

HOUSE BILL NO. 63
INTRODUCED BY FABREGA

IN THE HOUSE

January 3, 1983	Introduced and referred to Committee on Business and Industry.
January 13, 1983	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
January 14, 1983	Second reading, do pass.
January 15, 1983	Considered correctly engrossed.
January 17, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 18, 1983	Introduced and referred to Committee on Business and Industry.
January 29, 1983	Committee recommend bill be concurred in. Report adopted.
February 1, 1983	Second reading, concurred in as amended.
February 3, 1983	Third reading, concurred in. Ayes, 47; Noes, 3.

IN THE HOUSE

February 3, 1983

Returned to House with
amendments.

February 7, 1983

Second reading, amendments
concurred in.

February 8, 1983

Third reading, amendments
concurred in. Sent to
enrolling.

Reported correctly enrolled.

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE PROVISION
5 MAKING THE ELIMINATION OF USURY LIMITS UNDER THE MONTANA
6 RETAIL INSTALLMENT SALES ACT TEMPORARY; PROVIDING
7 ALTERNATIVE METHODS FOR COMPUTING THE FINANCE CHARGE;
8 PROVIDING FOR A MINIMUM FINANCE CHARGE; AMENDING SECTION 5,
9 CHAPTER 276, LAWS OF 1981, AND SECTION 31-1-241, MCA;
10 REPEALING SECTION 2, CHAPTER 276, LAWS OF 1981; AND
11 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 5, Chapter 276, Laws of 1981, is
15 amended to read:

16 "Section 5. Effective date ~~---termination---~~ ~~(1)~~ This
17 act ~~---except---as---provided---in-subsection-2,~~ is effective on
18 passage and approval ~~and terminates on July 1, 1983.~~

19 ~~(2)---Section-2-is-effective-July-1-1983.~~

20 NEW SECTION. Section 2. Repealer. Section 2, Chapter
21 276, Laws of 1981, is repealed.

22 Section 3. Section 31-1-241, MCA, is amended to read:

23 "31-1-241. Finance charge limitation. (1)
24 Notwithstanding the provisions of any other law, the finance
25 charge included in a retail installment contract shall be at

1 a rate agreed upon by the retail seller and the buyer.

2 (2) Notwithstanding the provisions of any other law,
3 the finance charge included in a retail charge account
4 agreement shall be at a rate agreed upon by the retail
5 seller and the buyer. The finance charge shall be computed
6 from month to month (which need not be a calendar month) or
7 other regular billing cycle period by using:

8 (a) the ending balance of the account as of the last
9 day of the billing cycle less the amount of purchases
10 charged to the account during that billing cycle;

11 (b) the average daily balance in the account in the
12 billing cycle period; or

13 (c) the median amount, within a \$10 range, within
14 which the average daily balance or beginning balance falls,
15 provided the seller applies the same rate of finance charge
16 to all balances within the range.

17 ~~(a)~~ (3) A seller may change the terms of a revolving
18 charge account whether or not the change is authorized by
19 prior agreement. The seller shall give the buyer written
20 notice of any change in the two billing cycles prior to the
21 effective date of the change.

22 ~~(b)~~ (4) If the retail seller increases his finance
23 charge on a retail charge account agreement, then such
24 increased rate may only be applied to the balance consisting
25 of purchases on other charges incurred on or after the

-2- INTRODUCED BILL

HB 63

1 effective date of the increase.

2 ~~(e)(5)~~ For purposes of determining the balance to
3 which the increased rate applies, all payments may be
4 considered to be applied to the balance existing prior to
5 the change in rate until that balance is paid in full.

6 ~~(6) If the finance charge determined pursuant to~~
7 ~~subsection (2) for a monthly period is less than 50 cents, a~~
8 ~~maximum finance charge not in excess of 50 cents may be~~
9 ~~charged and collected for such period."~~

10 ~~NEW SECTION.~~ Section 4. Effective date. This act is
11 effective on passage and approval.

