

UNIFORM COMMERCIAL CODE (13 PA.C.S.) AND JUDICIAL CODE (42 PA.C.S.) - CONSTRUCTION, REQUIRED DISCLOSURES IN CONNECTION WITH RENTAL-PURCHASE AGREEMENT AND LESSEE'S RIGHT TO ACQUIRE OWNERSHIP

Act of Oct. 27, 2014, P.L. 2896, No. 185

Cl. 13

Session of 2014

No. 2014-185

HB 2345

AN ACT

Amending Titles 13 (Commercial Code) and 42 (Judiciary and Judicial Procedure) of the Pennsylvania Consolidated Statutes, in general provisions, providing for construction; and in particular rights and immunities, further providing for required disclosures in connection with rental-purchase agreement and for lessee's right to acquire ownership.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 13 of the Pennsylvania Consolidated Statutes is amended by adding a section to read:

**§ 1109. Construction.**

**Nothing in this title shall be construed to modify or supersede the provisions of 42 Pa.C.S. Ch. 69 (relating to particular rights and immunities).**

Section 2. Sections 6903(a)(10) and 6905 of Title 42 are amended to read:

§ 6903. Required disclosures in connection with rental-purchase agreement.

(a) General rule.--A lessor shall disclose all of the following in a clear and conspicuous manner:

\* \* \*

(10) That the lessee has the option to purchase the rented property at any time [and at what price or by what formula or method the purchase price will be determined] **at a price or by a formula or method specified in the rental-purchase agreement.**

\* \* \*

§ 6905. Lessee's right to acquire ownership.

(a) Limitation on cost of lease services.--The total amount charged by the lessor for the cost of lease services in a rental-purchase transaction shall not exceed the cash price of the property.

(b) Acquisition of ownership.--[At] **A rental-purchase agreement must provide that at any time after tendering an initial rental payment, a lessee may acquire ownership of the property that is the subject of the rental-purchase agreement [by tendering 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.] at a price or by a formula or method specified in the rental-purchase agreement.**

(c) Chart.-- **A rental-purchase agreement must be accompanied by a chart showing the amount required to exercise the option to purchase the rented property after each rental payment if rental payments are made as scheduled.**

Section 3. This act shall take effect in 60 days.

APPROVED--The 27th day of October, A.D. 2014.

TOM CORBETT