

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 24, 1981	Returned from Senate. Concurred in. Sent to enrolling. Reported correctly enrolled.
----------------	--

1 HOUSE BILL NO. 625  
 2 INTRODUCED BY *T. George Gordon*

3  
 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."

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  
 23 incurred the seller did not intend to extend any credit  
 24 beyond 30 days and any late payment of the obligation was  
 25 unintended.

1 (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  
 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  
 13 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
- 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

-2- HB 625

LC 2142/01

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

3 (2) The items need not be stated in the sequence or  
4 order set forth in subsection (1). Additional items may be  
5 included to explain the computations made in determining the  
6 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.

10 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.

-End-

Approved by Committee  
on Business and Industry

1 HOUSE BILL NO. 625  
 2 INTRODUCED BY FABREGA, GOODOVER, MOORE, ROBBINS  
 3  
 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  
 23 incurred the seller did not intend to extend any credit  
 24 beyond 30 days and any late payment of the obligation was  
 25 unintended.

1 (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  
 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  
 13 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  
 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

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

3 (2) The items need not be stated in the sequence or  
4 order set forth in subsection (1). Additional items may be  
5 included to explain the computations made in determining the  
6 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.

10 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.

-End-

## 1 HOUSE BILL NO. 625

2 INTRODUCED BY FABREGA, GOODOVER, MOORE, ROBBINS

3  
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  
23 incurred the seller did not intend to extend any credit  
24 beyond 30 days and any late payment of the obligation was  
25 unintended.

1 (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  
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  
13 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  
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

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

3 (2) The items need not be stated in the sequence or  
4 order set forth in subsection (1). Additional items may be  
5 included to explain the computations made in determining the  
6 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.

10 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.

-End-

## 1 HOUSE BILL NO. 625

2 INTRODUCED BY FABREGA, GOODOVER, MOORE, ROBBINS

3  
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  
23 incurred the seller did not intend to extend any credit  
24 beyond 30 days and any late payment of the obligation was  
25 unintended.

1 (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  
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  
13 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  
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



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

3 (2) The items need not be stated in the sequence or  
4 order set forth in subsection (1). Additional items may be  
5 included to explain the computations made in determining the  
6 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.

10 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.

-End-