

§11-105. Definitions

As used in this Article, unless the context otherwise indicates, the following terms have the following meanings. [PL 1991, c. 787 (NEW).]

1. "Administrator" means the administrator designated in Article VI, section 6-103. [PL 1991, c. 787 (NEW).]

2. "Advertisement" means a commercial message in any medium that directly or indirectly aids, promotes or assists a rental-purchase agreement, but does not include in-store merchandising aids such as window signs and ceiling banners. [PL 2001, c. 287, §2 (AMD).]

3. "Cash price" means the price for which the merchant would sell the property to the consumer for cash on the date of the rental-purchase agreement. The cash price must be reasonably related to the fair market value of the property. The cash price of new merchandise is reasonably related to fair market value if it is equal to or less than the amounts determined under the formula set forth in paragraph A.

A. The cash price of new merchandise may not exceed the amount produced by multiplying the merchant cost by the applicable factor set forth below. For purposes of this paragraph, "merchant cost" means the bona fide actual cost, including freight charges, of the rental property paid by the merchant to a wholesaler, distributor, manufacturer or other provider, net of volume rebates, discounts or other incentives received by the merchant at the time the merchant purchased the item. The maximum cash price must be computed as follows:

- (1) For appliances, the applicable factor is 1.75;
- (2) For electronics having merchant cost less than \$150, the applicable factor is 1.75;
- (3) For electronics having merchant cost greater than or equal to \$150, the applicable factor is 2.00;
- (4) For furniture and jewelry, the applicable factor is 2.50; and
- (5) For items not listed in subparagraphs (1) to (4), the applicable factor is 2.00. [PL 2001, c. 287, §2 (NEW).]

B. The cash price of used merchandise offered for rental may not exceed the maximum permitted cash price of the property when new and must be adjusted for other relevant factors. Other relevant factors include:

- (1) The duration of prior rentals and whether the item has been repaired one or more times;
- (2) Whether the consumer price of the general class of items to which the item belongs has decreased or increased since the merchant originally purchased it; and
- (3) The condition of the item. [PL 2001, c. 287, §2 (NEW).]

[PL 2001, c. 287, §2 (AMD).]

4. "Consumer" means an individual who rents personal property under a rental-purchase agreement used primarily for personal, family or household purposes. [PL 1991, c. 787 (NEW).]

5. "Consummation" means the time at which a consumer becomes contractually obligated under a rental-purchase agreement for personal property used primarily for personal, family or household purposes. [PL 1991, c. 787 (NEW).]

5-A. "Debt" means an obligation or alleged obligation of a consumer to surrender or return rental property or pay money arising out of a rental-purchase agreement.

[PL 2001, c. 287, §3 (NEW).]

5-B. "Location information" means a consumer's place of residence and the consumer's telephone numbers at that location and at the consumer's place of employment.

[PL 2001, c. 287, §3 (NEW).]

6. "Merchant" means a person who regularly provides the use of property through rental-purchase agreements and to whom rental payments are initially payable on the face of the rental-purchase agreement.

[PL 1991, c. 787 (NEW).]

6-A. "Periodic payment" means the total payment the consumer will make for a specific rental period, including the rental payment, any administrative fees or delivery charges, taxes and fees or charges for optional products and services.

[PL 2001, c. 287, §3 (NEW).]

6-B. "Rental payment" means a payment to be made by a consumer for the right of possession and use of rental property for a specific rental period, but does not include taxes imposed on such payment.

[PL 2001, c. 287, §3 (NEW).]

6-C. "Rental period" means a week, month or other specific period of time during which the consumer has a right to possess and use the property after making the rental payment and applicable tax payment for such period.

[PL 2001, c. 287, §3 (NEW).]

7. "Rental-purchase agreement" means an agreement for the use of personal property by an individual primarily for personal, family or household purposes for an initial period of 4 months or less that is automatically renewable with each payment after the initial period and that permits the consumer to become the owner of the property, but does not obligate or require the consumer to continue renting or using the property beyond the initial period.

[PL 1991, c. 787 (NEW).]

8. "Rental-purchase cost" means the total of charges payable by the consumer and imposed by the merchant as a condition of entering into and acquiring ownership of property under a rental-purchase agreement. "Rental-purchase cost" includes rental payments and any initial administrative fees, but does not include taxes, delivery charges, late charges, payment pick-up fees or any optional charges or fees that meet the requirements of section 11-111, subsection 4.

[PL 2001, c. 287, §3 (NEW).]

9. "Total of payments to acquire ownership" means the total of all charges payable by the consumer to acquire ownership of the rental property. "Total of payments to acquire ownership" includes any initial administrative fee, the total of all rental payments and taxes, but does not include delivery charges, late charges, payment pick-up fees or any optional charges or fees that meet the requirements of section 11-111, subsection 4.

[PL 2001, c. 287, §3 (NEW).]

SECTION HISTORY

PL 1991, c. 787 (NEW). PL 2001, c. 287, §§2,3 (AMD).

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