

**HOUSE . . . . . No. 4277**

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The Commonwealth of Massachusetts

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**In the Year Two Thousand Fourteen**  
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An Act regarding further protection of consumers in the Commonwealth.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Section 90 of chapter 93 of the General Laws, as appearing in the 2012  
2 Official Edition, is hereby amended by striking out the definition of consumer lease and inserting  
3 the following new definition of consumer lease:-

4           “Consumer lease”, a contract in the form or a lease of bailment for the use of personal  
5 property by a natural person for an initial period of time of four months or less, and for a total  
6 contractual obligation not exceeding twenty-five thousand dollars, primarily for personal, family,  
7 or household purposes, that is automatically renewable with each periodic payment after the  
8 initial period, but does not obligate the lessee to continue leasing beyond the initial period, and  
9 that permits the lessee to become the owner of the property, except that such term shall not be  
10 construed to be nor subjected to laws governing any of the following:

- 11           (1)    A lease agreement which constitutes a credit sale as defined in section one of  
12 chapter one hundred and forty D;
- 13           (2)    Any lease for agriculture, business, or commercial purposes;
- 14           (3)    Any lease made to the commonwealth or any political subdivisions thereof,  
15 including, but not limited to, any agencies, boards, departments or other such instrumentalities of  
16 the commonwealth or any political subdivisions thereof;
- 17           (4)    Any lease made to an organization;
- 18           (5)    A lease or agreement which constitutes a retail installment sale agreement as  
19 defined in section one of chapter two hundred and fifty-five D;

20 (6) Any lease or rental of motor vehicles, as defined in section one of chapter ninety  
21 or tools or garden equipment; and

22 (7) Any lease or rental of an item of personal property that is leased or rented for  
23 fewer than seven consecutive days, including all renewals and extensions of the lease or rental  
24 agreement.

25 SECTION 2. Said chapter 93 of the General Laws is hereby further amended by striking  
26 out section 91, as so appearing, and inserting in place thereof the following section:-

27 Section 91. Written statement of information prior to execution of lease

28 Each lessor shall give to the lessee prior to the execution of the lease a dated written  
29 statement on which the lessor and lessee are identified, setting out accurately and in clear and  
30 conspicuous manner the following information with respect to such lease, as applicable:

31 (a) A brief description or identification of the leased property, including whether the  
32 property is new or used;

33 (b) The amount of any payment required by the lessee at or before the execution of  
34 the lease;

35 (c) The amount paid or payable by the lessee for fees or taxes;

36 (d) The amount and description of other charges payable by the lessee and not  
37 included in the periodic payments;

38 (e) If an ongoing option to purchase shall exist a statement of the method of  
39 determining the purchase price at any point in time;

40 (f) A statement identifying all express warranties and guarantees made by the  
41 manufacturer or lessor with respect to the leased property, identifying the party responsible for  
42 maintaining or servicing the leased property together with a description of the responsibility;

43 (g) A brief description of insurance provided or paid for by the lessor or required of  
44 the lessee, including the types and amounts of the coverages and costs;

45 (h) A statement that the lessee acquires no ownership rights in the property until the  
46 total amount necessary to acquire ownership is paid or any available ongoing purchase option is  
47 exercised;

48 (i) The number, amount and due dates or periods of payments under the lease and the  
49 total amount of such periodic payments necessary to acquire ownership of the leased property by  
50 making periodic payments;

51 (j) A statement that the lessee may terminate the consumer lease without penalty by  
52 voluntarily surrendering or returning the property in good repair upon expiration of any lease  
53 period along with any past due payments or charges;

54 (k) The date of the transaction and the identities of the lessor and lessee;

55 (l) Notice of the lessee's right to reinstate a consumer lease as provided in section  
56 ninety two, B of this chapter; and

57 (m) The party liable for loss, damage in excess of normal wear and tear, or destruction  
58 of the leased property.

59 The disclosures required under this section may be made in the lease contract to be  
60 signed by the lessee, or may be made in a separate written document which shall be attached to  
61 the lease contract. Any of the information required to be disclosure under this section may be  
62 given in the form of estimates where the lessor is not in a position to know the exact information.

63 The disclosures required under this section may be made in the lease contract to be  
64 signed by the lessee, or may be made in a separate written document which shall be attached to  
65 the lease contract. Any of the information required to be disclosure under this section may be  
66 given in the form of estimates where the lessor is not in a position to know the exact information.

67 SECTION 3. Said chapter 93 of the General Laws, is hereby further amended by striking  
68 out section 92, as so appearing, and inserting in place thereof the following section:-

69 Section 92. Advertisement for consumer lease; statement regarding payment

70 (a) If an advertisement for a consumer lease states the amount of any payment or  
71 states that any or no initial payment is required, the advertisement shall also clearly and  
72 conspicuously state the following items, as applicable:

73 (1) That the transaction advertised is a lease or rental-purchase agreement;

74 (2) The total of initial payments required at or before execution of the lease or  
75 delivery of the property, whichever is later;

76 (3) That a security deposit is required, if applicable

77 (4) The number, amounts, and timing of scheduled payments;

78 (b) If an advertisement for a consumer lease refers to or states the amount of any  
79 payment and that the lessee has the right to acquire ownership of any particular item, the  
80 advertisement shall further clearly and conspicuously state the following items, as applicable:

81 (1) The total of payments necessary to acquire ownership if ownership is acquired  
82 through the accumulation of periodic payments,

83 (2) That the consumer acquires no ownership rights if the total amount necessary to  
84 acquire ownership is not paid or the option to purchase is not exercised by payment of the  
85 purchase price.

86 (c) Any owner or the agents or employees of any owner of any medium in which an  
87 advertisement appears or through which it is disseminated shall not be liable under this section.

88 SECTION 4. Said chapter 93 of the General Laws is hereby further amended by  
89 inserting after section 92 the following section:-

90 Section 92A. In-store consumer lease price disclosures

91 For each item offered under a consumer lease the lessor shall clearly and conspicuously  
92 disclose:

93 (1) The cash price of the item;

94 (2) The amount of the periodic payment; and

95 (3) The total number and total amount of periodic payments necessary to acquire  
96 ownership

97 SECTION 5. Said chapter 93 of the General Laws is hereby further amended by inserting  
98 after section 92A the following section:-

99 Section 92B. Reinstatement

100 (a) A lessee who fails to make a timely payment may reinstate the agreement within  
101 seven days of the date without losing any rights or options which exist under the agreement, by  
102 the payment of:

103 (1) The past due payments and renewal payment; and

104 (2) The applicable late fee.

105 (b) If the lessee returns or voluntarily surrenders the property, during the  
106 reinstatement period set forth in subsection (a), other than through judicial process, the lessee  
107 may reinstate the agreement during a period of not less than 180 days after the date of the unpaid  
108 lease payment by the payment of:

109 (1) The past due payments and renewable payment;

110 (2) The reasonable cost of pick up and redelivery; and

111 (3) The applicable late fee.

112           (c)     Upon reinstatement under subsection (b) of this section, the lessor shall provide  
113 the consumer with the same or substitute property of comparable quality and condition.