

**SENATE CHAMBER**  
**STATE OF OKLAHOMA**

DISPOSITION

FLOOR AMENDMENT

No. \_\_\_\_\_

\_\_\_\_\_

COMMITTEE AMENDMENT

\_\_\_\_\_

(Date)

Mr./Madame President:

I move to amend Senate Bill No. 944, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

\_\_\_\_\_  
Senator Thompson

Thompson-NP-FS-Req#3203  
3/8/2016 9:26 AM

(Floor Amendments Only) Date and Time Filed: \_\_\_\_\_

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 FLOOR SUBSTITUTE  
4 FOR

5 SENATE BILL NO. 944

6 By: Thompson

7 FLOOR SUBSTITUTE

8 [ Oklahoma Rental-Purchase Act - definitions and  
9 disclosure requirements - effective date ]

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 59 O.S. 2011, Section 1951, is  
12 amended to read as follows:

13 Section 1951. As used in the Oklahoma Rental-Purchase Act:

14 1. "Administrator" means the Administrator of the Department of  
15 Consumer Credit as designated in Section 6-501 of Title 14A of the  
16 Oklahoma Statutes;

17 2. "Advertisement" means any commercial message in any medium  
18 that promotes, directly or indirectly, a consumer rental-purchase  
19 agreement;

20 3. "Consummation" means the time a lessee becomes contractually  
21 obligated on a consumer rental-purchase agreement;

22 4. "Displayed or offered primarily for rental-purchase" means  
23 personal property displayed or offered at a physical location which  
24

1 derives fifty percent (50%) or more of its revenue from rental-  
2 purchase agreements;

3 5. "Initial fee" means any fee charged to initiate a contract  
4 however designated;

5 6. "Initial period" means from the date of inception to the  
6 first scheduled renewal payment;

7 7. "Lessee" means a natural person who rents personal property  
8 under a consumer rental-purchase agreement;

9 ~~5.~~ 8. "Lessor" means a person who regularly provides the use of  
10 property through consumer rental-purchase agreement; and

11 ~~6.~~ 9. "Rental-purchase agreement" means an agreement for the  
12 use of personal property by a consumer for personal, family, or  
13 household purposes, for an initial period of four (4) months or  
14 less, that is renewable with each payment after the initial period,  
15 and that permits the consumer to become the owner of the property.  
16 An agreement that complies with this definition is not a consumer  
17 credit sale as defined in Section 2-104 of Title 14A of the Oklahoma  
18 Statutes, or a consumer loan as defined in Section 3-104 of Title  
19 14A of the Oklahoma Statutes, or a refinancing or consolidation  
20 thereof, or a consumer lease as defined in Section 2-106 of Title  
21 14A of the Oklahoma Statutes, or a lease or agreement which  
22 constitutes a security interest as defined in paragraph ~~(37)~~ (35) of  
23 subsection (b) of Section 1-201 of Title 12A of the Oklahoma  
24 Statutes or a lease or agreement which constitutes a sale of goods

1 as defined in subsection (4) of Section 2-105 of Title 14A of the  
2 Oklahoma Statutes;

3 ~~7. "Initial period" means from the date of inception to the~~  
4 ~~first scheduled installment; and~~

5 ~~8. "Initial fee" means any fee charged to initiate a contract~~  
6 ~~however designated.~~

7 SECTION 2. AMENDATORY 59 O.S. 2011, Section 1954, is  
8 amended to read as follows:

9 Section 1954. A. The disclosures required by the Oklahoma  
10 Rental-Purchase Act:

11 1. Shall be made clearly and conspicuously;

12 2. Shall be in writing, a copy of which shall be delivered to  
13 the lessee;

14 3. May use terminology different from that employed in the  
15 Oklahoma Rental-Purchase Act if it conveys substantially the same  
16 meaning;

17 4. May be supplemented by additional information or  
18 explanations supplied by the lessor;

19 5. Shall comply with the provisions of the Oklahoma Rental-  
20 Purchase Act although rendered inaccurate by any act, occurrence, or  
21 agreement, subsequent to the required disclosure;

22 6. Shall be made to the person who signs the rental-purchase  
23 agreement, except that in a transaction involving more than one  
24

1 lessee, a disclosure statement or a copy of the agreement need not  
2 be given to more than one of the lessees;

3 7. Shall be made by the lessor specified on the rental-purchase  
4 license.

