

SENATE, No. 1668

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED MARCH 17, 2014

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

SYNOPSIS

Limits motor vehicle rental companies vehicle license cost recovery fee to good-faith estimate of actual costs; requires company to annually adjust fee to reflect actual costs.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning motor vehicle rental companies and
2 supplementing Title 56 of the Revised Statutes.

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

6
7 1. a. For the purposes of this act:

8 "Motor vehicle" means any vehicle propelled otherwise than by
9 muscular power, excepting any vehicle running only upon rails or
10 tracks and any motorized bicycle.

11 "Motor vehicle rental company" means any business entity or
12 person engaged in renting motor vehicles to retail customers under
13 rental agreements for periods of 90 days or less.

14 "Vehicle license cost recovery fee" means a charge that is
15 separately stated and charged on the rental contract or agreement in
16 a vehicle rental transaction originating in this State to recover costs
17 incurred by a motor vehicle rental company to license, title,
18 register, plate, and inspect rental vehicles.

19 b. In the case of any motor vehicle rental transaction
20 originating in this State, a motor vehicle rental company may
21 provide in the rental contract or agreement for the recovery, through
22 a separate "vehicle license cost recovery fee" specifically identified
23 as such, of costs paid or incurred by the company in the form of
24 motor vehicle titling fees and charges, registration and inspection
25 fees, and motor vehicle licensing fees, including any fees paid by
26 the company to obtain license plates for the company's motor
27 vehicle fleet. The amount of any such vehicle license cost recovery
28 fee shall:

29 (1) Be stated as a separate, itemized charge in the rental contract
30 or agreement and in any bill rendered to the customer under the
31 agreement, and

32 (2) Represent the motor vehicle rental company's good-faith
33 estimate of the company's daily charge as calculated by the
34 company to recover its actual total annual motor vehicle licensing,
35 titling, registration, plating, and inspection costs.

36 Any vehicle license cost recovery fee imposed under a motor
37 vehicle rental contract or agreement pursuant to this subsection
38 shall be collected in accordance with the terms of the rental contract
39 or agreement.

40 The provisions of this subsection shall not be construed to
41 prohibit a motor vehicle rental company from imposing separately
42 stated surcharges, fees, or charges in a rental contract or agreement,
43 which may include but not be limited to, a surcharge to recover the
44 cost of business licensing fees, New Jersey Domestic Security
45 Account fees, airport access fees, airport concession fees, and all
46 applicable taxes; provided, however, that any such surcharge to
47 recover those other costs shall not be included as part of any vehicle
48 license cost recovery fee.

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1 c. A motor vehicle rental company imposing a vehicle license
2 cost recovery fee under subsection b. of this section shall disclose
3 the existence of the surcharge in any advertisement published in the
4 State that contains a rental rate.

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6 2. If the total amount of the vehicle license cost recovery fees
7 collected by a motor vehicle rental company pursuant to P.L. ,
8 c. (C) (pending before the Legislature as this bill) in any
9 calendar year exceeds the motor vehicle rental company's actual
10 costs to license, title, register, and plate motor vehicles and have
11 those vehicles inspected for that calendar year, the company shall
12 do both of the following:

13 a. Retain the excess amount, and

14 b. Adjust the vehicle license cost recovery fee for the following
15 calendar year by a corresponding amount.

16 Nothing herein shall prevent a motor vehicle rental company from
17 making adjustments to the vehicle license cost recovery fee during
18 the calendar year.

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20 3. This act shall take effect immediately, but sections 1 and 2
21 shall be inoperative until the first day of the third month after
22 enactment. The Director of the Division of Consumer Affairs in the
23 Department of Law and Public Safety may take such anticipatory
24 action in advance of that date as may be necessary for the timely
25 implementation of this act upon the date on which it becomes
26 operative.

STATEMENT

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31 This bill clarifies that it is a lawful practice under the "Consumer
32 Protection Leasing Act" for a motor vehicle rental company to
33 collect, from customers renting a vehicle, a vehicle license cost
34 recovery fee to recover the costs paid or incurred by the company
35 for the licensing, titling, registration, inspection, and plating of its
36 motor vehicles. The bill requires that the amount of the vehicle
37 license cost recovery fee be separately stated in the rental contract
38 or agreement, and be imposed at a rate reflecting the proportional
39 part of all licensing, titling, registration, inspection, and plating
40 fees, paid or payable by the company during the calendar year in
41 which the rental contract or agreement was executed, that are
42 attributable to the rental covered by the contract or agreement. A
43 motor vehicle rental company imposing a vehicle license cost
44 recovery fee is required to disclose the existence of the surcharge in
45 any advertisement published in the State that contains a rental rate.

46 If, in a calendar year, the total amount of vehicle license cost
47 recovery fee revenue collected by the company exceeds its actual
48 expenditure in that year for the pertinent fees and charges, the

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1 company is required under the bill to adjust the rate of the recovery
2 fee for the following calendar year in proportion to the amount of
3 the excess.

4 The bill: clarifies that the motor vehicle rental company is to
5 adjust the vehicle license cost recovery fee for the following year if
6 it collected more from the fee in the preceding year than it actually
7 expended on the allowable expenses; make consistent reference
8 throughout the bill to a rental contract or agreement; and make
9 corrections to the format of the bill and the synopsis.