

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

---

Legislative Document

No. 899

H.P. 646

House of Representatives, February 6, 1997

---

### An Act Regarding Terminal Rental Adjustment Clauses Vehicle Leasing.

---

Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative BOLDUC of Auburn.  
Cosponsored by Senator CAREY of Kennebec and  
Representatives: BERRY of Livermore, BULL of Freeport, CHIZMAR of Lisbon,  
FARNSWORTH of Portland, SHIAH of Bowdoinham, SKOGLUND of St. George, TRUE of  
Fryeburg, WHEELER of Eliot.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 29-A MRSA §708 is enacted to read:**

6 **§708. Terminal rental adjustment clauses; vehicle leases that  
are not sales or security interests**

8 Notwithstanding any other provision of law to the contrary,  
10 in the case of motor vehicles or trailers, a transaction does not  
12 create a sale or security interest merely because the agreement  
14 provides that the rental price is permitted or required to be  
adjusted upward or downward by reference to the amount realized  
upon sale or other disposition of the motor vehicle or trailer.

16 **SUMMARY**

18 The purpose of this bill is to ensure that terminal rental  
20 adjustment clause leases are treated the same as all other leases  
22 for state law purposes and bankruptcy law purposes. This bill  
24 specifies that motor vehicle or trailer leases that specify that  
the rental price may or must be adjusted upward or downward based  
on the amount realized upon sale or disposition of the vehicle do  
not create a sale or security interest.