

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Committee Substitute

for

Senate Bill 258

BY SENATORS TRUMP AND DEEDS

[Originating in the Committee on the Judiciary;

reported on January 25, 2023]

1 A BILL to amend and reenact §46B-2-1 of the Code of West Virginia, 1931, as amended; and to
2 amend and reenact §46B-3-8 of said code, all relating to the elimination of the maximum
3 fair market value ceiling on consumer goods subject to the regulation of rent-to-own
4 agreements provided for in this article; and permitting a dealer to require a security deposit
5 for those items.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 2. FORMATION AND CONSTRUCTION OF AGREEMENTS FOR THE
RENTAL OF CONSUMER GOODS.**

§46B-2-1 Statute of Frauds.

1 (a) A rental agreement is not enforceable by a dealer by way of action or defense unless
2 there is a writing, signed by both the dealer or his or her agent or employee and the consumer,
3 sufficient to indicate that a rent-to-own agreement has been made between the parties,
4 reasonably identifying and describing the consumer goods to be rented. Any purported rent-to-
5 own agreement entered into without a written agreement may be voided by the consumer, who
6 may return the consumer goods and be refunded all amounts previously paid to the dealer under
7 the purported rental agreement.

8 (b) A rental agreement is not enforceable by a dealer against a consumer unless the
9 written agreement contains all disclosures required by the provisions of this chapter, and unless
10 a copy of the written agreement is delivered to the consumer contemporaneously with the
11 execution of the written agreement. Any written agreement executed by a consumer which does
12 not comply with the requirements of this subsection may be voided by the consumer.

13 ~~(c) The fair market value for any single item which is the subject of a rent-to-own~~
14 ~~agreement may not be more than \$10,000.~~

ARTICLE 3. DEFAULT.

§46B-3-8. Prohibitions for rent-to-own transactions.

1 No dealer may:

2 (1) Require any initial payment in any transaction except the payment for the first rental
3 period, deposit fee, taxes, insurance or delivery fees and other disclosed fees or fees authorized
4 by this chapter;

5 (2) Charge any fee at the time ownership of the consumer goods passes to the consumer,
6 other than an applicable fee, if any, which actually is or will be paid to public officials for perfecting
7 title or ownership in the consumer;

8 (3) Raise the amount of any payment or charge after the execution of the written
9 agreement without both parties voluntarily entering into a second written agreement;

10 (4) Take any action to collect a payment which is prohibited by this chapter;

11 (5) Accept any cosigner other than a person who is in the household of the consumer and
12 who is expected to use the consumer goods;

13 (6) Take any security interest in any property owned by the consumer;

14 (7) Require a damage waiver, insurance or form of insurance, insuring the consumer
15 goods against loss or damage, unless the dealer requires such insurance for all goods of
16 comparable type and value in every rent-to-own agreement;

17 (8) Require damage waiver from a particular insurer;

18 (9) Seek to collect any charge not authorized by this chapter and disclosed in a written
19 agreement; or

20 (10) Have an initial period which is more than one week longer than any other rental
21 period.