

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE DRS55240-MA-250 (03/24)

Short Title: Terminal Rental Adjustment Clauses.

(Public)

Sponsors: Senator Vaughan.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THAT TERMINAL RENTAL ADJUSTMENT CLAUSES DO NOT  
3 CREATE A SALE OR SECURITY INTEREST IN THE LEASED VEHICLE.  
4 The General Assembly of North Carolina enacts:  
5 SECTION 1. Article 3 of Chapter 20 of the General Statutes is amended by adding  
6 a new section to read:  
7 "§ 20-78.1. Terminal rental adjustment clauses; vehicle leases that are not sales or  
8 security interests.  
9 Notwithstanding any other provision of law, a lease transaction does not create a sale or  
10 security interest in a motor vehicle or trailer merely because the lease contains a terminal rental  
11 adjustment clause that provides that the rental price is permitted or required to be adjusted up or  
12 down by reference to the amount of money realized upon the sale or other disposition of the  
13 motor vehicle or trailer."  
14 SECTION 2. This act is effective when it becomes law.



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