

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 the rights and obligations of a valid  
23 security interest under this chapter.



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**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**

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**Fiscal Note**  
**Bill Number SB0206**

**Vehicle Sale and Security Interest Amendments**

*21-Feb-03*

*10:13 AM*

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**State Impact**

No fiscal impact.

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**Individual and Business Impact**

Individual and business impacts will vary by circumstance.

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**Office of the Legislative Fiscal Analyst**