
Transportation Committee

HB 2322

Brief Description: Concerning the vehicle license cost recovery fee charged for certain rental car transactions.

Sponsors: Representative Zeiger.

Brief Summary of Bill

- Establishes that authorization granted to rental car companies to separately itemize vehicle license cost recovery fees, and other fees and charges, applies to rentals of private passenger motor vehicles or cargo vehicles, excluding trucks that weigh 26,000 pounds or more.
- Establishes that the fee and charge authorization applies to any business that rents rental cars to the public, including franchisees.

Hearing Date: 1/13/16

Staff: Jennifer Harris (786-7143).

Background:

Rental car companies may include separately itemized fees and charges in a rental agreement. These additional fees and charges are generally assessed by rental car companies separately from a daily vehicle rental charge. While no limitation is placed on the fees and charges that can be included as separate line items, vehicle license cost recovery fees, child restraint system rental fees, airport-related recovery fees, all applicable taxes, and government surcharges are specifically identified as eligible fees and charges.

If vehicle license cost recovery fees are included as a separately stated charge, the rental car company must make a good faith estimate of the rental car company's average daily charge needed to recover the annual cost of rental vehicle titling, registration, plating, and inspection. When a rental car company determines that the fee collected for these items exceeds their total

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cost in a calendar year, it must reduce the license cost recovery fees to be collected the following calendar year by a corresponding amount.

Similarly, if a child restraint system rental fee is included as a separately stated charge, the rental car company must make a good faith estimate of its costs to provide the child restraint system. If a rental car customer pays a child restraint system rental fee and the child restraint system is not available in a timely manner at the time of rental, as determined by the customer (but no less than one hour after the customer's arrival), then the customer may cancel a reservation, the costs and penalties associated with the cancellation will be void, and the customer will be entitled to refund of any costs associated with the vehicle's rental.

Summary of Bill:

The authorization granted to rental car companies to separately itemize vehicle license cost recovery fees, as well as other fees and charges, applies to rentals of a private passenger motor vehicle or a cargo vehicle, excluding trucks that weigh 26,000 pounds or more. These vehicles must be rented or leased for a duration of 30 or fewer consecutive days by a driver not required to possess a commercial driver's license in order to operate the vehicle being rented. This authorization applies to any business that rents rental cars to the public, including franchisees.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.