

**CONFIDENTIAL**  
**AHS LEGISLATIVE BILL REVIEW FORM: 2015**

**Bill Number:** S 73      **Name of Bill:** An act relating to State regulation of rent-to-own agreements for merchandise

**Agency/ Dept:** AHS/DCF/OEO      **Author of Bill Review:** Paul Dragon

**Date of Bill Review:** 2/25/15      **Related Bills and Key Players:** No related bills/ Commerce and trade businesses, organizations and groups and in particular the rent to own industry. Consumer and low income advocate organizations.

**Status of Bill: (check one):** ☒ **Upon Introduction**      ☐ **As passed by 1<sup>st</sup> body**      ☐ **As passed by both**

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**Recommended Position:**

☒ **Support**      ☐ **Oppose**      ☐ **Remain Neutral**      ☐ **Support with modifications identified in #8 below**

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**Analysis of Bill**

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**1. Summary of bill and issue it addresses.**      *Describe what the bill is intended to accomplish and why.*

This bill proposes to strengthen State regulation of the rent-to-own industry.

**2. Is there a need for this bill?**      *Please explain why or why not.*

Yes, this bill provides valuable customer protection and in particular protection for low-income individuals who are not able to purchase items due to income limitations so utilize rent-to-own as an alternative to purchasing. This bill provides that the rent-to-own industry will clearly disclose and delineate the terms and definitions of any rent-to-own agreement prior to the customer signing any agreement, which includes the bona fide cost of the merchandise that is comparable to the current, competitive price outside of the rent- to -own market. This bill also protects against false, misleading, or hard to understand advertising while capping the annual percentage rate at 24 %.

**3. What are likely to be the fiscal and programmatic implications of this bill for this Department?**

None

**4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**

There are no fiscal implications. State entities working with low-income people should support this bill as it protects low-income customers/ consumers/ clients.

**5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)**

Commerce and trade organizations and businesses other than socially responsible businesses may not like this as it may be seen as the over regulation of business by the state.

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**6. Other Stakeholders:**

Commerce and trade businesses and organizations/ low-income advocates and non-profit organizations

**6.1 Who else is likely to support the proposal and why?**

Low income advocates and non-profits working with people who have low-incomes.

**6.2 Who else is likely to oppose the proposal and why?**

Commerce and trade organizations and businesses particularly the rent-to-own businesses

**7. Rationale for recommendation:** *Justify recommendation stated above.*

This bill will allow low-income individuals who rent-to-own to understand the terms of the agreement, the actual cost of the merchandise and protect them from high interest rates.

**8. Specific modifications that would be needed to recommend support of this bill:** *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

None

**9. Gubernatorial appointments to board or commission?**

None

**Secretary/Commissioner has reviewed this document:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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