

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

As Engrossed: S3/19/13

# A Bill

SENATE BILL 919

5 By: Senator Holland  
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## For An Act To Be Entitled

8 AN ACT TO REGULATE EVERGREEN CLAUSES OR AUTOMATIC  
9 RENEWALS IN CERTAIN LEASE AGREEMENTS; TO CLARIFY THE  
10 LAW CONCERNING EVERGREEN CLAUSES; AND FOR OTHER  
11 PURPOSES.  
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### Subtitle

14 TO REGULATE EVERGREEN CLAUSES OR  
15 AUTOMATIC RENEWALS IN CERTAIN LEASE  
16 AGREEMENTS.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 *SECTION 1. Arkansas Code Title 4, Chapter 86, Subchapter 1, is amended*  
23 *to add an additional section to read as follows:*

24 *4-86-109. Automatic lease agreement renewal – Notice required.*

25 *(a) For purposes of this section, "automatic lease renewal" means a*  
26 *provision in a written lease of personal property that the lease is*  
27 *automatically renewed for an additional term at the end of the initial lease*  
28 *agreement term or at the end of any renewal lease term unless the lessee*  
29 *gives written notice to the lessor not to renew the lease agreement.*

30 *(b) Except as provided in subsection (c) of this section, a lessor of*  
31 *personal property under a written lease agreement that contains an automatic*  
32 *lease renewal shall provide to a lessee:*

33 *(1) Written notice of the automatic renewal at least thirty (30)*  
34 *days before the date the cancellation of the renewal of the lease agreement*  
35 *is due by the lessee;*

36 *(2) The identification of the lessor on communications between*



1 the lessee and lessor, including monthly statements;

2 (3) A copy of the original lease agreement on request; and

3 (4) The full purchase price, the interest rate for the lease,  
4 the monthly payment, and the total payoff amount for the personal property in  
5 the written lease agreement.

6 (c) If the lessor fails to provide the notice and information required  
7 under subsection (b) of this section, the automatic lease agreement renewal  
8 is voidable at the option of the lessee.

9 (d) This section does not apply to lease agreements with a term of  
10 less than one (1) year.

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12 /s/Holland  
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