

REFERENCE TITLE: **personal property rental; secondhand bedding**

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1631

Introduced by
Senators Gonzales: Diaz

AN ACT

**AMENDING TITLE 36, CHAPTER 6, ARTICLE 11, ARIZONA REVISED STATUTES, BY
ADDING SECTION 36-796.01; AMENDING SECTIONS 44-6804 AND 44-6805, ARIZONA
REVISED STATUTES; RELATING TO PERSONAL PROPERTY RENTAL.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 36, chapter 6, article 11, Arizona Revised
3 Statutes, is amended by adding section 36-796.01, to read:

4 36-796.01. Lease or rent of secondhand bedding prohibited

5 A PERSON MAY NOT LEASE OR RENT TO ANOTHER PERSON ANY ITEM OF
6 SECONDHAND BEDDING OR ANY ITEM OF BEDDING OF ANY TYPE THAT IS MANUFACTURED
7 IN WHOLE OR IN PART FROM SECONDHAND MATERIAL.

8 Sec. 2. Section 44-6804, Arizona Revised Statutes, is amended to
9 read:

10 44-6804. Disclosures

11 For each rental-purchase agreement, a lessor shall disclose in the
12 agreement, or as otherwise required in this section, the following items:

13 1. The frequency with which periodic payments are to be made, the
14 dollar amount of each periodic payment and the total number and total
15 dollar amount of all periodic payments necessary to acquire ownership of
16 the property.

17 2. A statement that the consumer does not own the rental property
18 until the consumer has paid the total amount necessary to acquire
19 ownership.

20 3. A statement advising the consumer whether the consumer is liable
21 for loss of or damage to the rental property, and, if so, a statement that
22 this liability does not exceed the fair market value of the rental
23 property as of the time it is lost or damaged.

24 4. A brief description of the rental property that is sufficient to
25 identify the rental property to the consumer and the lessor, including an
26 identification number, if applicable, and a statement indicating whether
27 the rental property is new or used.

28 5. The cash price of the rental property.

29 6. The total of initial payments paid or required on or before
30 consummation of the rental-purchase agreement or delivery of the rental
31 property, whichever is later.

32 7. A statement that the total amount of payments does not include
33 fees. All fees shall be separately disclosed in the rental-purchase
34 agreement.

35 8. A statement advising the consumer that the consumer may exercise
36 an early purchase option. The statement shall include a clear summary of
37 the terms of the early purchase option and shall be accompanied by a
38 statement or chart showing the amount required to exercise the consumer's
39 early purchase option after each periodic payment is made pursuant to the
40 rental-purchase agreement. A lessor may disclose the amounts required to
41 exercise an early purchase option either by attaching to the
42 rental-purchase agreement a statement or chart showing all early purchase
43 option amounts if periodic payments are made as scheduled or by providing
44 the consumer with a written statement of each early purchase option amount
45 at the time each periodic payment is made.

1 9. A statement identifying the party responsible for maintaining or
2 servicing the property while it is being leased and a description of that
3 responsibility.

4 10. A statement that if any part of a manufacturer's ~~expressed~~
5 EXPRESS warranty covers the rental property at the time the consumer
6 acquires ownership of the property, it shall be transferred to the
7 consumer, if allowed by the terms of the warranty.

8 11. The date of the transaction and the identities of the lessor
9 and consumer.

10 12. A statement that the consumer may terminate the rental-purchase
11 agreement without penalty by voluntarily surrendering or returning the
12 rental property, but any liability for past due rental payments and any
13 damage to the rental property, reasonable wear and tear excepted, survive
14 termination of the rental-purchase agreement.

15 13. Notice of the right to reinstate a rental-purchase agreement as
16 provided in this chapter.

17 14. The amount and purpose of any payment, charge or fee in
18 addition to the periodic payments.

19 15. The cost of rental THAT, TOGETHER WITH ANY CHARGES OR FEES, MAY
20 NOT EXCEED TWICE THE MARKET VALUE OF THE RENTAL PROPERTY.

21 Sec. 3. Section 44-6805, Arizona Revised Statutes, is amended to
22 read:

23 44-6805. Prohibited rental-purchase agreement terms:
24 practices

25 A. A rental-purchase agreement shall not contain any of the
26 following:

27 1. A confession of judgment.

28 2. A negotiable instrument.

29 3. A security interest or any other claim of a property interest in
30 any property of the consumer.

31 4. A wage assignment.

32 5. A waiver by the consumer of claims or defenses.

33 6. A provision authorizing the lessor or a person acting on the
34 lessor's behalf to enter the consumer's premises without permission or to
35 commit any breach of the peace in the repossession of rental property.

36 7. A provision requiring the purchase of insurance or a liability
37 damage waiver from the lessor for the rental property that is the subject
38 of the rental-purchase agreement.

39 8. A provision that states that mere failure to return rental
40 property constitutes probable cause for a criminal action.

41 9. A provision requiring the consumer to make a payment in addition
42 to regular rental payments to acquire ownership of the rental property, or
43 a provision requiring the consumer to make rental payments totalling more
44 than the dollar amount necessary to acquire ownership as disclosed
45 pursuant to section 44-6804.

- 1 10. A provision requiring a reinstatement fee unless a periodic
2 payment is late more than seven days under a rental-purchase agreement
3 with periodic payments made monthly or more than two days under a
4 rental-purchase agreement with payments made more frequently than monthly.
- 5 11. A provision requiring a reinstatement fee of more than ~~five~~
6 ~~dollars~~ \$5.
- 7 12. A provision requiring more than one reinstatement fee on any
8 one periodic payment regardless of the period of time that it remains
9 unpaid.
- 10 13. A provision requiring a late charge or any other type of charge
11 or penalty for reinstating a rental-purchase agreement other than a
12 reinstatement fee, except that a lessor may use the term "late charge" or
13 a similar term to refer to a reinstatement fee.
- 14 14. A provision requiring that a consumer who rents multiple items
15 in a single rental-purchase agreement pay an amount to acquire ownership
16 of the items that exceeds the combined total amounts required to acquire
17 ownership of the items if rented separately for the same term.
- 18 15. A PROVISION THAT RESULTS IN THE TOTAL OF ALL FEES, CHARGES AND
19 PERIODIC PAYMENTS FOR THE RENTAL PROPERTY BEING GREATER THAN TWICE THE
20 MARKET VALUE OF THE RENTAL PROPERTY.
- 21 B. A lessor shall not engage in any unfair, unlawful or deceptive
22 act or practice or make any false or misleading statement in connection
23 with a rental-purchase agreement.