
**Consumer Protection & Business
Committee**

HB 1431

Brief Description: Concerning rental car company agreements.

Sponsors: Representatives Santos, Reeves, Pollet and Ormsby.

Brief Summary of Bill

- Limits the taxes and government surcharges that may be included and separately stated in a rental car agreement to those that are directly imposed on a rental car customer by a federal, state, or local government agency, unit, or department.
- Prohibits rental car companies from separately stating a vehicle license cost recovery fee in a rental car agreement or stating or implying to a rental car customer that Washington imposes any vehicle license cost recovery fee on a rental car customer as part of a rental car agreement.
- Authorizes a rental car company, if a disclaimer is included, to describe in a rental car agreement the rental car company's actual costs in Washington to license, title, register, and plate rental cars and to have rental cars inspected for that calendar year.

Hearing Date: 2/5/25

Staff: Peter Clodfelter (786-7127).

Background:

A rental car company may include separately stated surcharges, fees, or charges in a rental car agreement, which may include, but may not be in any way limited to, vehicle license cost

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recovery fees, child restraint system rental fees, airport-related recovery fees, all applicable taxes, and government surcharges.

A vehicle license cost recovery fee is any charge for a rental car transaction originating in Washington to recover costs incurred in Washington by a rental car company to license, title, register, plate, and inspect rental cars.

If a rental car company includes a vehicle license cost recovery fee as a separately stated charge in a rental transaction, the amount of the fee must represent the rental car company's good faith estimate of the rental car company's average daily charge as calculated by the rental car company to recover its actual total annual rental car titling, registration, plating, and inspection costs in Washington.

If the total amount of the vehicle license cost recovery fees collected by a rental car company in any calendar year exceeds the rental car company's actual costs in Washington to license, title, register, and plate rental cars and to have its rental cars inspected for that calendar year, the rental car company must retain the excess amount and adjust the estimated average per vehicle titling, licensing, plating, inspecting, and registration charge for the following calendar year by a corresponding amount.

Summary of Bill:

It is specified that the separately stated taxes and government surcharges that a rental car company may include in a rental car agreement are those that are directly imposed on a rental car customer by a federal, state, or local government agency, unit, or department.

A rental car company may no longer separately state a vehicle license cost recovery fee in a rental car agreement. A rental car company may not state or imply to a rental car customer that Washington imposes any vehicle license cost recovery fees on a rental car customer as part of a rental agreement.

A rental car company may describe in a rental agreement the rental car company's actual costs in Washington to license, title, register, and plate rental cars and to have rental cars inspected for that calendar year. A rental car company electing to describe the costs in a rental car agreement must include a disclaimer with that information, informing the rental car customer that all of the costs described are imposed exclusively on the rental car company and not imposed on the rental car customer by any governmental agency, unit, or department.

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.