

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

As Engrossed: S4/3/19  
**A Bill**

HOUSE BILL 1914

By: Representative Cavenaugh  
By: Senator Bledsoe

### For An Act To Be Entitled

AN ACT TO AMEND THE RENTAL PURCHASE ACT; AND FOR  
OTHER PURPOSES.

### Subtitle

TO AMEND THE RENTAL PURCHASE ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 4, Chapter 92, Subchapter 1, is amended to add an additional section to read as follows:

4-92-108. Personal property – Repossessed rental merchandise.

(a) This section applies when merchandise becomes attached to the personal property of the consumer that is subject to a perfected lien of a secured creditor while the merchandise is being leased from a lessor under a rental-purchase agreement.

(b)(1) If a secured creditor has a security interest in the personal property of a consumer and the merchandise has become attached to that consumer's personal property, and a lessor repossesses the merchandise attached to the consumer's personal property before the consumer becomes the owner of such merchandise, then at the time of repossession the lessor shall install substitute new or used factory quality equipment that is reasonably calculated to keep the personal property of the consumer usable and operable.

(2) A lessor is liable to a secured creditor for the cost and installation of the substitute equipment if a lessor does not comply with subdivision (b)(1) of this section at the time of repossession.

(c) If a secured creditor repossesses the collateral of the secured



creditor before the consumer becomes the owner of the merchandise that is attached to the collateral and before the collateral is resold, then the secured creditor shall:

(1) Work with the lessor to comply with subdivision (b)(1) of this section; or

(2) Pay the lessor whichever is the lesser amount:

(A) The original cost of the merchandise; or

(B) The total of remaining rental payments on the consumer's rental purchase agreement with the lessor.

*/s/Cavanaugh*

**APPROVED: 4/10/19**