The Assembly Appropriations Committee reports favorably Assembly Bill No. 3233, with committee amendments.

As amended, this bill exempts nonprofit car-sharing organizations from the $5 surcharge on motor vehicle rentals charged pursuant to section 54 of P.L.2002, c.34 (C.App.A:9-78). The bill defines a car-sharing organization as “...a nonprofit organization that runs a membership program intended to offer an alternative to car ownership under which persons or entities that become members are permitted to use vehicles from a fleet on a hourly basis.” Under the bill, a nonprofit car-sharing organization would be differentiated from car rental companies and thereby ensure that alternatives to car ownership receive different tax treatment from car-rental commercial transactions.

The bill also provides a proration of the fee for rentals of less than 24 hours duration, at the rate of $0.25 per hour or part thereof.

FISCAL IMPACT:

The Office of Legislative Services notes that there will be an indeterminate revenue loss to the State depending on the number of car rentals for less than 24 hours. It is believed that the revenue losses due to the exemption of nonprofit car-sharing organizations under the bill will be insubstantial.

The State Treasurer currently receives a $5 fee for each day that a rental motor vehicle is rented in New Jersey, pursuant to section 54 of P.L.2002, c.34 (C.App.A:9-78). The revenue from this fee is an estimated $50 million annually, of which an estimated $19.5 million is dedicated for domestic security support.

COMMITTEE AMENDMENTS:

The amendments restrict a fee-exempt car-sharing organization to a “nonprofit” organization (this is a term understood to mean an organization organized under Chapter 15A of the New Jersey Statutes, an organization organized as a not-for-profit under prior New Jersey law, or an organization organized under the similar laws of another jurisdiction).

The amendment provides for the proration of the fee, on an hourly basis at the rate of $0.25 per hour or part thereof.