

By Senator Klein

28-1249-98

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A bill to be entitled  
An act relating to motor vehicles; amending s.  
521.004, F.S.; modifying the disclosure form  
for a motor vehicle lease; amending s. 681.102,  
F.S.; modifying definitions applicable to motor  
vehicle sales warranties; providing an  
effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 521.004, Florida Statutes, is  
amended to read:

521.004 Disclosures.--A retail lessor must:

(1) Disclose to the retail lessee in the lease  
agreement in a separate blocked section, in capital letters of  
at least 12-point bold type, with the appropriate amounts  
specified, as follows:

THIS IS A LEASE AGREEMENT.

THIS IS NOT A PURCHASE AGREEMENT.

PLEASE REVIEW THESE MATTERS CAREFULLY AND SEEK INDEPENDENT  
PROFESSIONAL ADVICE IF YOU HAVE ANY QUESTIONS CONCERNING THIS  
TRANSACTION. YOU ARE ENTITLED TO AN EXACT COPY OF THE  
AGREEMENT YOU SIGN.

CAPITALIZED COST \$.....

(Your total cost of goods, services, & fees.)

CAPITALIZED COST REDUCTION \$.....

(Your total credits.)

1           ADJUSTED OR NET CAPITALIZED COST \$.....  
2           (Your net cost of goods, services, & fees.)  
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4   For purposes of this subsection, that portion of the  
5   disclosure stating the terms "capitalized cost," "capitalized  
6   cost reduction," and "adjusted or net capitalized cost," and  
7   the explanations contained in the parentheticals, as well as  
8   their respective amounts, are not required to be disclosed if  
9   the terms "gross capitalized cost," "capitalized cost  
10   reduction," and "adjusted capitalized cost" and the  
11   descriptions and disclosures set forth and required by the  
12   Federal Consumer Leasing Act, 15 USC s. 1501 et seq., and  
13   Federal Reserve Board Regulation M. 12 CFR s. 213, are set  
14   forth elsewhere in the lease agreement.  
15           (2) Provide the retail lessee with a copy of each  
16   document signed by the retail lessee during the course of the  
17   lease transaction.  
18           Section 2. Subsections (3), (9), and (12) of section  
19   681.102, Florida Statutes, are amended to read:  
20           681.102 Definitions.--As used in this chapter, the  
21   term:  
22           (3) "Collateral charges" means those additional  
23   charges to a consumer wholly incurred as a result of the  
24   acquisition of the motor vehicle. For the purposes of this  
25   chapter, collateral charges include, but are not limited to,  
26   manufacturer-installed or agent-installed items or service  
27   charges, earned finance or lease charges, sales taxes, and  
28   title charges.  
29           (9) "Lease price" means the aggregate of the  
30   capitalized cost, as defined in s. 521.003(2), and each of the  
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1 following items to the extent not included in the capitalized  
2 cost:

- 3 ~~(a)~~ Lessor's actual purchase costs.  
4 (a)~~(b)~~ Collateral charges, if applicable.  
5 (b)~~(c)~~ Any fee paid to another to obtain the lease.  
6 (c)~~(d)~~ Any insurance or other costs expended by the  
7 lessor for the benefit of the lessee.  
8 (d)~~(e)~~ An amount equal to state and local sales taxes,  
9 not otherwise included as collateral charges, paid by the  
10 lessor when the vehicle was initially purchased.

11 ~~(f)~~ An amount equal to 5 percent of (a).

12 (12) "Lessee cost" means the aggregate of the security  
13 deposit, capitalized cost-reduction as defined in s.  
14 521.003(3),and rental payments previously paid to the lessor  
15 for the leased vehicle but excludes debt from any other  
16 transaction.

17 Section 3. This act shall take effect July 1, 1998.

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SENATE SUMMARY

21 Modifies the disclosure form for motor vehicle leases.  
22 Provides that specified terms in the form need not be  
23 included if the terms in the Federal Consumer Leasing Act  
24 are provided. Amends the definitions of "collateral  
25 charges," "lease price," and "lessee cost" for purposes  
26 of ch. 681, F.S., relating to motor vehicle sales  
27 warranties.

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