

ASSEMBLY, No. 4165

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED MAY 14, 2007

Sponsored by:

Assemblyman ALEX DECROCE

District 26 (Morris and Passaic)

SYNOPSIS

Decreases rental motor vehicle surcharge from \$5 per day to \$2 per day for temporary replacement rental motor vehicles.

CURRENT VERSION OF TEXT

As introduced.



A4165 DECROCE

2

1 AN ACT decreasing the rental motor vehicle surcharge from \$5 per
2 day to \$2 per day for temporary replacement rental motor
3 vehicles, amending P.L.2002, c.34.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7

8 1. Section 54 of P.L.2002, c.34 (C.App.A:9-78) is amended to
9 read as follows:

10 54. a. As used in this section:

11 "Rental company" means a person engaged in the business of
12 renting motor vehicles.

13 "Rental motor vehicle" means a passenger automobile, truck or
14 semitrailer that is rented without a driver and used in the
15 transportation of persons or property other than commercial freight.

16 "Temporary replacement rental motor vehicle" means a rental
17 motor vehicle that is rented by a rental company at a reduced
18 replacement rate or paid for or reimbursed by an insurance company
19 under replacement coverage when a driver's own motor vehicle is
20 reported to a driver's automobile insurer or to police as stolen or
21 damaged, or taken to a mechanic for repair.

22 b. Each rental company doing business in this State shall pay a
23 fee for each rental motor vehicle that the company shall have rented
24 from a location in this State under the terms of a rental agreement
25 for a period of not more than 28 days. The amount of the fee shall
26 be \$5 for each day or part thereof that each such vehicle was rented,
27 but shall be \$2 for each day or part thereof that a temporary
28 replacement rental motor vehicles was rented. The fee shall be
29 separately stated to the person to whom the motor vehicle is rented
30 and shall not be included in the receipts subject to the taxes
31 imposed pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
32 (C.54:32B-1 et seq.).

33 The director of the Division of Taxation in the Department of the
34 Treasury shall collect and administer the fee; in so doing, the
35 director shall have all the powers granted pursuant to P.L.1966, c.30
36 (C.54:32B-1 et seq.). The director may, pursuant to the provisions
37 of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
38 1 et seq.), make, adopt, amend or repeal such rules and regulations
39 as the director finds necessary to carry out the provisions of this
40 subsection.

41 c. There is established in the General Fund the New Jersey
42 Domestic Security Account, which shall be a dedicated nonlapsing
43 account. Amounts paid to the State Treasurer from the first \$2 of
44 the fee for each day or part thereof that a rental motor vehicle was
45 rented pursuant to subsection b. of this section shall be deposited

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 into the account upon receipt. Moneys in the account, including
2 interest thereon, shall be available exclusively for appropriation to
3 support medical emergency disaster preparedness for bioterrorism,
4 security coverage at nuclear power facilities, State Police salaries
5 related to Statewide security services, and counter-terrorism
6 programs.

7 d. A rental company that rents a temporary replacement rental
8 motor vehicle to a consumer and pays the \$2 per day rate provided
9 pursuant to subsection b. of this section shall verify that the rental is
10 a temporary replacement rental through review of any police report,
11 repair documentation or insurance coverage documentation for a
12 consumer's own motor vehicle and shall, upon request, submit to
13 the director copies of such documentation and such other
14 documentation as the director may require, or follow such other
15 procedure of verification as the director may authorize.

16 (cf: P.L. 2006, c.42, s.1)

17
18 2. This act shall take effect immediately and apply to
19 temporary replacement rentals made on or after the first day of the
20 third month following enactment.

21 22 STATEMENT

23
24 This bill reduces the motor vehicle surcharge from \$5 to \$2 for
25 temporary replacement rentals. This decreased surcharge will help
26 drivers save money when they rent motor vehicles out of necessity
27 when they cannot use their own motor vehicles due to damage or
28 breakdown. The rental must be at a reduced replacement rate
29 offered by the rental company or covered by the consumer's
30 automobile insurance in order to qualify for the reduced surcharge.
31 Rental companies will have to collect documentation evidencing the
32 renter's need for a temporary replacement vehicle and provide such
33 documentation to the Director of the Division of Taxation.
34 Acceptable documentation includes police reports, proof of
35 insurance coverage and estimates or receipts from mechanics.