

AMENDED IN SENATE JULY 3, 1996

AMENDED IN SENATE JUNE 26, 1996

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 2344

Introduced by Assembly Member Woods

February 16, 1996

An act to amend Section 2985.71 of the Civil Code, relating to vehicle leases.

LEGISLATIVE COUNSEL'S DIGEST

AB 2344, as amended, Woods. Motor vehicle leases.

Existing law specifies requirements for contracts for leases of motor vehicles, as specified. Among other things, existing law provides that if any solicitation to enter into a lease contract includes a statement of the amount of payment, the number of payments, or that any capitalized cost reduction, any or no downpayment, or other payment is required at the inception of the lease, the solicitation shall also include a specified statement.

This bill would provide that an advertisement to enter into a lease contract made through a radio broadcast shall be deemed to comply with these prescribed disclosure requirements if the advertisement states certain information and either lists a toll-free phone number or refers to a written advertisement in a publication of general circulation, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2985.71 of the Civil Code is
2 amended to read:
3 2985.71. (a) Except as provided in subdivision (b),
4 any solicitation to enter into a lease contract includes a
5 statement of the amount of any payment, the number of
6 required payments, or that any capitalized cost
7 reduction, any or no downpayment, or other payment is
8 required at the inception of the lease, the solicitation shall
9 also include a clear and conspicuous statement of all of the
10 following:
11 (1) A statement that the transaction advertised is a
12 lease.
13 (2) If the lessee is to bear the risk of the motor vehicle's
14 depreciation, the value placed on the motor vehicle at the
15 inception of the lease.
16 (3) The amount, if any, required by the lessor as a
17 security deposit, advance periodic payment or other
18 prepayment.
19 (4) The term of the lease expressed in months, the
20 amounts and due dates or periods of scheduled payments,
21 and the total amount of periodic payments.
22 (5) If the lessee is to bear the risk of the motor vehicle's
23 depreciation, the maximum for which the lessee could be
24 held liable at the end of the lease period.
25 (6) A statement of whether or not the lessee has the
26 option to purchase the leased motor vehicle and at what
27 price and time. The method of determining the price may
28 be substituted for disclosure of the price.
29 (b) (1) Any solicitation described in subdivision (a)
30 by radio broadcast shall be deemed to be in compliance
31 with the requirements of subdivision (a) if the
32 advertisement clearly and conspicuously does all of the
33 following:
34 (A) States that the transaction is solicited as a lease.



1 (B) States the number, amounts, due dates or periods
2 of scheduled payments, and the total of these payments
3 under the lease.

4 (C) Includes either a referral to a toll-free telephone
5 number established pursuant to paragraph (2) that may
6 be used by consumers to obtain all the information
7 required under subdivision (a) or to the name and dates
8 of publication of a written advertisement that appears
9 pursuant to paragraph (3).

10 (D) *States the amount of any payment required at the*
11 *inception of the lease or that this payment is not required*
12 *if that is the case.*

13 (2) In the case of a radio broadcast advertisement
14 described in paragraph (1) that includes a referral to a
15 toll-free telephone number, the lessor who offers the
16 consumer lease shall do all of the following:

17 (A) Establish a toll-free telephone number not later
18 than the date on which the advertisement including the
19 referral is broadcast.

20 (B) Maintain the telephone number for a period of not
21 less than 10 days, beginning on the date of any broadcast.

22 (C) Provide the information required under
23 subdivision (a) with respect to the lease to any person
24 who calls the number. This information shall be provided
25 verbally or, if requested by the consumer, in written
26 form.

27 (3) In the case of a radio broadcast advertisement
28 described in paragraph (1) that includes a referral to a
29 written advertisement, the lessor who offers the
30 consumer lease shall cause to be published a written
31 advertisement in a publication in general circulation in
32 the community served by the radio station on which the
33 advertisement is broadcast during the period beginning
34 three days before this broadcast and ending 10 days after
35 the broadcast. The written advertisement shall include all
36 the information required to be disclosed under
37 subdivision (a).

38 (c) No solicitation to aid, promote, or assist directly or
39 indirectly any lease contract may state that a specific
40 lease of any motor vehicle at specific amounts or terms is



1 available unless the lessor usually and customarily leases
2 or will lease that motor vehicle at those amounts or terms.

3 (d) A failure to comply with the provisions of this
4 section shall not affect the validity of the leasing contract.

5 There is no liability on the part of any owner or personnel,
6 as such, of any advertising medium for any violation of

7 this section.

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