

Assembly Bill No. 1491

Passed the Assembly September 5, 2017

Chief Clerk of the Assembly

Passed the Senate August 31, 2017

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2017, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 1670.10 to the Civil Code, relating to dogs and cats.

LEGISLATIVE COUNSEL'S DIGEST

AB 1491, Caballero. Sales of dogs and cats: contracts.

Existing law generally regulates formation and enforcement of contracts, including what constitutes an unlawful contract. Under existing law, a contract is unlawful if it is contrary to an express provision of law, contrary to the policy of express law, though not expressly prohibited, or otherwise contrary to good morals. Existing law, the Unruh Act, provides for the regulation of retail installment contracts, as defined. Existing law, the Karmette Rental-Purchase Act, provides for the regulation of rental-purchase agreements, as defined.

Existing law regulates the sale of dogs and cats in this state, including provisions governing the retail sale of dogs and cats.

This bill would declare a contract entered into on or after January 1, 2018, to transfer ownership of a dog or cat in which ownership is contingent upon the making of payments over a period of time subsequent to the transfer of possession of the dog or cat void as against public policy unless those payments are on an unsecured loan for the purchase of that animal. This bill would also declare a contract entered into on or after January 1, 2018, for the lease of a dog or cat that provides for or offers the option of transferring ownership of the dog or cat at the end of the lease term void as against public policy. The bill would require that the consumer taking possession of a dog or cat transferred under one of these contracts be deemed the owner of the dog or cat and be entitled to the return of all amounts paid under the contract.

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

SECTION 1. Section 1670.10 is added to the Civil Code, to read:

1670.10. (a) (1) Except as provided in paragraph (2), a contract entered into on or after January 1, 2018, to transfer ownership of

a dog or cat in which ownership is contingent upon the making of payments over a period of time subsequent to the transfer of possession of the dog or cat is void as against public policy.

(2) Paragraph (1) shall not apply to payments to repay an unsecured loan for the purchase of the dog or cat.

(b) A contract entered into on or after January 1, 2018, for the lease of a dog or cat that provides for or offers the option of transferring ownership of the dog or cat at the end of the lease term is void as against public policy.

(c) In addition to any other remedies provided by law, the consumer taking possession of a dog or cat transferred under a contract described in paragraph (1) of subdivision (a) or in subdivision (b) shall be deemed the owner of the dog or cat and shall also be entitled to the return of all amounts the consumer paid under the contract.

Approved _____, 2017

Governor