-End-

Approved by Committee
on Business and Industry

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14 Section 1. Section 5, Chapter 276, Laws of 1981, is
15 amended to read:
16 "Section 5. Effective date ~~--- termination. (1)~~ This
17 act ~~--- except as provided in subsection 2v~~ is effective on
18 passage and approval ~~and terminates on July 1, 1983.~~
19 ~~(2) Section 2 is effective July 1, 1983."~~
20 NEW SECTION. Section 2. Repealer. Section 2, Chapter
21 276, Laws of 1981, is repealed.
22 Section 3. Section 31-1-241, MCA, is amended to read:
23 "31-1-241. Finance charge limitation. (1)
24 Notwithstanding the provisions of any other law, the finance
25 charge included in a retail installment contract shall be at

1 a rate agreed upon by the retail seller and the buyer.
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6 from month to month (which need not be a calendar month) or
7 other regular billing cycle period by using:
8 (a) the ending balance of the account as of the last
9 day of the billing cycle less the amount of purchases
10 charged to the account during that billing cycle;
11 (b) the average daily balance in the account in the
12 billing cycle period; or
13 (c) the median amount, within a \$10 range, within
14 which the average daily balance or beginning balance falls,
15 provided the seller applies the same rate of finance charge
16 to all balances within the range.
17 ~~tey(2)~~ A seller may change the terms of a revolving
18 charge account whether or not the change is authorized by
19 prior agreement. The seller shall give the buyer written
20 notice of any change in the two billing cycles prior to the
21 effective date of the change.
22 ~~(b)(4)~~ If the retail seller increases his finance
23 charge on a retail charge account agreement, then such
24 increased rate may only be applied to the balance consisting
25 of purchases on other charges incurred on or after the

1 effective date of the increase.

2 ~~(e)(5)~~ For purposes of determining the balance to

3 which the increased rate applies, all payments may be

4 considered to be applied to the balance existing prior to

5 the change in rate until that balance is paid in full.

6 ~~(6) If the finance charge determined pursuant to~~

7 ~~subsection (2) for a monthly period is less than 30 cents a~~

8 ~~maximum finance charge not in excess of 30 cents may be~~

9 ~~charged and collected for such period."~~

10 NEW SECTION. Section 4. Effective date. This act is

11 effective on passage and approval.

-End-

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 9 day of the billing cycle less the amount of purchases
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 13 (c) ~~the median amount, within a \$10 range, within~~
 14 ~~which the average daily balance or beginning balance falls,~~
 15 ~~provided the seller applies the same rate of finance charge~~
 16 ~~to all balances within the range.~~
 17 ~~(b)(3)~~ (3) A seller may change the terms of a revolving
 18 charge account whether or not the change is authorized by
 19 prior agreement. The seller shall give the buyer written
 20 notice of any change in the two billing cycles prior to the
 21 effective date of the change.
 22 ~~(b)(4)~~ (4) If the retail seller increases his finance
 23 charge on a retail charge account agreement, then such
 24 increased rate may only be applied to the balance consisting
 25 of purchases on other charges incurred on or after the

THIRD READING

1: effective date of the increase.

2 ~~(e)(5)~~ For purposes of determining the balance to
3 which the increased rate applies, all payments may be
4 considered to be applied to the balance existing prior to
5 the change in rate until that balance is paid in full.

6 ~~(6) If the finance charge determined pursuant to~~
7 ~~subsection (2) for a monthly period is less than 50 cents, a~~
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9 ~~charged and collected for such period."~~

10 NEW SECTION. Section 4. Effective date. This act is
11 effective on passage and approval.

-End-

SENATE COMMITTEE OF THE WHOLE

Senate Amendments to House Bill No. 63, second reading copy,
as follows:

1. Page 2, line 7.

Following: "using"

Strike: ":",

2. Page 2, line 8.

Strike: "(a)"

3. Page 2, line 10.

Following: "cycle"

Strike: ":",

Insert: ":",

4. Page 2, line 11.

Strike: subsections (b) and (c) in their entirety.

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~~(a) the ending balance of the account as of the last day of the billing cycle less the amount of purchases charged to the account during that billing cycle;~~

~~(b) the average daily balance in the account in the billing cycle period;~~

~~(c) the median amount within a range within which the average daily balance or beginning balance falls, provided the seller applies the same rate of finance charge to all balances within the range;~~

~~(d) (1) A seller may change the terms of a revolving charge account whether or not the change is authorized by prior agreement. The seller shall give the buyer written notice of any change in the two billing cycles prior to the effective date of the change.~~

~~(b) (1) If the retail seller increases his finance charge on a retail charge account agreement, then such increased rate may only be applied to the balance consisting of purchases on other charges incurred on or after the~~

1 effective date of the increase.

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