

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995

A Bill

HOUSE BILL 1770

4 By: Representatives D. Wood, Angel, Baker, Bennett, Cash, Curran, Dawson,
5 Hall,
6 Hendrix B. G., Hill, Hinshaw, Hunton, Jordan, Maddox, Malone, Mitchell,
7 Rorie, Smith J., Smith T., Thomas, Wallis, Watts, Whorton, Willems, Wilson
8 J., Wood B., Wooldridge and Wren
9 By: Senators Canada, Bell, Bookout, Cassady, Edwards, Everett, and Walters

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For An Act To Be Entitled

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"AN ACT TO PROVIDE THAT AIRPORT CHARGES, OTHER THAN NORMAL
15 RENT, FOR THE OPERATION OF A CAR RENTAL BUSINESS SHALL BE
16 CONSIDERED AN AIRPORT USER FEE ON CAR RENTAL CUSTOMERS; TO
17 AUTHORIZE AIRPORTS TO IMPOSE A USER FEE ON CAR RENTAL
18 CUSTOMERS; TO LEVY AN EXCISE TAX TO BE KNOWN AS THE
19 AIRPORT RENTAL VEHICLE TAX, WHICH SHALL BE DEPOSITED IN
20 THE ARKANSAS DEPARTMENT OF AERONAUTICS FUND; AND FOR OTHER
21 PURPOSES."

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Subtitle

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"AN ACT RELATING TO AIRPORT CHARGES FOR
25 THE OPERATION OF CAR RENTAL BUSINESSES
26 AND TO LEVY AN AIRPORT RENTAL VEHICLE
27 TAX TO BE DEPOSITED IN THE ARKANSAS
28 DEPARTMENT OF AERONAUTICS FUND."

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31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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33 SECTION 1. For the purpose of this act:

34 (1) "On-airport rental operators" means a rental car company that
35 operates from the airport.

1 (2) "Off-airport rental operators" means a rental car company
2 licensed by the airport to pick up customers at the airport.

3 (3) "Normal rent" means the charges described in Section 2(a).

4 (4) "User fee" or "concession fee" means the charges described in
5 Section 2(b).

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7 SECTION 2. (a) A municipal, county, regional or national airport may
8 charge a car rental company normal rent for counter space, office space,
9 service facilities, parking spaces, and other ground rental. Normal rent
10 charges shall be determined based on the square footage to be rented.

11 (b) Charges assessed on the operation of a car rental business, other
12 than normal rent, will be considered an airport user fee on the customers of
13 a car rental operator and shall be collected from the customers. The charges
14 shall be listed on the car rental agreement as an airport user fee and shall
15 be added to the total rental charge. Monies collected by car rental
16 operators for the user fee charges shall be paid to the airport at the end of
17 each month. The procedures and forms for reporting the user fee charges
18 shall be established by the airport.

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20 SECTION 3. (a) A municipal, county, regional or national airport may
21 impose a fee on rentals of licensed motor vehicles from an on-airport rental
22 operator and rentals of licensed motor vehicles from an off-airport rental
23 operator, if the off-airport rental operator picks up the customer at the
24 airport or delivers the motor vehicle to the customer at the airport. The
25 fee shall be levied, at a rate established by the governing body of the
26 airport, on the gross receipts or gross proceeds derived from the rental of
27 the licensed motor vehicle.

28 (b) The fee shall be listed on the rental agreement as an airport
29 user fee and shall be added to the total rental charge. Monies collected by
30 the rental operators from the fee shall be paid to the airport at the end of
31 each month. The procedures and forms for reporting the charges shall be
32 established by the airport.

33 (c) All charges, other than normal rent, assessed by a municipal,
34 county, regional or national airport on a car rental business shall be levied
35 as a fee pursuant to this section.

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SECTION 4. The provisions of this act shall not affect existing agreements between on-airport rental operators and airport, and off-airport rental operators and airport, except that such agreements can be amended to reflect a change in concession fees or the imposition of user fees. Further, this act shall have no effect on future agreements between on-airport rental operators and airports, and off-airport rental operators and airports as to normal rent when existing agreements expire.

SECTION 5. (a) In addition to any other tax imposed by law, there is levied an excise tax of one-half percent ($\frac{1}{2}\%$) to be known as the "Airport Rental Vehicle Tax." The airport rental vehicle tax shall be levied on the gross receipts or gross proceeds derived from rentals of licensed motor vehicles from an on-airport rental operator and rentals of licensed motor vehicles from an off-airport rental operator, if the off-airport rental operator picks up the customer at the airport or delivers the motor vehicle to the customer of the airport.

(b) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting and payment of the tax imposed by the Arkansas Gross Receipts Tax, Arkansas Code 26-52-101, et seq.

(c) The revenues collected by the Director of the Department of Finance and Administration under this section shall be deposited as special revenues in the State Treasury to the credit of the Arkansas Department of Aeronautics Fund and shall be used for the purposes provided in Arkansas Code 27-115-110.

SECTION 6. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 7. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

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3 SECTION 8. All laws and parts of laws in conflict with this act are
4 hereby repealed.

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/s/Rep. D. Wood, et al

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As Engrossed: 3/1/95 3/7/95

HB 1770

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