

ASSEMBLY, No. 3082

STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 14, 2012

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

SYNOPSIS

Clarifies that motor vehicle rental companies may recover, through “vehicle license cost recovery fee” separately stated in rental agreement, certain costs of doing business.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning motor vehicle rental fees and supplementing
2 P.L.1994, c.190 (C.56:12-60 et seq.).

3
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; and

14 "Vehicle license cost recovery fee" means a charge that is
15 separately stated and charged on the rental contract in a vehicle
16 rental transaction originating in this State to recover costs incurred
17 by a motor vehicle rental company to license, title, register, plate,
18 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 agreement for the recovery, through a separate
22 "vehicle license cost recovery fee" specifically identified as such,
23 of costs paid or incurred by the company in the form of motor
24 vehicle titling fees and charges, registration and inspection fees, and
25 motor vehicle licensing fees, including any fees paid by the
26 company to obtain license plates for the company's motor vehicle
27 fleet. The amount of any such vehicle license cost recovery fee
28 shall:

29 (1) Be stated as a separate, itemized charge in the rental
30 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 agreement pursuant to this subsection shall be
38 collected in accordance with the terms of the rental agreement.

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

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.

5
6 2. If the total amount of the vehicle license cost recovery fees
7 collected by a motor vehicle rental company under this section in
8 any calendar year exceeds the motor vehicle rental company's
9 actual costs to license, title, register, and plate motor vehicles and
10 have those vehicles inspected for that calendar year, the company
11 shall do both of the following:

12 a. Retain the excess amount, and

13 b. Adjust the estimated average per vehicle titling, licensing,
14 plating, inspecting, and registration charge 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.

19
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.

27 28 29 STATEMENT

30
31 This bill would clarify that it is a lawful practice under the
32 "Consumer Protection Leasing Act" for a motor vehicle rental
33 company to collect, from customers renting a vehicle, a "vehicle
34 license cost recovery fee" to recover the costs paid or incurred by
35 the company for the licensing, titling, registration, inspection, and
36 plating of its motor vehicles. The bill requires that the amount of
37 the vehicle license cost recovery fee shall be separately stated in the
38 rental contract, and shall be imposed at a rate reflecting the
39 proportional part of all licensing, titling, registration, inspection,
40 and plating fees, paid or payable by the company during the
41 calendar year in which the agreement was executed, that is
42 attributable to the rental covered by the agreement. A motor
43 vehicle rental company imposing a vehicle license cost recovery fee
44 must disclose the existence of the surcharge in any advertisement
45 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

A3082 GREENWALD

4

- 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.