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ORAL WITNESS STATEMENT

Re: TRAC/state legislation

Kevin Smith

"My name is ~~Kelly Heiner~~. I am with Enterprise Leasing in Nevada. I am testifying today on behalf of Enterprise's commercial vehicle fleet leasing operations. I am also speaking on behalf of two national trade associations, the Equipment Leasing Association and the American Automotive Leasing Association. We all support this public interest legislation, which has no opposition.

We have sent in written explanations of the bill and I would like to submit a writted statement for the record. I will just say a few things about TRAC vehicle leasing and about Senate Bill 482.

Senate Bill 482 clarifies the law about TRAC Vehicle leasing, which is the way our company has leased commercial fleets of cars and trucks for decades. Enterprise has some TRAC lessees here in Nevada. TRAC vehicle leasing is the way that most commercial fleets of vehicles are leased throughout the United States. TRAC vehicle leases have been around since before world war II. There are over 5 million vehicles on the roads across the Nation operating under TRAC leases.

What this legislation does, essentially, is make it clear that TRAC vehicle leases are true leases, not sales. This is important because it makes it clear that if the lessee goes into bankruptcy, we still own the vehicles and can get them back, rather than having them taken away from us by the trustee in bankruptcy. This bill

- clarifies the law on a point where bankruptcy court decisions were in conflict;
- keeps the cost of TRAC vehicle leasing low for lessors and lessees of commercial trucks and cars here in Nevada;
- safeguards the well-established, decades-old business of TRAC vehicle leasing that covers over 5 million leased trucks and cars throughout the United States and Nevada;

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- is like the Uniform Commercial Code in that it makes the law uniform and consistent throughout the United States, where forty-three (43) other States (including all the major industrial States) already have enacted this legislation;
- aids commerce across the Nation and in Nevada in particular.

The short of it is that Senate Bill 482 will safeguard our low costs of doing TRAC vehicle leasing here in Nevada, and it will help commerce here in Nevada.

We strongly support this bill. And we urge you to approve it.