

ASSEMBLY, No. 1267

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

SYNOPSIS

Decreases rental motor vehicle surcharge from \$5 per day to \$2 per day.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

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

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

9 54. a. As used in this section:

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

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

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

24 The director of the Division of Taxation in the Department of the
25 Treasury shall collect and administer the fee; in so doing, the
26 director shall have all the powers granted pursuant to P.L.1966, c.30
27 (C.54:32B-1 et seq.). The director may, pursuant to the provisions
28 of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
29 1 et seq.), make, adopt, amend or repeal such rules and regulations
30 as the director finds necessary to carry out the provisions of this
31 subsection.

32 c. There is established in the General Fund the New Jersey
33 Domestic Security Account, which shall be a dedicated nonlapsing
34 account. Amounts paid to the State Treasurer **[from the first \$2 of**
35 **the fee for each day or part thereof that a rental motor vehicle was**
36 **rented]** pursuant to subsection b. of this section shall be deposited
37 into the account upon receipt. Moneys in the account, including
38 interest thereon, shall be available exclusively for appropriation to
39 support medical emergency disaster preparedness for bioterrorism,
40 security coverage at nuclear power facilities, State Police salaries
41 related to Statewide security services, and counter-terrorism
42 programs.

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

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 2. This act shall take effect immediately.

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STATEMENT

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6 This bill decreases the rental motor vehicle surcharge from \$5
7 per day to \$2 per day. In so doing, the bill lowers the cost of
8 renting a motor vehicle in New Jersey. A driver renting a car for
9 five days, for example, would save \$15.

10 The legislation effectively repeals P.L.2006, c.42, which raised
11 the surcharge from \$2 per day to \$5 per day and directed the
12 proceeds from the additional \$3 portion into the State General Fund.

13 The bill, however, maintains the original \$2 per day surcharge
14 that is dedicated to the New Jersey Domestic Security account.
15 Balances in that account are earmarked for the support of
16 emergency medical disaster preparedness, security coverage at
17 nuclear facilities, State Police salaries related to Statewide security
18 services, and counter-terrorism programs.