

CHAPTER 93

---

**MOTOR VEHICLES AND TRAFFIC REGULATION**

---

**HOUSE BILL 97-1199**

BY REPRESENTATIVES Reeser and Schwarz;  
also SENATOR Lacy.

**AN ACT**

CONCERNING TERMINAL RENTAL ADJUSTMENT CLAUSES IN FLEET LEASE AGREEMENTS.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 42-6-120, Colorado Revised Statutes, 1993 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**42-6-120. Security interests upon motor vehicles.** (3) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, IN THE CASE OF MOTOR VEHICLES OR TRAILERS, A LEASE TRANSACTION DOES NOT CREATE A SALE OR SECURITY INTEREST SOLELY BECAUSE IT PERMITS OR REQUIRES THE RENTAL PRICE TO BE ADJUSTED EITHER UPWARD OR DOWNWARD UNDER THE AGREEMENT BY REFERENCE TO THE AMOUNT REALIZED UPON SALE OR OTHER DISPOSITION OF THE MOTOR VEHICLE OR TRAILER.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 16, 1997

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*