

39:10-5

LEGISLATIVE HISTORY CHECKLIST  
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(Motor Vehicles leases)

NJSA: 39:10-5

LAWS OF: 1992 CHAPTER: 28

BILL NO: A903

SPONSOR(S): Roberts & Penn

DATE INTRODUCED: February 13, 1992

COMMITTEE: ASSEMBLY: Financial Institutions  
SENATE: Commerce

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: March 16, 1992  
SENATE: May 21, 1992

DATE OF APPROVAL: June 29, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes  
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

P.L.1992, CHAPTER 28, approved June 29, 1992  
1992 Assembly No. 903

1 AN ACT concerning certain vehicle leases and supplementing  
2 chapter 10 of Title 39 of the Revised Statutes.

3

4 BE IT ENACTED by the Senate and General Assembly of the  
5 State of New Jersey:

6 1. a. Notwithstanding any other provision of law to the  
7 contrary, no agreement stating that it is for the lease of a  
8 vehicle shall be deemed to create a conditional sale of, or  
9 security interest in, the property which is the subject of the  
10 agreement merely because the agreement contains a terminal  
11 rental adjustment clause.

12 b. For purposes of this section:

13 (1) "terminal rental adjustment clause" means a provision of  
14 an agreement which permits or requires the rental price to be  
15 adjusted upward or downward by reference to the amount  
16 realized by the lessor upon sale or other disposition of the vehicle.

17 (2) "vehicle" means every device in, upon or by which a person  
18 or property is or may be transported upon a highway, excepting  
19 devices moved by human power or used exclusively upon  
20 stationary rails or tracks or motorized bicycles.

21 2. This act shall take effect immediately and shall apply to  
22 any lease agreement entered into or renewed on or after the date  
23 of enactment.

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STATEMENT

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28 This bill provides that open-end leases for motor vehicles,  
29 trailers, semitrailers or pole trailers that have terminal rental  
30 adjustment clauses (TRAC leases) are to be leases under State  
31 law and not agreements which create a conditional sale of, or  
32 security interest in, the vehicle which is the subject of the  
33 agreement. A terminal rental adjustment clause in a vehicle  
34 lease is a provision which permits or requires the rental price to  
35 be adjusted upward or downward by reference to the amount  
36 realized by the lessor upon sale or other disposition of the vehicle.

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41 Provides that terminal rental adjustment clauses (TRAC leases)  
42 be considered as true leases.

ASSEMBLY, No. 903  
STATE OF NEW JERSEY

INTRODUCED FEBRUARY 13, 1992

By Assemblymen ROBERTS and PENN

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ASSEMBLY FINANCIAL INSTITUTIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 903

STATE OF NEW JERSEY

DATED: MARCH 2, 1992

The Assembly Financial Institutions Committee reports favorably Assembly Bill No. 903.

This bill provides that open-end leases for motor vehicles, trailers, semitrailers or pole trailers that have terminal rental adjustment clauses (TRAC leases) are to be leases under State law and not agreements which create a conditional sale of, or security interest in, the vehicle which is the subject of the agreement. A terminal rental adjustment clause in a vehicle lease is a provision which permits or requires the rental price to be adjusted upward or downward by reference to the amount realized by the lessor upon sale or other disposition of the vehicle.

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 903

STATE OF NEW JERSEY

DATED: APRIL 6, 1992

The Senate Commerce Committee reports favorably Assembly, No. 903.

This bill provides that open-end leases for motor vehicles, trailers, semitrailers or pole trailers that have terminal rental adjustment clauses (TRAC leases) are to be leases under State law and not agreements which create a conditional sale of, or security interest in, the vehicle which is the subject of the agreement. A terminal rental adjustment clause in a vehicle lease is a provision which permits or requires the rental price to be adjusted upward or downward by reference to the amount realized by the lessor upon sale or other disposition of the vehicle.