

REFERENCE TITLE: rental-purchase property; electronic disclosures

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1271

Introduced by
Senator Mesnard

AN ACT

AMENDING SECTIONS 44-6801 AND 44-6810, ARIZONA REVISED STATUTES; RELATING
TO RENTAL-PURCHASE AGREEMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 44-6801, Arizona Revised Statutes, is amended to
3 read:

4 44-6801. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Advertisement" means a commercial message in any medium that
7 solicits a consumer to enter INTO a rental-purchase agreement.

8 2. "Cash price" means the price at which the lessor would have sold
9 the property to the consumer for cash on the date of the rental-purchase
10 agreement.

11 3. "Consumer" means an individual who rents personal property under
12 a rental-purchase agreement to be used primarily for personal, family or
13 household purposes.

14 4. "Consummation" means the date on which a consumer becomes
15 contractually obligated under a rental-purchase agreement or on the date
16 the first payment is made, whichever is earlier.

17 5. "Cost of rental" means the difference between the total of all
18 periodic payments necessary to acquire ownership under the rental-purchase
19 agreement and the cash price of the rental property that is subject to the
20 rental-purchase agreement.

21 6. "Fee" means any charge, fee, cost or expense, however
22 denominated, other than a rental payment.

23 7. "Lessor" means a person ~~who~~ THAT, in the ordinary course of
24 business, regularly leases, offers to lease or arranges for the leasing of
25 property under a rental-purchase agreement.

26 8. "Rental-purchase agreement" means an agreement that is for the
27 use of personal property by an individual for personal, family or
28 household purposes, that is for an initial period of four months or less,
29 that is automatically renewable with each payment after the initial period
30 and that ~~permits~~ **ALLOWS** the consumer to become the owner of the property
31 but that does not obligate or require the consumer to continue leasing or
32 using the property beyond the initial period.

33 **9. "RENTAL-PURCHASE PROPERTY" MEANS PERSONAL PROPERTY THAT IS OWNED**
34 **BY THE LESSOR AT THE TIME IT IS PHYSICALLY DISPLAYED AND OFFERED FOR**
35 **RENTAL-PURCHASE TO THE CONSUMER AND BEFORE EXECUTION OF A RENTAL-PURCHASE**
36 **AGREEMENT.**

37 Sec. 2. Section 44-6810, Arizona Revised Statutes, is amended to
38 read:

39 44-6810. Advertising

40 A. If an advertisement for a rental-purchase agreement refers to or
41 states the dollar amount of any periodic payment and the right to acquire
42 ownership of a specific item, the advertisement shall also clearly and
43 conspicuously state the following, as applicable:

44 1. That the transaction advertised is a rental-purchase agreement.

- 1 2. The total number and total amount of periodic payments necessary
2 to acquire ownership of the item.
- 3 3. That the consumer acquires no ownership rights unless the total
4 amount necessary to acquire ownership is paid.
- 5 B. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION, each item OF
6 RENTAL-PURCHASE PROPERTY THAT IS displayed or offered under a
7 rental-purchase agreement shall bear a tag or card that clearly and
8 conspicuously indicates in Arabic numerals, which are readable and
9 understandable by visual inspection, each of the following:
- 10 1. The cash price of the item.
11 2. The amount of the periodic payment.
12 3. The total number and total amount of periodic payments necessary
13 to acquire ownership.
14 4. The cost of rental.
- 15 C. IF RENTAL-PURCHASE PROPERTY IS DISPLAYED OR OFFERED ONLINE AND A
16 CONSUMER IS ABLE TO ENTER INTO A RENTAL-PURCHASE AGREEMENT FOR THE
17 RENTAL-PURCHASE PROPERTY ONLINE OR REMOTELY THROUGH ELECTRONIC COMMERCE, A
18 LESSOR MAY ELECTRONICALLY DISCLOSE THE INFORMATION DESCRIBED IN SUBSECTION
19 B OF THIS SECTION. THE INFORMATION MUST BE:
- 20 1. CLEARLY AND CONSPICUOUSLY INDICATED IN ARABIC NUMERALS THAT ARE
21 READABLE AND UNDERSTANDABLE BY VISUAL INSPECTION.
22 2. DISCLOSED TO THE LESSEE BEFORE ANY OF THE DISCLOSURES REQUIRED
23 BY SECTION 44-6804.
- 24 D. IF A LESSOR OFFERS PERSONAL PROPERTY FOR RENTAL-PURCHASE AND THE
25 PERSONAL PROPERTY IS NOT OWNED BY THE LESSOR WHEN IT IS DISPLAYED OR
26 OFFERED FOR RENTAL-PURCHASE, THE LESSOR SHALL ELECTRONICALLY DISCLOSE THE
27 INFORMATION DESCRIBED IN SUBSECTION B OF THIS SECTION. THE INFORMATION
28 MUST BE:
- 29 1. CLEARLY AND CONSPICUOUSLY INDICATED IN ARABIC NUMERALS THAT ARE
30 READABLE AND UNDERSTANDABLE BY VISUAL INSPECTION.
31 2. DISCLOSED TO THE LESSEE BEFORE ANY OF THE DISCLOSURES ARE MADE
32 IN THE RENTAL-PURCHASE AGREEMENT AS PRESCRIBED IN SECTION 44-6804.