

SENATE BILL NO. 229  
INTRODUCED BY BOYLAN, VINCENT

IN THE SENATE

JANUARY 25, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON JUDICIARY.
	FIRST READING.
FEBRUARY 2, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 3, 1989	PRINTING REPORT.
FEBRUARY 4, 1989	SECOND READING, DO PASS.
FEBRUARY 6, 1989	ENGROSSING REPORT.
FEBRUARY 7, 1989	THIRD READING, PASSED. AYES, 50; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
FEBRUARY 20, 1989	FIRST READING.
MARCH 6, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 8, 1989	SECOND READING, CONCURRED IN.
MARCH 9, 1989	THIRD READING, CONCURRED IN. AYES, 85; NOES, 7.
	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 11, 1989

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

MARCH 14, 1989

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Senate BILL NO. 229  
 2 INTRODUCED BY Boyle Vincent  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE  
 5 EXEMPTION OF CERTAIN PERSONS FROM THE PROHIBITION AGAINST  
 6 DEBT ADJUSTING; AND AMENDING SECTION 31-3-203, MCA."  
 7

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

9 **Section 1.** Section 31-3-203, MCA, is amended to read:

10 "31-3-203. Exemptions. Section 31-3-202 ~~shall~~ does not  
 11 apply to:

12 (1) those situations involving debt adjusting incurred  
 13 incidentally in the lawful practice of law in this state;

14 (2) banks and fiduciaries duly authorized and admitted  
 15 to transact business in this state and performing credit and  
 16 financial adjusting service in the regular course of their  
 17 principal business;

18 (3) title insurers and abstract companies, while doing  
 19 an escrow business;

20 (4) judicial officers or others acting under court  
 21 orders;

22 (5) nonprofit or charitable corporations or  
 23 associations engaged in debt adjusting;

24 (6) those situations involving debt adjusting incurred  
 25 incidentally in connection with the lawful practice of a

1 certified public accountant;

2 (7) bona fide trade or mercantile associations in the  
 3 course of arranging adjustment of debts with business  
 4 establishments;

5 (8) employers for their employees;

6 (9) any person (other than a collection agency):

7 (a) who provides a bond in the amount of \$10,000 to  
 8 the department of commerce under which the person is the  
 9 obligor and the bond is conditioned that the obligor shall  
 10 apply all funds received and discharge all obligations for  
 11 which the obligor has contracted; and

12 (b) whose maximum fees or charges for all services in  
 13 adjusting the debtor's debts are 10% of the amounts as paid  
 14 by the debtor do not exceed:

15 (i) a processing and documentation fee of \$75;

16 (ii) for debt adjusting as defined in 31-3-201:

17 (A) 15% of the total amounts that are owed by the  
 18 debtor and that are reduced in equal monthly portions over  
 19 the life of a contract; or

20 (B) a minimum monthly charge of \$25; and

21 (iii) a premature cancellation fee of \$25;

22 (10) any person who, at the request of a debtor,  
 23 arranges for or makes a loan to the debtor and who, at the  
 24 authorization of the debtor, acts as an adjuster of the  
 25 debtor's debts in the disbursement of the proceeds of the

LC 1224/01

1 loan without compensation for the services rendered in  
2 adjusting the debts."

3 NEW SECTION. Section 2. Extension of authority. Any  
4 existing authority to make rules on the subject of the  
5 provisions of [this act] is extended to the provisions of  
6 [this act].

-End-

APPROVED BY COMMITTEE  
ON JUDICIARY

## SENATE BILL NO. 229

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SB 0229/02

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6 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB229, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

SB229 clarifies the exemption of certain persons from the prohibition against debt adjusting.

ASSUMPTIONS:

1. The Department of Commerce Consumer Affairs Unit will accomplish these changes to current law with its existing staff and budget.
2. There is no fiscal impact.

Ray Shackleford 1/31/89  
RAY SHACKLEFORD, BUDGET DIRECTOR DATE  
OFFICE OF BUDGET AND PROGRAM PLANNING

Paul F. Boylan 3/1/89  
PAUL F. BOYLAN, PRIMARY SPONSOR DATE  
Fiscal Note for SB229, as introduced  
**SB 229**

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(3) title insurers and abstract companies, while doing an escrow business;

(4) judicial officers or others acting under court orders;

(5) nonprofit or charitable corporations or associations engaged in debt adjusting;

(6) those situations involving debt adjusting incurred incidentally in connection with the lawful practice of a

certified public accountant;

(7) bona fide trade or mercantile associations in the course of arranging adjustment of debts with business establishments;

(8) employers for their employees;

(9) any person (other than a collection agency):

(a) who provides a bond in the amount of ~~\$10,000~~ \$50,000 to the department of commerce under which the person is the obligor and the bond is conditioned that the obligor shall apply all funds received and discharge all obligations for which the obligor has contracted; and

(b) whose maximum fees or charges for all services in adjusting the debtor's debts are 10% of the amounts as paid by the debtor do not exceed:

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(ii) for debt adjusting as defined in 31-3-201,

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SB 0229/02

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4 existing authority to make rules on the subject of the  
5 provisions of [this act] is extended to the provisions of  
6 [this act].

-End-

STANDING COMMITTEE REPORT

March 6, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 229 (third reading copy - blue) be concurred in as amended .


Signed:   
Robert Pavlovich, Chairman

[SPEAKER VINCENT WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 2, line 8.  
Strike: "\$50,000"  
Insert: "\$10,000"

HOUSE

  
521131SC.HBV  
**SB 229**

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SB 0229/03

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