

HOUSE BILL NO. 179

INTRODUCED BY J. PRICE

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT RENTAL-PURCHASE AGREEMENTS DO NOT APPLY TO CRIMINAL FAILURE TO RETURN RENTED OR LEASED PROPERTY OFFENSES; AND AMENDING SECTIONS 30-19-112 AND 45-6-309, MCA."

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

Section 1. Section 30-19-112, MCA, is amended to read:

"30-19-112. Reinstatement of agreement -- repossession -- criminal liability exemption. (1) A

consumer who fails to make a timely rent payment may reinstate the agreement, without losing any rights or options that existed in the original agreement, by paying:

- (a) all past-due rent payments;
- (b) the next rent payment;
- (c) reasonable pickup and redelivery costs if the property was picked up by the lessor; and
- (d) any applicable late fees.

(2) A consumer exercising the reinstatement option provided for in subsection (1) must provide the applicable payments to the lessor within:

- (a) 5 days of the renewal date if the agreement specified a monthly payment schedule; or
- (b) 2 days of the renewal date if the agreement specified a semimonthly payment schedule.

(3) If a consumer has not made two-thirds of the total payments necessary to acquire ownership of the property and has returned or voluntarily surrendered the property during the applicable reinstatement period established in this section, the consumer may reinstate the agreement during a period of not less than 21 days after the date of the return of the property.

(4) If a consumer has made two-thirds or more of the total payments necessary to acquire ownership of the property and has returned or voluntarily surrendered the property during the applicable reinstatement period established in this section, the consumer may reinstate the agreement during a period of not less than 45 days after the date of the return of the property.

(5) The provisions of subsections (3) and (4) do not apply to instances when the consumer returned or

1 surrendered the property on an order from a court.

2 (6) This section does not prevent a lessor from attempting to repossess property during the
3 reinstatement period, but the repossession does not affect the consumer's right to reinstate the agreement. If the
4 agreement is reinstated, the lessor shall provide the consumer with the same property or substitute property of
5 comparable quality and condition.

6 (7) A consumer who fails to make a timely rent payment is not subject to criminal liability under 45-6-309
7 and may not be advised by a lessor that criminal liability exists under 45-6-309."

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9 **Section 2.** Section 45-6-309, MCA, is amended to read:

10 **"45-6-309. Failure to return rented or leased personal property -- rental-purchase exception. (1)**

11 A person commits the offense of failure to return rented or leased personal property if, without notice to and
12 permission of the lessor, the person purposely and knowingly fails to return the property within 48 hours after the
13 time provided for return in the rental agreement, provided that clear written notice, in bold print, of the date and
14 time when return of the property is required and of the penalty prescribed in this section is stated in the rental or
15 lease agreement.

16 (2) Presentation to the lessor by the lessee of identification that is false for the purpose of obtaining a
17 rental or lease agreement constitutes prima facie evidence of commission of the offense.

18 (3) After the rental or lease period specified in the rental or lease agreement has expired, failure to return
19 rented or leased personal property within 72 hours of written demand by the lessor, sent by certified mail to the
20 renter or lessee at the address given at the time of entering the rental or lease agreement, constitutes prima facie
21 evidence of commission of the offense.

22 (4) This section does not apply to rental-purchase agreements provided in Title 30, chapter 19, part 1.

23 ~~(4)~~(5) (a) A person convicted of failure to return rented or leased personal property not exceeding \$1,500
24 in value shall be fined not to exceed \$1,500 or be imprisoned in the county jail for a term not to exceed 6 months,
25 or both.

26 (b) A person convicted of failure to return rented or leased personal property exceeding \$1,500 in value
27 shall be imprisoned in the state prison for a term not to exceed 10 years."

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