

1 **VEHICLE SALE AND SECURITY INTEREST**
2 **AMENDMENTS**

3 2003 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: David H. Steele**

6 **This act modifies the Motor Vehicles Code by defining terminal rental adjustment clause**
7 **and providing that a motor vehicle or trailer lease agreement that is subject to a terminal**
8 **rental adjustment clause does not create a sale or security interest.**

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 ENACTS:

11 **41-1a-609**, Utah Code Annotated 1953

12 *Be it enacted by the Legislature of the state of Utah:*

13 Section 1. Section **41-1a-609** is enacted to read:

14 **41-1a-609. Terminal rental adjustment clauses.**

15 (1) As used in this section, "terminal rental adjustment clause" means a provision of an
16 agreement that permits or requires the rental price to be adjusted upward or downward by
17 reference to the amount realized by the lessor under the agreement upon sale or other
18 disposition of the property.

19 (2) Notwithstanding any other provision of law, a motor vehicle or trailer lease
20 agreement that is subject to a terminal rental adjustment clause does not create a sale or
21 security interest.

22 (3) The provisions of this section do not affect § : (a) § the rights and obligations of a valid
23 security interest under this chapter § ; OR

23a (b) THE CALCULATION OF SALES AND USE TAX PAYABLE UNDER TITLE 59, CHAPTER 12,
23b SALES AND USE TAX ACT § .



Legislative Review Note

as of 2-17-03 12:00 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0206

Vehicle Sale and Security Interest Amendments

21-Feb-03

10:13 AM

State Impact

No fiscal impact.

Individual and Business Impact

Individual and business impacts will vary by circumstance.

Office of the Legislative Fiscal Analyst