

1 Senate BILL NO. 276
 2 INTRODUCED BY *Kendall*
 3 *Thomas Cole* *Mason* *Beaudry*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE COMPUTATION OF FINANCE CHARGES UNDER
 5 THE MONTANA RETAIL INSTALLMENT SALES ACT; AND AMENDING SECTION 31-1-241, MCA."
 6
 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: *Estrada*

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

"31-1-241. Finance charge limitation. (1) Notwithstanding the provisions of any other law, the finance charge included in a retail installment contract shall must be at a rate agreed upon by the retail seller and the buyer.

(2) Notwithstanding the provisions of any other law, the finance charge included in a retail charge account agreement shall must be at a rate agreed upon by the retail seller and the buyer.

~~(a)(3) Except as provided in subsection (2)(b), the~~ The finance charge shall must be computed from month to month (which need not be a calendar month) or either over another regular billing cycle period by using either: the average daily balance of the account during the billing cycle without including in the computation the amount of purchases charged to the account during that billing cycle.

~~(b) Nothing in this section prevents a retail seller and a buyer from agreeing to the computation of the finance charge by using the ending balance of the account as of the last day of the billing cycle period less the amount of purchases charged to the account during that billing cycle.~~

(a) the average daily balance in the account in the billing cycle period; or

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~~(3)(4)~~ 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 cycle prior to the effective date of the change.

~~(4)(5)~~ If the retail seller increases ~~his~~ the finance charge on a retail charge account agreement, then ~~such~~ the increased rate may only be applied to the balance consisting of purchases on other charges incurred on or after the effective date of the increase.

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Senate BILL NO. 276

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Thomas Cole
Mark
Beaudry
Slater
Felton
Estrada

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Kimbrell *Slater Felton*
Thomas Cole *Madden* *Beaudry*
Keenan *Whiting* *Surgeon*

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INTRODUCED BY MILLER, SLITER, FELAND, CRISMORE, THOMAS, COLE, MAHLUM, BEAUDRY,
SOFT, KEENAN, DEVANEY, BOHLINGER, SWYSGOOD, ESTRADA

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1 incurred on or after the effective date of the increase.

2 ~~(5)~~(6) For purposes of determining the balance to which the increased rate applies, all payments
3 may be considered to be applied to the balance existing prior to the change in rate until that balance is paid
4 in full.

5 ~~(6)~~(7) If the finance charge determined pursuant to subsection ~~(2)~~ (3) for a monthly period is less
6 than 50 cents, a maximum finance charge not in excess of 50 cents may be charged and collected for ~~such~~
7 the period."

8 -END-