



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
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EXEMPT RENT-TO-OWN FROM RISA

House Bill 4038 as originally introduced
First Analysis (2-24-87) Floor Copy

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Sponsor: Rep. Mary C. Brown
Committee: Consumers

APR 08 1987

Mich. State Law Library

H.B. 4038 (2-24-87)

THE APPARENT PROBLEM:

The Rental Purchase Agreement Act was enacted in 1984 to regulate rent-to-own contracts, under which people can rent furniture, appliances, televisions, and other property for up to four months with the option of eventually buying them. The act recognizes the special nature of the contracts and distinguishes them from contracts regulated under the Retail Installment Sales Act. To make the distinction clearer, the Retail Installment Sales Act needs to be amended to specify that it does not apply to rent-to-own arrangements regulated under the 1984 act.

THE CONTENT OF THE BILL:

The bill would amend the Retail Installment Sales Act to stipulate that it does not regulate rental-purchase agreements as defined in the Rental Purchase Agreement Act (Public Act 424 of 1984). MCL 445.852

FISCAL IMPLICATIONS:

There do not appear to be any fiscal implications.

ARGUMENTS:

For:

The Rental Purchase Agreement Act was enacted in 1984 especially to deal with rent-to-own arrangements and was intended to be an alternative to the Retail Installment Sales Act. The bill makes that clear by removing rent-to-own agreements from the purview of the installment sales act

POSITIONS:

The Michigan Consumers Council is not opposed to the bill (2-18-87).

The Michigan Retailers Association is not opposed to the bill (2-18-87).