S T A T E O F N E W Y O R K

10676

I N A S S E M B L Y

June 12, 2016

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Hyndman) -- read once and referred to the Committee on Consumer Affairs and Protection

AN ACT to amend the personal property law, in relation to rental-purchase agreement forms

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 2, paragraph (e) of subdivision 3, and subdivision 4 of section 501 of the personal property law, as added by chapter 792 of the laws of 1986, are amended to read as follows:

2. Disclosures required by this section must be printed or typed in each rental-purchase agreement in a size equal to at least [ten-point] TWELVE-POINT bold-faced type.

(e) requiring the payment of a late charge or reinstatement fee unless a periodic payment is delinquent for more than three days for agreements that are renewed on week by week terms and seven days for agreements that are renewed on month by month terms[,]; PROVIDED, HOWEVER, THAT NEITHER SATURDAYS, SUNDAYS, NOR FEDERALLY-RECOGNIZED HOLIDAYS DURING WHICH THE UNITED STATES POSTAL SERVICE IS NOT OPEN TO THE PUBLIC SHALL COUNT TOWARD THE THREE OR SEVEN DAY TOTALS, and the charge or fee is in an amount not more than the greater of ten percent of the delinquent amount or three dollars for agreements that are renewed on week by week terms and not more than the greater of ten percent of the delinquent amount or five dollars for agreements that are renewed on month by month terms. In the event that multiple items are leased to a consumer pursuant to more than one rental-purchase agreement, any late fee imposed pursuant to this section shall not exceed ten percent of the total of the periodic payments that are delinquent.

4. Only one late charge or reinstatement fee may be assessed for a delinquent periodic payment regardless of the period during which it remains in default. No merchant shall assess a late charge for a periodic payment made in full on its due date or within three days for agreements that are renewed on week by week terms or seven days for agreements that are renewed on month by month terms when the only delinquency

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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is attributable to late fees assessed on earlier periodic payments; PROVIDED, HOWEVER, THAT NEITHER SATURDAYS, SUNDAYS, NOR FEDERALLY-RECOGNIZED HOLIDAYS DURING WHICH THE UNITED STATES POSTAL SERVICE IS NOT OPEN TO THE PUBLIC SHALL COUNT TOWARD THE THREE OR SEVEN DAY TOTALS. With respect to payments accepted by mail or by store deposit box, no merchant shall assess a late fee for payments which are post-marked or received before the expiration of the applicable delinquency periods.

S 2. This act shall take effect on the ninetieth day after it shall have become a law and shall apply to all agreements entered into or offered on or after such date.