

SENATE BILL NO. 139

INTRODUCED BY THAYER, CHRISTIAENS

IN THE SENATE

January 18, 1985	Introduced and referred to Committee on Business and Industry.
January 29, 1985	Committee recommend bill do pass. Report adopted.
January 30, 1985	Bill printed and placed on members' desks.
January 31, 1985	Second reading, do pass.
February 1, 1985	Considered correctly engrossed.
February 2, 1985	Third reading, passed. Ayes, 42; Noes, 1. Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
March 8, 1985	Committee recommend bill be concurred in. Report adopted.
March 9, 1985	Second reading, concurred in.
March 12, 1985	Third reading, concurred in. Returned to Senate.

IN THE SENATE

March 13, 1985	Received from House. Sent to enrolling. Reported correctly enrolled.
----------------	--

1
 2 *Senate BILL NO. 139*
 3 *INTRODUCED BY Senator [Signature]*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SELLER WHO
 5 IS SUBJECT TO FEDERAL DISCLOSURE REQUIREMENTS THE OPTION OF
 6 INCLUDING THE DISCLOSURE LANGUAGE OF SECTION 31-1-231, MCA,
 7 IN THE RETAIL INSTALLMENT CONTRACT; AMENDING SECTION
 8 31-1-231, MCA."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 31-1-231, MCA, is amended to read:
 12 "31-1-231. Requirements of retail installment
 13 contracts. (1) Each retail installment contract shall be in
 14 writing, signed by both the buyer and the seller, and
 15 completed as to all essential provisions prior to the
 16 signing of the contract by the buyer. However, if a retail
 17 installment transaction is a sale of goods other than a
 18 motor vehicle where no title, lien, or other security
 19 interest is retained or taken by the seller, then the retail
 20 installment contract need not be contained in a single
 21 document. In such case, if the contract is contained in more
 22 than one document, then one such document may be an original
 23 document executed by the retail buyer applicable to
 24 purchases of goods or services to be made by the retail
 25 buyer: from time to time, and in such case such document,

1 together with the sales slip, account book, or other written
 2 statement relating to each purchase, shall set forth all of
 3 the information required by this section and shall
 4 constitute the retail installment contract for each such
 5 purchase.

6 (2) The printed portion of the contract, other than
 7 instructions for completion, shall be in at least 8-point
 8 type. The contract shall contain the following notice in a
 9 size equal to at least 10-point bold type:

10 "1. Notice to the buyer. Do not sign this contract
 11 before you read it or if it contains any blank spaces.

12 2. You are entitled to an exact copy of the contract
 13 you sign.

14 3. Under the law, you have the right to pay off in
 15 advance the full amount due and to obtain a partial refund
 16 of the finance charge."

17 (3) If the contract covers the sale of a motor
 18 vehicle, it shall also contain, in a size equal to at least
 19 10-point bold type, a specific statement that liability
 20 insurance coverage for bodily injury and property damage
 21 caused to others is not included if that is the case.

22 (4) The contract shall contain the names of the seller
 23 and the buyer, the place of business of the seller, the
 24 residence or place of business of the buyer as specified by
 25 the buyer, and a description of the goods sold or services



1 furnished or to be furnished and shall clearly state and
2 describe any collateral security taken for the buyer's
3 obligation.

4 (5) The contract shall contain the following items:

5 (a) the cash sale price of the goods or services;

6 (b) the amount of the buyer's down payment and whether
7 made in money or goods or partly in money and partly in
8 goods, including a brief description of the goods traded in;

9 (c) the difference between items (a) and (b);

10 (d) the amount, if any, included for insurance and
11 other benefits if a separate charge is made therefor,
12 specifying the types of coverage and benefits;

13 (e) the amount of official fees;

14 (f) the principal balance which is the sum of items
15 (c), (d), and (e);

16 (g) the amount of the finance charge;

17 (h) the total amount of the time balance, stated as
18 one sum in dollars and cents, which is the sum of items (f)
19 and (g), payable in installments by the buyer to the seller;

20 (i) the number of installments;

21 (j) the amount of each installment; and

22 (k) the due date or period of installments.

23 (6) The items in (5) need not be stated in the
24 sequence or order set forth and additional items may be
25 included to explain the computations made in determining the

1 amount to be paid by the buyer.

2 (7) No retail installment contract may be signed by
3 any party thereto when it contains blank spaces to be filled
4 in after it has been signed, except that if delivery of the
5 goods is not made at the time of the execution of the
6 contract, the identifying numbers or marks of the goods or
7 similar information and the due date of the first
8 installment may be inserted in the contract after its
9 execution. The buyer's written acknowledgment, conforming to
10 the requirements of 31-1-232, of delivery of a copy of a
11 contract shall, in any action or proceeding by or against a
12 holder of the contract without knowledge to the contrary
13 when he purchases the contract, be conclusive proof:

14 (a) of such delivery;

15 (b) that the contract when signed did not contain any
16 blank spaces except as herein provided; and

17 (c) of compliance with 31-1-231 through 31-1-236.

