



result would be extra fees charged to the traveler and more profit to the rental car agency. Given that the lease agreement price has been adjusted upward in this scenario, how does it interface with this legislation if the Lessor later sells the vehicle?

**TECHNICAL ISSUES**

“Lease agreement” needs to be defined.

**POSSIBLE QUESTIONS**

1. If this bill is enacted, what would be the consequence to the consumer? To the Lessor?
2. Provide a real-life example of how a price “adjustment” of a leased vehicle currently creates a security interest to a Lessor. What are the tax consequences? Why does an adjustment in the lease price create a “sale” under current law?
3. How does this bill remedy the perceived problem?

**CMH/njw**