNTS."

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

Section 1. Late payment charges permitted on accounts receivable for merchandise sold at retail. (1) Notwithstanding 31-1-106 or 31-1-107, a person who sells goods, as defined in 31-1-202, at retail to a retail buyer who premises to pay for such goods upon presentation of the bill therefor, may charge and collect a late payment charge not greater than 1 1/2% per month on all money due on all accounts from 30 days after the date on which the obligation of the buyer to pay is incurred.

(2) The late payment charge provided in this section may be charged only if at the time the obligation was incurred the seller did not intend to extend any credit beyond 30 days and any late payment of the obligation was unintended.

(3) The provisions of this section do not apply to money due for intangible services, for services regulated by the public service commission, for real property, for health care services, or for retail installment sales contracts or retail charge account agreements regulated under Title 31, chapter 1, part 2.

Section 2. Periodic statement to be furnished to debtor. (1) A seller may charge the late payment charge provided for in [section 1] only if he promptly supplies the buyer with a statement as of the end of each monthly period, or other regular period agreed upon by the seller and the buyer, in which there is any unpaid balance. Such statement shall recite the following:

- (a) the percentage amount of the late payment charge that will be charged beginning 30 days after the obligation is incurred;
- (b) the unpaid balance at the beginning or end of theperiod;
- 19 (c) an identification of any amounts debited to the
 20 buyer's account during the period;
- 21 (d) the payments made by the buyer to the seller 22 during the period;
- 23 (e) the amount of the late payment charge and also the
 24 percentage annual simple interest equivalent of such amount;
 25 and INTRODUCED BILL

1 (f) a legend to the effect that the buyer may at any 2 time pay the total unpaid balance.

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- (2) The items need not be stated in the sequence or order set forth in subsection (1). Additional items may be included to explain the computations made in determining the amount to be paid by the buyer.
- Section 3. Limitation on applicability. The late payment charge allowed in section 1 may be allowed to a seller only on obligations incurred after July 1, 1981.
- Section 4. Codification instruction. Sections 1 and 2

 are intended to be codified as an integral part of Title 31,

 chapter 1, and the provisions of Title 31, chapter 1, apply

 to sections 1 and 2.

-End-

47th Legislature

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unintended.

HB 0625/02

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Approved by Committee on Business and Industry

1	HOUSE BILL NO. 625
2	INTRODUCED BY FABREGA. GOODDVER. MODRE, ROBBINS
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4	A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW CREDITORS TO
5	CHARGE A LATE PAYMENT CHARGE OF 1 1/2 PERCENT ON ACCOUNTS
6	RECEIVABLE FOR MERCHANDISE SOLD AT RETAIL, STARTING 30 DAYS
7	AFTER THE OBLIGATION IS INCURRED; AND TO REQUIRE CREDITORS
8	TO SUPPLY DEBTORS WITH A PERIODIC STATEMENT OF SUCH
9	ACCOUNTS; AND PROVIDE FOR AN IMMEDIATE EFFECTIVE DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Late payment charges permitted on accounts
13	receivable for merchandise sold at retail. (1)
14	Notwithstanding 31-1-106 or 31-1-107, a person who sells
15	goods, as defined in 31-1-202, at retail to a retail buyer
16	who promises to pay for such goods upon presentation of the
17	bill therefor, may charge and collect a late payment charge
18	not greater than 1 1/2% per month on all money due on all
19	accounts from 30 days after the date on which the obligation
20	of the buyer to pay is incurred.
21	(2) The late payment charge provided in this section
22	may be charged only if at the time the obligation was

incurred the seller did not intend to extend any credit

beyond 30 days and any late payment of the obligation was

ı	(3) The provisions of this section do not apply to
2	money due for intangible services, for services regulated by
3	the public service commission, for real property, for health
4	care services, or for retail installment sales contracts or
5	retail charge account agreements regulated under Title 31,
6	chapter 1, part 2.

- 7 Section 2. Periodic statement to be furnished to debtor. (i) A seller may charge the late payment charge provided for in [section 1] only if he promptly supplies the buyer with a statement as of the end of each monthly period. 11 or other regular period agreed upon by the seller and the buyer, in which there is any unpaid balance. Such statement shall recite the following:
- 14 (a) the percentage amount of the late payment charge 15 that will be charged beginning 30 days after the obligation 16 is incurred;
- 17 (b) the unpaid balance at the beginning or end of the 18 period;
- 19 (c) an identification of any amounts debited to the buyer's account during the period; 20
- 21 (d) the payments made by the buyer to the seller 22 during the period;
- 23 (e) the amount of the late payment charge and also the 24 percentage annual simple interest equivalent of such amount; 25 and

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HB 0625/02

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time	pay	the	total	ung	aid	balance	₽•					

- (2) The items need not be stated in the sequence or order set forth in subsection (1). Additional items may be included to explain the computations made in determining the amount to be paid by the buyer.
- 7 Section 3. Limitation on applicability. The late 8 payment charge allowed in section 1 may be allowed to a 9 seller only on obligations incurred after July 1. 1981.
- Section 4. Codification instruction. Sections 1 and 2

 11 are intended to be codified as an integral part of Title 31.

 12 chapter 1. and the provisions of Title 31. chapter 1. apply

 13 to sections 1 and 2.
- 14 SECTION 5. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON

15 PASSAGE AND APPROVAL.

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-End-

HB 625

47th Legislature

HB 0625/02

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HB 0625/02

1	HOUSE BILL NO. 625									
2	INTRODUCED	BY	FABREGA.	GOODOVER.	MOORE,	ROBBINS				
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5 CHARGE A LATE PAYMENT CHARGE OF 1 1/2 PERCENT ON ACCOUNTS
6 RECEIVABLE FOR MERCHANDISE SOLD AT RETAIL, STARTING 30 DAYS
7 AFTER THE OBLIGATION IS INCURRED; AND TO REQUIRE CREDITORS
8 TO SUPPLY DEBTORS WITH A PERIODIC STATEMENT OF SUCH
9 ACCOUNTS; AND PROVIDE FOR AN IMMEDIATE EFFECTIVE DATE."

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(2) The late payment charge provided in this section may be charged only if at the time the obligation was incurred the seller did not intend to extend any credit beyond 30 days and any late payment of the obligation was unintended.

(3) The provisions of this section do not apply to
money due for intangible services, for services regulated by
the public service commission, for real property, for health
care services, or for retail installment sales contracts or
retail charge account agreements regulated under Title 31,
chapter 1, part 2.

- Section 2. Periodic statement to be furnished to

 8 debtor. (1) A seller may charge the late payment charge

 9 provided for in [section 1] only if he promptly supplies the

 10 buyer with a statement as of the end of each monthly period.

 11 or other regular period agreed upon by the seller and the

 12 buyer, in which there is any unpaid balance. Such statement

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HB 625

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- Section 3. Limitation on applicability. The late payment charge allowed in section 1 may be allowed to a seller only on obligations incurred after July 1, 1981.
- Section 4. Codification instruction. Sections 1 and 2 are intended to be codified as an integral part of Title 31. chapter 1. and the provisions of Title 31. chapter 1. apply to sections 1 and 2.
- 14 SECTION 5. EFFECTIVE DATE. THIS ACT IS EFFECTIVE ON
 15 PASSAGE AND APPROVAL.

-End-

1	HOUSE	BILL	NO.	625

INTRODUCED BY FABREGA, GODDOVER, MOORE, ROBBINS

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-End-