

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 577

H.P. 420

House of Representatives, February 17, 1995

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**An Act to Amend the Laws Governing Retail Credit Cards.**

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Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative KILKELLY of Wiscasset.

Cosponsored by Representatives: MAYO of Bath, PLOWMAN of Hampden, RICE of South Bristol, Senators: CIANCHETTE of Somerset, KIEFFER of Aroostook.

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

4 **Sec. 1. 9-A MRSA §1-301, sub-§31-A** is enacted to read:

6 31-A. "Retail credit card" means a credit card issued by a  
seller who is not a supervised lender and who regularly engages  
as a seller in credit transactions of the same kind.

8 **Sec. 2. 9-A MRSA §2-202, sub-§3**, as enacted by PL 1973, c.  
10 762, §1, is repealed and the following enacted in its place:

12 3. Except with respect to sales made pursuant to a credit  
card:

14 A. If the billing cycle is monthly, the charge may not  
16 exceed 1 1/2% of the amount pursuant to subsection 2; or

18 B. If the billing cycle is not monthly, the maximum charge  
is that percentage that bears the same relation to the  
20 applicable monthly percentage as the number of days in the  
billing cycle bears to 30.

22 A billing cycle is monthly if the closing date of the cycle is  
24 the same date each month or does not vary by more than 4 days  
from that date.

26 **Sec. 3. 9-A MRSA §2-202, sub-§5**, as enacted by PL 1977, c.  
28 421, §2, is amended to read:

30 5. No Except when there is an outstanding balance from the  
prior billing cycle, a finance charge shall may not be imposed on  
32 purchases or leases of goods or services purchased during the  
billing cycle, provided that they are paid for not later than 25  
34 days after the closing date of the billing cycle in which the  
purchase or lease occurred.

36 **Sec. 4. 9-A MRSA §2-202, sub-§7** is enacted to read:

38 7. With respect to consumer credit sales made pursuant to  
40 an open-end credit agreement, a creditor may not impose a finance  
charge if it is in excess of that set forth in the agreement  
42 between the consumer and the creditor.

44 **Sec. 5. 9-A MRSA §2-501, sub-§1, ¶E**, as amended by PL 1993, c.  
46 618, §3, is further amended to read:

48 E. An annual charge for the privilege of using a retail  
credit card or lender credit card;

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## STATEMENT OF FACT

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6       This bill extends the provisions governing lender credit  
cards to retail credit card sales. The bill deregulates retail  
credit card programs and also allows retailers to contract for  
8       annual fees with consumers.