18 (8) If a retail installment transaction is subject to
19 the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the
20 seller may, instead of complying with the requirements of
21 subsections (2) through (7), comply with all such
22 requirements of the federal law. A seller who complies with
23 the federal requirements is subject only to the provisions
24 of subsection (1) of this section."

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

1 INTRODUCTION BY *Senate Bill* BILL NO. 139
2 *Senator K. Kelly*
3 *Montana*

4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SELLER WHO
5 IS SUBJECT TO FEDERAL DISCLOSURE REQUIREMENTS THE OPTION OF
6 INCLUDING THE DISCLOSURE LANGUAGE OF SECTION 31-1-231, MCA,
7 IN THE RETAIL INSTALLMENT CONTRACT; AMENDING SECTION
8 31-1-231, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 31-1-231, MCA, is amended to read:

12 "31-1-231. Requirements of retail installment
13 contracts. (1) Each retail installment contract shall be in
14 writing, signed by both the buyer and the seller, and
15 completed as to all essential provisions prior to the
16 signing of the contract by the buyer. However, if a retail
17 installment transaction is a sale of goods other than a
18 motor vehicle where no title, lien, or other security
19 interest is retained or taken by the seller, then the retail
20 installment contract need not be contained in a single
21 document. In such case, if the contract is contained in more
22 than one document, then one such document may be an original
23 document executed by the retail buyer applicable to
24 purchases of goods or services to be made by the retail
25 buyer: from time to time, and in such case such document,

1 together with the sales slip, account book, or other written
2 statement relating to each purchase, shall set forth all of
3 the information required by this section and shall
4 constitute the retail installment contract for each such
5 purchase.

6 (2) The printed portion of the contract, other than
7 instructions for completion, shall be in at least 8-point
8 type. The contract shall contain the following notice in a
9 size equal to at least 10-point bold type:

10 "1. Notice to the buyer. Do not sign this contract
11 before you read it or if it contains any blank spaces.

12 2. You are entitled to an exact copy of the contract
13 you sign.

14 3. Under the law, you have the right to pay off in
15 advance the full amount due and to obtain a partial refund
16 of the finance charge."

17 (3) If the contract covers the sale of a motor
18 vehicle, it shall also contain, in a size equal to at least
19 10-point bold type, a specific statement that liability
20 insurance coverage for bodily injury and property damage
21 caused to others is not included if that is the case.

22 (4) The contract shall contain the names of the seller
23 and the buyer, the place of business of the seller, the
24 residence or place of business of the buyer as specified by
25 the buyer, and a description of the goods sold or services



1 furnished or to be furnished and shall clearly state and
2 describe any collateral security taken for the buyer's
3 obligation.

- 4 (5) The contract shall contain the following items:
- 5 (a) the cash sale price of the goods or services;
- 6 (b) the amount of the buyer's down payment and whether
7 made in money or goods or partly in money and partly in
8 goods, including a brief description of the goods traded in;
- 9 (c) the difference between items (a) and (b);
- 10 (d) the amount, if any, included for insurance and
11 other benefits if a separate charge is made therefor,
12 specifying the types of coverage and benefits;
- 13 (e) the amount of official fees;
- 14 (f) the principal balance which is the sum of items
15 (c), (d), and (e);
- 16 (g) the amount of the finance charge;
- 17 (h) the total amount of the time balance, stated as
18 one sum in dollars and cents, which is the sum of items (f)
19 and (g), payable in installments by the buyer to the seller;
- 20 (i) the number of installments;
- 21 (j) the amount of each installment; and
- 22 (k) the due date or period of installments.
- 23 (6) The items in (5) need not be stated in the
24 sequence or order set forth and additional items may be
25 included to explain the computations made in determining the

1 amount to be paid by the buyer.

2 (7) No retail installment contract may be signed by
3 any party thereto when it contains blank spaces to be filled
4 in after it has been signed, except that if delivery of the
5 goods is not made at the time of the execution of the
6 contract, the identifying numbers or marks of the goods or
7 similar information and the due date of the first
8 installment may be inserted in the contract after its
9 execution. The buyer's written acknowledgment, conforming to
10 the requirements of 31-1-232, of delivery of a copy of a
11 contract shall, in any action or proceeding by or against a
12 holder of the contract without knowledge to the contrary
13 when he purchases the contract, be conclusive proof:

- 14 (a) of such delivery;
- 15 (b) that the contract when signed did not contain any
16 blank spaces except as herein provided; and
- 17 (c) of compliance with 31-1-231 through 31-1-236.

