

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997
4
5 By: Senator Fitch
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A Bill

SENATE BILL 226

For An Act To Be Entitled

9 "AN ACT TO AMEND SUBCHAPTER 1 OF TITLE 4, CHAPTER 2A, OF
10 THE ARKANSAS CODE OF 1987, ANNOTATED, REGARDING THE
11 LEASING OF GOODS, TO ADD A NEW SECTION 4-2A-110 TO PROVIDE
12 THAT TERMINAL RENTAL ADJUSTMENT CLAUSES (TRAC) IN MOTOR
13 VEHICLE LEASES DO NOT CREATE SALES TRANSACTIONS OR
14 SECURITY INTERESTS; AND FOR OTHER PURPOSES."

Subtitle

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17 "TO AMEND THE ARKANSAS U.C.C. LAW TO
18 PROVIDE THAT TERMINAL RENTAL ADJUSTMENT
19 CLAUSES (TRAC) IN VEHICLE LEASES DO NOT
20 CREATE A SALE OR SECURITY INTERESTS."
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Subchapter 1 of Title 4, Chapter 2A, of the Arkansas Code of
25 1987, Annotated, regarding leasing of goods under the U.C.C., is amended to
26 add a new § 4-2A-110 to read as follows:

27 "4-2A-110. Terminal Rental Adjustment Clauses for vehicle leases - Not
28 sales or security interests.

29 In the case of motor vehicles and trailers, notwithstanding any other
30 provision of law, a leasing agreement involving a motor vehicle or trailer
31 shall not create a sales transaction or a security interest in the vehicle
32 merely because the lease contains provisions which provide that the rental
33 price is permitted or required to be adjusted under the agreement either
34 upward or downward based upon an amount which may be realized from a sale or
35 other disposition of the vehicle after the end or termination of the lease
36 period."
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1 SECTION 2. All provisions of this act of general and permanent nature
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
3 Revision Commission shall incorporate the same in the Code.

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5 SECTION 3. If any provisions of this act or the application thereof to
6 any person or circumstance is held invalid, the invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provisions or application, and to this end the provisions of this
9 act are declared to be severable.

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11 SECTION 4. All laws and parts of laws in conflict with this act are
12 hereby repealed.

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