5 B. A rental-purchase agreement shall disclose the following  
6 items, as applicable:

7 1. Whether the property is new or used;

8 2. The period and amount of payments;

9 3. The total number of payments necessary and the total amounts  
10 to be paid to acquire ownership of the merchandise;

11 4. The amount and purpose of any other payment, charge or fee  
12 in addition to the regular periodic payments;

13 5. Whether the consumer is liable for loss or damage to the  
14 rental property, and if so, the maximum amount for which the  
15 consumer may be liable;

16 6. The amount of any deposit required by lessor and the  
17 conditions under which it shall be refundable or nonrefundable;

18 7. If applicable, that the lessee may purchase from the lessor  
19 insurance to cover the property or a waiver of liability for damage  
20 to or destruction of the property, and the amount of any such charge  
21 or fee. The insurance or waiver of liability coverage may be  
22 offered to the lessee at any time during the term of the rental-  
23 purchase agreement; and

24

1 8. That the consumer does not acquire ownership rights unless  
2 the consumer has complied with the ownership terms of the agreement.

3 C. A rental-purchase agreement may not contain a provision:

4 1. Requiring a confession of judgment;

5 2. Authorizing a lessor or an agent of the lessor to commit a  
6 breach of the peace in the repossession of rental property;

7 3. Waiving any defense, counterclaim, or right the lessee may  
8 have against the lessor or an agent of the lessor;

9 4. Requiring the purchase of insurance from the lessor to cover  
10 the rental property; provided, however, that the lessor may offer to  
11 the lessee any such insurance if it is clearly and conspicuously  
12 disclosed on the face of the agreement of insurance, in print not  
13 less than 8-point ~~bold-face~~ boldface type, that the purchase of any  
14 such insurance by the lessee from the lessor is optional. Lessors  
15 offering any such insurance must comply with the rules and  
16 regulations governing the offering for sale and sale of insurance in  
17 the State of Oklahoma, and the offering for sale and sale of such  
18 insurance shall be governed and regulated by the State of Oklahoma  
19 Commissioner of Insurance; and

20 5. Requiring the purchase of a waiver of liability from the  
21 lessor for damage to or destruction of the property; provided,  
22 however, that the lessor may offer to the lessee any such waiver of  
23 liability if it is clearly and conspicuously disclosed on the face  
24 of the waiver of liability agreement, in print not less than 8-point

1 ~~bold face~~ boldface type, that the purchase of any such waiver of  
2 liability by the lessee from the lessor is optional. ~~The charge for~~  
3 ~~any waiver of liability shall not exceed five percent (5%) of the~~  
4 ~~rental payment or One Dollar (\$1.00), whichever is greater;~~

5 ~~6. Requiring the payment of a late charge or reinstatement fee~~  
6 ~~of more than Five Dollars (\$5.00); provided, the total of both the~~  
7 ~~late charge and the reinstatement fee for any one payment missed~~  
8 ~~does not exceed Five Dollars (\$5.00) if payments are monthly, or~~  
9 ~~Three Dollars (\$3.00) if payments are weekly or bi-weekly. If the~~  
10 ~~payment is not paid by the close of business on the due date, such~~  
11 ~~payment shall be considered missed. Late charges, pickup charges,~~  
12 ~~delivery charges, rent due and reinstatement fees may be held from~~  
13 ~~the payment or may be accrued and collected when possible;~~

14 ~~7. Requiring the payment of a delivery charge of more than~~  
15 ~~Fifteen Dollars (\$15.00) for delivery of an item or items within~~  
16 ~~fifteen (15) miles of the business location, or Thirty Dollars~~  
17 ~~(\$30.00) for delivery of an item or items more than fifteen (15)~~  
18 ~~miles from the business location. However, in the event a lessor~~  
19 ~~delivers more than five (5) items to a lessee's dwelling, the~~  
20 ~~delivery charge shall not exceed Forty-five Dollars (\$45.00)~~  
21 ~~regardless of the delivery distance. Delivery charges are allowed~~  
22 ~~only if the lessor actually delivers merchandise to the dwelling of~~  
23 ~~the lessee;~~