18 (8) If a retail installment transaction is subject to
19 the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the
20 seller may, instead of complying with the requirements of
21 subsections (2) through (7), comply with all such
22 requirements of the federal law. A seller who complies with
23 the federal requirements is subject only to the provisions
24 of subsection (1) of this section."

-End-

1
 2 INTRODUCTION BY *Senate* BILL NO. 139
 3 *Senator [Signature]*

4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SELLER WHO
 5 IS SUBJECT TO FEDERAL DISCLOSURE REQUIREMENTS THE OPTION OF
 6 INCLUDING THE DISCLOSURE LANGUAGE OF SECTION 31-1-231, MCA,
 7 IN THE RETAIL INSTALLMENT CONTRACT; AMENDING SECTION
 8 31-1-231, MCA."
 9

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

11 Section 1. Section 31-1-231, MCA, is amended to read:
 12 "31-1-231. Requirements of retail installment
 13 contracts. (1) Each retail installment contract shall be in
 14 writing, signed by both the buyer and the seller, and
 15 completed as to all essential provisions prior to the
 16 signing of the contract by the buyer. However, if a retail
 17 installment transaction is a sale of goods other than a
 18 motor vehicle where no title, lien, or other security
 19 interest is retained or taken by the seller, then the retail
 20 installment contract need not be contained in a single
 21 document. In such case, if the contract is contained in more
 22 than one document, then one such document may be an original
 23 document executed by the retail buyer applicable to
 24 purchases of goods or services to be made by the retail
 25 buyer from time to time, and in such case such document,

1 together with the sales slip, account book, or other written
 2 statement relating to each purchase, shall set forth all of
 3 the information required by this section and shall
 4 constitute the retail installment contract for each such
 5 purchase.

6 (2) The printed portion of the contract, other than
 7 instructions for completion, shall be in at least 8-point
 8 type. The contract shall contain the following notice in a
 9 size equal to at least 10-point bold type:

10 "1. Notice to the buyer. Do not sign this contract
 11 before you read it or if it contains any blank spaces.

12 2. You are entitled to an exact copy of the contract
 13 you sign.

14 3. Under the law, you have the right to pay off in
 15 advance the full amount due and to obtain a partial refund
 16 of the finance charge."

17 (3) If the contract covers the sale of a motor
 18 vehicle, it shall also contain, in a size equal to at least
 19 10-point bold type, a specific statement that liability
 20 insurance coverage for bodily injury and property damage
 21 caused to others is not included if that is the case.

22 (4) The contract shall contain the names of the seller
 23 and the buyer, the place of business of the seller, the
 24 residence or place of business of the buyer as specified by
 25 the buyer, and a description of the goods sold or services

1 furnished or to be furnished and shall clearly state and
2 describe any collateral security taken for the buyer's
3 obligation.

- 4 (5) The contract shall contain the following items:
5 (a) the cash sale price of the goods or services;
6 (b) the amount of the buyer's down payment and whether
7 made in money or goods or partly in money and partly in
8 goods, including a brief description of the goods traded in;
9 (c) the difference between items (a) and (b);
10 (d) the amount, if any, included for insurance and
11 other benefits if a separate charge is made therefor,
12 specifying the types of coverage and benefits;
13 (e) the amount of official fees;
14 (f) the principal balance which is the sum of items
15 (c), (d), and (e);
16 (g) the amount of the finance charge;
17 (h) the total amount of the time balance, stated as
18 one sum in dollars and cents, which is the sum of items (f)
19 and (g), payable in installments by the buyer to the seller;
20 (i) the number of installments;
21 (j) the amount of each installment; and
22 (k) the due date or period of installments.
23 (6) The items in (5) need not be stated in the
24 sequence or order set forth and additional items may be
25 included to explain the computations made in determining the

1 amount to be paid by the buyer.

2 (7) No retail installment contract may be signed by
3 any party thereto when it contains blank spaces to be filled
4 in after it has been signed, except that if delivery of the
5 goods is not made at the time of the execution of the
6 contract, the identifying numbers or marks of the goods or
7 similar information and the due date of the first
8 installment may be inserted in the contract after its
9 execution. The buyer's written acknowledgment, conforming to
10 the requirements of 31-1-232, of delivery of a copy of a
11 contract shall, in any action or proceeding by or against a
12 holder of the contract without knowledge to the contrary
13 when he purchases the contract, be conclusive proof:

- 14 (a) of such delivery;
15 (b) that the contract when signed did not contain any
16 blank spaces except as herein provided; and
17 (c) of compliance with 31-1-231 through 31-1-236.

