

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2007-048

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 2289

By: Representative Wills

Referred to
Public Transportation- House
by the House of Representatives
on 04/02/2007

For An Act To Be Entitled

AN ACT TO PROVIDE THE ACCURATE ACCOUNTING OF THE
VEHICLE LICENSE FEE CHARGED BY MOTOR VEHICLE
RENTAL COMPANIES; AND FOR OTHER PURPOSES.

Subtitle

AN ACT TO PROVIDE THE ACCURATE
ACCOUNTING OF THE VEHICLE LICENSE FEE
CHARGED BY MOTOR VEHICLE RENTAL
COMPANIES.

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

SECTION 1. Arkansas Code Title 27, Chapter 14, subchapter 6 is amended to add an additional section to read as follows:

27-14-610. Vehicle license fees charged by motor vehicle rental companies.

(a) As used in this subchapter:

(1)(A) "Motor vehicle rental company" means any person engaged in the business of regularly making available, offering to make available, or arranging for another person to use a motor vehicle pursuant to a bailment, rental agreement, or other contractual arrangement for a period of less than thirty (30) days under which a charge is made for its use at a periodic rate

1 and the title to the motor vehicle is in a person other than the renter.

2 (B) "Motor vehicle company" does not mean a manufacturer
3 or its affiliate renting a motor vehicle to its employees or to dealers;

4 (2) "Vehicle license fee" means a motor vehicle rental company's
5 good faith estimate of the average per day per vehicle portion of the motor
6 vehicle rental company's total annual costs related to the annual vehicle
7 registration and licensing for the motor vehicle rental company's fleet of
8 motor vehicles to include license plates and title fees under Title 27 and
9 personal property taxes imposed under Title 26.

10 (b) In the rental agreement between a motor vehicle rental company and
11 a renter, a motor vehicle rental company may separately itemize and charge a
12 vehicle license fee if:

13 (1) In any advertisement of the motor vehicle rental company
14 that contains a rental rate, the motor vehicle rental company shall disclose
15 in the advertisement the maximum daily charge a customer must pay for the
16 vehicle license fee; and

17 (2) The vehicle license fee is shown as a separately itemized
18 charge on the rental agreement and is described in the rental agreement as
19 follows:

20 "The vehicle license fee is the owner's charge to recover the
21 owner's estimated average daily cost per vehicle of the charges imposed by
22 governmental authorities to title, register, license, and pay property taxes
23 on all vehicles in its rental fleet. The vehicle license fee is not a tax
24 and is not calculated based on the costs imposed upon a particular vehicle."

25 (c) Any vehicle license fee that is collected by the motor vehicle
26 rental company in excess of the actual amount of costs for title,
27 registration, licensure, and personal property tax, if any, shall be retained
28 by the motor vehicle rental company and applied towards the recovery of its
29 costs for next year's vehicle title, registration, licensure, and personal
30 property tax. In such event, the good faith estimate of the vehicle license
31 fee to be charged by the motor vehicle rental company for the next calendar
32 year shall be reduced to take into account the excess amount collected from
33 the prior year.

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