24

1       ~~8. Requiring the payment of a charge exceeding Fifteen Dollars~~  
2 ~~(\$15.00) on any insufficient funds check;~~

3       ~~9. Requiring a nonrefundable initial fee exceeding Ten Dollars~~  
4 ~~(\$10.00). An initial fee may be charged only once on an agreement;~~

5       ~~10. Requiring a pickup charge exceeding Ten Dollars (\$10.00) on~~  
6 ~~late payments. If payments are monthly, a maximum of three pickup~~  
7 ~~charges may be assessed in a six-month period. If payments are more~~  
8 ~~frequent than monthly, a maximum of six pickup charges may be~~  
9 ~~assessed in a six-month period. The pickup charges may be assessed~~  
10 ~~and paid when the consumer makes the next scheduled payment or such~~  
11 ~~charges may be accrued; and~~

12       ~~11. Requiring the payment of any other additional charges of~~  
13 ~~any nature whatsoever, other than those specified.~~

14       D. A rental-purchase agreement shall provide reinstatement  
15 rights as follows:

16       1. A consumer who fails to make a timely payment may reinstate  
17 a rental-purchase agreement without losing rights or options  
18 previously acquired, by arranging with the lessor to make the past  
19 due payments, within two (2) days after the due date of the payment  
20 and by arranging to pay any fees due or by returning the property  
21 within two (2) days if the lessor so requests. Provided, nothing  
22 herein shall prevent the lessor from modifying payment arrangements  
23 to allow the consumer to make the account current and to accrue any  
24 charges due or any rent due to be paid at some future agreed upon

1 date. Partial payment agreements shall provide for the rent to be  
2 prorated with notice to the consumer of the next due date.

3 2. If the rental property is returned during the reinstatement  
4 period, other than through judicial process, the right to reinstate  
5 the agreement shall be extended for a period of not less than thirty  
6 (30) days after the date of the return of the property. Upon  
7 reinstatement, the lessor shall provide the lessee with the same  
8 rental property or substitute property of comparable quality and  
9 condition. If substitute property is provided, the lessor shall  
10 provide the lessee with the disclosures required in subsection B of  
11 this section. Notice of the right to reinstate shall be disclosed  
12 in the agreement.

13 E. An advertisement for a rental-purchase agreement that states  
14 the amount of a payment and the right to acquire ownership of any  
15 one particular item must clearly and conspicuously state:

16 1. That the transaction advertised is a rental-purchase  
17 agreement; and

18 2. The total amount and the number of payments necessary to  
19 acquire ownership.

20 F. Any consumer neglect of the merchandise resulting in  
21 reasonable repairs will be the responsibility of the consumer and  
22 charges for such repair may be received in payments agreed upon by  
23 the lessor according to an agreed upon payment schedule.  
24

1       G. In addition to the disclosures required by subsection B of  
2 this section, if the property that is the subject of a rental-  
3 purchase agreement was not displayed or offered primarily for  
4 rental-purchase prior to the rental-purchase transaction, the  
5 following additional disclosures shall be made on a separate page  
6 titled "Acknowledgment of Rental-Purchase Transaction" and signed by  
7 the lessee:

8           1. That the agreement is a rental-purchase agreement and the  
9 lessee does not own the merchandise, but can obtain ownership by  
10 using ownership options provided in the agreement;

11           2. That the agreement is not a credit transaction;

12           3. That the lessee has the right to return the merchandise to  
13 the lessor without additional charge or penalty at any time and will  
14 owe nothing further except unpaid rent charges and fees;

15           4. That if the lessee returns the property the agreement offers  
16 reinstatement rights which allow the lessee to get the property back  
17 if the lessee has complied with the agreement and the law; and

18           5. That the lessee has reviewed and understands the agreement,  
19 including the purchase option rights and the total cost if all  
20 scheduled payments are made.

21       H. When property that is not displayed or offered primarily for  
22 rental-purchase is offered for rental-purchase, the following shall  
23 be disclosed:

24           1. The cash price of the property;

1        2. The amount of the periodic rental payment; and

2        3. The total number and amount of periodic rental payments

3 necessary to acquire ownership of the property.

4        SECTION 3. This act shall become effective November 1, 2016.

5  
6        55-2-3203            NP            3/8/2016 9:26:11 AM