

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1638

H. P. 1319

House of Representatives, April 2, 1975

On motion of Mrs. Clark of Freeport, referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Clark of Freeport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Redefine the Term Finance Charge under the Consumer Credit Code so as not to Include a Discount for Cash Payment.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is inappropriate to include the granting of discounts for cash payment within the credit code definition of finance charge; and

Whereas, this definition must be changed to insure efficient working of the Consumer Credit Code, a code of vital importance to the economy of Maine and to her people; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine, as follows:

9-A MRSA § 1-301, sub-§ 19, ¶ B, sub-¶ (iii) is enacted to read:

(iii) the discount not in excess of 5% offered by a creditor or seller for the purpose of inducing payment by cash, check or other means to be made at the time of sale not involving the use of a credit card shall not constitute a finance charge if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously.

STATEMENT OF FACT

This Act would exclude discounts for cash payments at the time of sale from the definition of finance charge under the Consumer Credit Code.