

## CHAPTER 80

(House Bill 74)

AN ACT to add a new section to Article 83 of the Annotated Code of Maryland (1951 Edition), title "Sales and Notices", said new section to be known as Section 119A, to follow immediately after Section 119 thereof and to be under the sub-title "Retail Instalment Sales", ~~relating to the finance charges and service charges made in retail instalment sales of motor vehicles, providing penalties for excessive finance and service charges and also providing penalties for overcharging on insurance premiums or charges.~~ **FIXING THE MAXIMUM RATES WHICH MAY BE CHARGED IN RETAIL INSTALMENT SALES OF MOTOR VEHICLES, AND LIMITING THE INSURANCE COVERAGE WHICH MAY BE INCLUDED UNDER SUCH CONTRACTS AND ALSO PROVIDING PENALTIES FOR OVERCHARGES.**

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That a new section be and it is hereby added to Article 83 of the Annotated Code of Maryland (1951 Edition), title "Sales and Notices", said new section to be known as Section 119A, to follow immediately after Section 119 thereof, to be under the sub-title "Retail Instalment Sales", and to read as follows:

119A. *(Motor Vehicles.) (a) The time balance in an instalment sale agreement for a motor vehicle may include a finance charge and a service charge, CHARGES FOR INSURANCE PREMIUMS, subject to the provisions of this section.*

*(b) The finance charge imposed on the sale of a motor vehicle less than two (2) years old from date of issue of its original title shall not exceed a rate equal to that of \$9.00 per \$100.00 per year on the principal balance. The finance charge on all other motor vehicles shall not exceed a rate equal to that of \$11.00 per \$100.00 per year on the principal balance.*

**(B) THE FINANCE CHARGE IMPOSED ON THE SALE OF A MOTOR VEHICLE LESS THAN TWO (2)**

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.  
CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.