

1 *Wells* *McCam* *House* BILL NO. *364* *Barlow* *Quinn*
 2 INTRODUCED BY *Kath* *Christians* *Clark* *Reese* *Carey* *Ann*
 3 *Heavy* *Boone* *Kremzer* *Galvin* *Wygant* *Schmidt* *Craker*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE INTEREST THAT A PAWNBROKER MAY CHARGE
 5 OVER A 12-MONTH PERIOD; AND AMENDING SECTION 31-1-401, MCA. *John Johnson* *Dave*
 6 *Leight* *James* *Tosh* *Hagen* *Barney* *Boyer* *Smith* *Keegan*
 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 8 *Ketchum* *Walden* *J. W. Hancock* *Rod* *Chs*

Section 1. Section 31-1-401, MCA, is amended to read:

10 "31-1-401. Interest pawnbrokers may receive -- civil enforcement. (1) A person may not carry on
 11 the business of pawnbroker or junk dealer by receiving goods pawned or in pledge for loans at any rate of
 12 interest above 10% a year without first obtaining a license. A pawnbroker or junk dealer or the
 13 pawnbroker's or junk dealer's employees or agents may not charge a fee of more than 25% of the amount
 14 of the loan for a 30-day period. The fee for extending a pawn agreement for 30 days may not exceed 25%
 15 of the amount of the loan. The fee for a pawn agreement may not exceed 100% of the amount of the loan
 16 in any successive 12-month period. For purposes of this section, a fee includes all costs or fees charged,
 17 including but not limited to interest, commission, discount, storage, care of property, and purchase option.

18 (2) The taking, receiving, reserving, or charging of a fee greater than that allowed under subsection
 19 (1) is considered a forfeiture of a sum double the amount of the fee for storage or caring that was agreed
 20 to be paid.

21 (3) (a) When a rate or charge greater than that provided for in subsection (1) has been paid, the
 22 person by whom it has been paid may recover from the pawnbroker or junk dealer reasonable attorney fees
 23 and an amount double the amount of the fee paid.

24 (b) An action under this section must be brought within 2 years after the payment of the fee.
 25 Before a suit may be brought, the party bringing suit shall make written demand for return of the fee paid."

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