

AN ACT

RELATING TO COMMERCIAL MOTOR VEHICLE LEASING; CLARIFYING THAT
TERMINAL RENTAL ADJUSTMENT CLAUSES DO NOT CREATE A SALE OF OR
SECURITY INTEREST IN THE LEASED VEHICLE; DECLARING AN
EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of Chapter 66, Article 3 NMSA
1978 is enacted to read:

"TERMINAL RENTAL ADJUSTMENT CLAUSES--VEHICLE LEASES THAT
ARE NOT SALES NOR CREATE SECURITY INTERESTS.--Notwithstanding
any other provision of law, in the case of motor vehicles or
trailers that are leased, except for those motor vehicles or
trailers leased for personal, family or household purposes, a
lease transaction does not create a sale of or security
interest in a motor vehicle or trailer, or transfer ownership
to the lessee, merely because the lease contains a terminal
rental adjustment clause that provides that the rental price
is permitted or required to be adjusted up or down in respect
to the amount of money realized upon the sale of the motor
vehicle or trailer. Nothing in this section exempts a
leaseholder of a motor vehicle or trailer from payment of fees
or taxes otherwise required pursuant to New Mexico law."

SECTION 2. EMERGENCY.--It is necessary for the public
peace, health and safety that this act take effect

immediately. _____