

SENATE BILL NO. 21

INTRODUCED BY TOWE

IN THE SENATE

DECEMBER 22, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
JANUARY 4, 1993	FIRST READING.
JANUARY 7, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
JANUARY 8, 1993	PRINTING REPORT. SECOND READING, DO PASS.
JANUARY 9, 1993	ENGROSSING REPORT. THIRD READING, PASSED. AYES, 48; NOES, 0. TRANSMITTED TO HOUSE.

IN THE HOUSE

JANUARY 11, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT. FIRST READING.
JANUARY 20, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
JANUARY 22, 1993	SECOND READING, CONCURRED IN.
JANUARY 25, 1993	THIRD READING, CONCURRED IN. AYES, 92; NOES, 6.
JANUARY 26, 1993	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

JANUARY 26, 1993	RECEIVED FROM HOUSE.
JANUARY 28, 1993	SECOND READING, AMENDMENTS CONCURRED IN.

JANUARY 29, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 SENATE BILL NO. 21

2 INTRODUCED BY TOWE

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE MONTANA
5 CONSUMER LOAN ACT; AMENDING SECTION 32-5-103, MCA; AND
6 PROVIDING AN IMMEDIATE EFFECTIVE DATE."
7

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

9 Section 1. Section 32-5-103, MCA, is amended to read:

10 "32-5-103. Engaging in business of making loans
11 restricted. (1) No Except as provided in subsection (5), a
12 person shall may not engage in the business of making loans
13 or advances of money on credit in any amount and contract
14 for, charge, or receive directly or indirectly on or in
15 connection with any such loan or advance any charges,
16 whether for interest, compensation, consideration, or
17 expense, except as provided in and authorized by this
18 chapter. A person engaged in business as a licensed
19 pawnbroker may not become a licensee under this chapter, nor
20 shall do any of the provisions of this chapter apply to any
21 such exempted person.

22 (2) A licensee may sell its business and assets to a
23 bank, building and loan association, savings and loan
24 association, trust company, credit union, credit
25 association, development credit corporation, or bank holding

1 company organized pursuant to state or federal statutory
2 authority and subject to supervision, control, or regulation
3 by an agency of the state of Montana or an agency of the
4 federal government. All contracts for loans and all other
5 contracts entered into by the licensee pursuant to the
6 provisions of this chapter that are sold and transferred to
7 an acquiring organization continue to be governed by the
8 provisions of this chapter.

9 (3) The provisions of subsection (1) ~~shall~~ apply to any
10 person who seeks to evade its applications by any device,
11 subterfuge, or pretense ~~whatsoever~~.

12 (4) Any act by a licensee in the making of a contract
13 of loan-in-the-making or in the collection of a loan made
14 under the contract which-any-act-shall-have-been-done-which
15 violates that violates the provisions of this chapter
16 subsection-(1)-of-this-section-shall-be is void,--and--the,
17 The ~~lender--shall--have~~ licensee has no right to collect,
18 receive, or retain any principal, interest, or charges
19 ~~whatsoever~~.

20 (5) A consumer loan licensee or a person who seeks a
21 regulated lender exemption under 31-1-112 shall fully comply
22 with this chapter. A lender who complies with the provisions
23 of Title 31, chapter 1, part 1, is not required to comply
24 with this chapter."

25 NEW SECTION. Section 2. Effective date. [This act] is

SB 0021/01

1 effective on passage and approval.

-End-

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

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connection with any such loan or advance any charges,
whether for interest, compensation, consideration, or
expense, except as provided in and authorized by this
chapter. A person engaged in business as a licensed
pawnbroker may not become a licensee under this chapter, nor
shall do any of the provisions of this chapter apply to any
such exempted person.

(2) A licensee may sell its business and assets to a
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association, trust company, credit union, credit
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authority and subject to supervision, control, or regulation
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under the contract which-any-act-shall-have-been-done-which
violates that violates the provisions of this chapter
subsection-(1)-of-this-section-shall-be is void,--and--the.
The ~~lender--shall--have~~ licensee has no right to collect,
receive, or retain any principal, interest, or charges
~~whatsoever~~.

(5) A consumer loan licensee or a person who seeks a
regulated lender exemption under 31-1-112 AS A CONSUMER LOAN
LICENSEE shall fully comply with this chapter. A REGULATED
LENDER AS DEFINED IN 31-1-111, OTHER THAN A CONSUMER LOAN
LICENSEE, OR A lender who complies with the provisions of
Title 31, chapter 1, part 1, is not required to comply with

SB 0021/02

1 this chapter."

2 NEW SECTION. **Section 2.** Effective date. [This act] is

3 effective on passage and approval.

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17 The lender--shall--have licensee has no right to collect,
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SB 0021/02

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2 NEW SECTION. Section 2. Effective date. [This act] is

3 effective on passage and approval.

-End-

HOUSE STANDING COMMITTEE REPORT

January 19, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 21 (third reading copy -- blue) be concurred in as amended .

Signed: 
Steve Benedict, Chair

And, that such amendments read: Carried by: Rep. Cocchiarella

1. Title, line 5.
Following: "ACT;"
Insert: "AND"

2. Title, lines 5 and 6
Strike: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 3, lines 2 and 3.
Strike: section 2 in its entirety


HOUSE

SB 21

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16 subsection (1) of this section shall be is void, and the
17 The lender shall have licensee has no right to collect,
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24 LICENSEE, OR A lender who complies with the provisions of
25 Title 31, chapter 1, part 1, is not required to comply with

SB 0021/03

1 this chapter."
2 NEW-SECTION:--Section-2:--Effective-date:--(This-act)--is
3 effective-on-passage-and-approval:
-End-