18 (8) If a retail installment transaction is subject to
19 the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the
20 seller may, instead of complying with the requirements of
21 subsections (2) through (7), comply with all such
22 requirements of the federal law. A seller who complies with
23 the federal requirements is subject only to the provisions
24 of subsection (1) of this section."

-End-

1 SENATE BILL NO. 139

2 INTRODUCED BY THAYER, CHRISTIAENS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING A SELLER WHO
5 IS SUBJECT TO FEDERAL DISCLOSURE REQUIREMENTS THE OPTION OF
6 INCLUDING THE DISCLOSURE LANGUAGE OF SECTION 31-1-231, MCA,
7 IN THE RETAIL INSTALLMENT CONTRACT; AMENDING SECTION
8 31-1-231, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 31-1-231, MCA, is amended to read:

12 "31-1-231. Requirements of retail installment
13 contracts. (1) Each retail installment contract shall be in
14 writing, signed by both the buyer and the seller, and
15 completed as to all essential provisions prior to the
16 signing of the contract by the buyer. However, if a retail
17 installment transaction is a sale of goods other than a
18 motor vehicle where no title, lien, or other security
19 interest is retained or taken by the seller, then the retail
20 installment contract need not be contained in a single
21 document. In such case, if the contract is contained in more
22 than one document, then one such document may be an original
23 document executed by the retail buyer applicable to
24 purchases of goods or services to be made by the retail
25 buyer from time to time, and in such case such document,

1 together with the sales slip, account book, or other written
2 statement relating to each purchase, shall set forth all of
3 the information required by this section and shall
4 constitute the retail installment contract for each such
5 purchase.

6 (2) The printed portion of the contract, other than
7 instructions for completion, shall be in at least 8-point
8 type. The contract shall contain the following notice in a
9 size equal to at least 10-point bold type:

10 "1. Notice to the buyer. Do not sign this contract
11 before you read it or if it contains any blank spaces.

12 2. You are entitled to an exact copy of the contract
13 you sign.

14 3. Under the law, you have the right to pay off in
15 advance the full amount due and to obtain a partial refund
16 of the finance charge."

17 (3) If the contract covers the sale of a motor
18 vehicle, it shall also contain, in a size equal to at least
19 10-point bold type, a specific statement that liability
20 insurance coverage for bodily injury and property damage
21 caused to others is not included if that is the case.

22 (4) The contract shall contain the names of the seller
23 and the buyer, the place of business of the seller, the
24 residence or place of business of the buyer as specified by
25 the buyer, and a description of the goods sold or services

1 furnished or to be furnished and shall clearly state and
2 describe any collateral security taken for the buyer's
3 obligation.

4 (5) The contract shall contain the following items:

5 (a) the cash sale price of the goods or services;

6 (b) the amount of the buyer's down payment and whether
7 made in money or goods or partly in money and partly in
8 goods, including a brief description of the goods traded in;

9 (c) the difference between items (a) and (b);

10 (d) the amount, if any, included for insurance and
11 other benefits if a separate charge is made therefor,
12 specifying the types of coverage and benefits;

13 (e) the amount of official fees;

14 (f) the principal balance which is the sum of items
15 (c), (d), and (e);

16 (g) the amount of the finance charge;

17 (h) the total amount of the time balance, stated as
18 one sum in dollars and cents, which is the sum of items (f)
19 and (g), payable in installments by the buyer to the seller;

20 (i) the number of installments;

21 (j) the amount of each installment; and

22 (k) the due date or period of installments.

23 (6) The items in (5) need not be stated in the
24 sequence or order set forth and additional items may be
25 included to explain the computations made in determining the

1 amount to be paid by the buyer.

2 (7) No retail installment contract may be signed by
3 any party thereto when it contains blank spaces to be filled
4 in after it has been signed, except that if delivery of the
5 goods is not made at the time of the execution of the
6 contract, the identifying numbers or marks of the goods or
7 similar information and the due date of the first
8 installment may be inserted in the contract after its
9 execution. The buyer's written acknowledgment, conforming to
10 the requirements of 31-1-232, of delivery of a copy of a
11 contract shall, in any action or proceeding by or against a
12 holder of the contract without knowledge to the contrary
13 when he purchases the contract, be conclusive proof:

14 (a) of such delivery;

15 (b) that the contract when signed did not contain any
16 blank spaces except as herein provided; and

17 (c) of compliance with 31-1-231 through 31-1-236.

18 (8) If a retail installment transaction is subject to
19 the federal Truth in Lending Act (15 U.S.C. 1601-1667e), the
20 seller may, instead of complying with the requirements of
21 subsections (2) through (7), comply with all such
22 requirements of the federal law. A seller who complies with
23 the federal requirements is subject only to the provisions
24 of subsection (1) of this section."

-End-