

COMMITTEE BILL ANALYSIS

Bill: HB 2345

Printer's No.: 3730

Sponsor: Rep. Marsico

Prepared by: Patrick Cawley

Synopsis: This bill amends Title 13 (Commercial Code) and Title 42 (Judiciary and Judicial Procedure) to make more transparent the price at which a consumer can exercise his or her contractual right to purchase the property being rented.

Summary: Currently, the price at which a consumer can purchase a rented property is subject to a statutory formula of “an amount equal at a maximum to the amount by which the cash price of the leased property exceeds 50% of all rental payments made by the lessee.” This bill provides that the rental-purchase agreement must include a price or a formula or method so that the renter knows what it will cost to purchase the rented property, including a chart that shows the amount required after each rental payment to purchase the property.

Effective date: The act takes effect in 60 days.

Background: The House of Representatives passed the bill on June 29, 2014 by a vote of 145-53.