

Requiring certain disclosure for rental-purchase agreements

HB 1859 by Simmons (V. Taylor)

DIGEST: HB 1859 would have required a merchant that did not derive at least half its revenue from rental-purchase agreements to make certain disclosures to a consumer before presenting a rental-purchase agreement for merchandise. The merchant would have been required to disclose, separately from the agreement, the price for which the merchant would sell the merchandise for cash, as well as the number and amount of periodic payments required by the agreement and needed to acquire ownership of the merchandise.

When a rental-purchase agreement was presented, the merchant also would have been required to issue a disclosure entitled “Acknowledgement of Rental-Purchase Transaction” identifying several conditions to which consumers would have been subject under the agreement.

GOVERNOR’S REASON FOR VETO: “House Bill 1859 overregulates both retailers and their customers. It would require retail stores to impose elaborate and duplicative paperwork on customers who are interested in rent-to-own agreements. The bill also favors some retailers over others. Its burdensome new requirements would apply only to stores that do not specialize in rent-to-own agreements.”

RESPONSE: Neither **Rep. Ron Simmons**, the bill’s author, nor **Sen. Van Taylor**, the Senate sponsor, had a comment on the veto.

NOTES: The HRO analysis of [HB 1859](#) appeared in Part One of the April 27 *Daily Floor Report*.