

SEC. 3. *And be it further enacted,* That this Act shall take effect July 1, 1971.

Approved April 29, 1971

CHAPTER 298
(House Bill 400)

AN ACT to repeal and re-enact, with amendments, Section 153D(c) of Article 83 of the Annotated Code of Maryland (1969 Replacement Volume), title "Sales and Notices," subtitle "Retail Credit Accounts Law," relating to the manner of computing outstanding balances subject to service charges.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 153D(c) of Article 83 of the Annotated Code of Maryland (1969 Replacement REPLACEMENT Volume), title "Sales and Notices," subtitle "Retail Credit Accounts Law," be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

153D.

(c) When the service charge is assessed on the outstanding balances from month to month, a service charge which shall not exceed the following rates computed on the outstanding balances from month to month:

(1) On so much of the outstanding balance as does not exceed five hundred dollars (\$500.00), one and one-half percent (1½%) per month; if the outstanding balance is more than five hundred dollars (\$500.00), one percent (1%) per month on the excess over five hundred dollars (\$500.00) of the outstanding balance.

(2) Such service charge may be computed for all outstanding balances within a range of not in excess of ten dollars (\$10.00) on the basis of the median amount within such range if as so computed such service charge is applied to all outstanding balances within such range.

(3) *For the purpose of computing the outstanding balance subject to the service charge as provided in this Section, (I) the outstanding balance on any day shall consist of an amount which shall not exceed the sum of the total charges to the account less the amounts paid or credited to the account prior to such day, OR (II) THE OUTSTANDING BALANCE MAY BE COMPUTED BY THE AVERAGE DAILY BALANCE METHOD.*

SEC. 2. *And be it further enacted,* That this Act shall take effect July 1, 1971 JANUARY 1, 1972.

Approved April 29, 1971