

SENATE, No. 83

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Senator BASSANO

1 AN ACT concerning the rental of automobiles and supplementing
2 chapter 3 of Title 39 of the Revised Statutes.

3

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

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7 1. As used in this act:

8 "Person" means an individual, firm, corporation or other legal
9 entity.

10 "Rental agreement" means a written agreement stating the terms
11 and conditions governing the use of a motor rental vehicle provided by
12 a rental company.

13 "Rental company" means a person engaged in the business of
14 renting motor vehicles.

15 "Rental vehicle" means a passenger automobile, truck or semitrailer
16 that is rented without a driver and used in the transportation of
17 property other than commercial freight.

18 "Renter" means a person who obtains the use of a motor rental
19 vehicle under the terms of a rental agreement for a period of 31 days
20 or less.

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22 2. a. A rental company doing business in this State may impose a
23 surcharge, calculated pursuant to section 3 of this act, on each vehicle
24 rental of 31 days or less. The purpose of this surcharge shall be to
25 reimburse the rental company for the prorata cost of titling and
26 registering rental vehicles in this State during the previous year.

27 b. A rental agreement shall contain an explanation of the purpose
28 of the surcharge and the method of its calculation. The surcharge shall
29 be displayed in a separate line in the rental vehicle bill and labeled
30 "Reimbursement for Title and Registration."

31 c. Any rental company imposing a surcharge under this section
32 shall impose that surcharge on all customers, except those customers
33 that are exempt from taxes imposed under the "Sales and Use Tax
34 Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

1 3. a. The rental surcharge rate (SR) shall be calculated as follows:

2 SR = TR divided by RD, where:

3 TR equals the sum of titling and registration fees paid by the rental
4 company to the State for all rental vehicles in the previous calendar
5 year, including any surcharges imposed pursuant to section 68 of
6 P.L.1990, c.8 (C.17:33B-63); and

7 RD equals cumulative rental days for all of a company's rental
8 vehicles in the previous calendar year.

9 b. The rental surcharge shall be calculated by multiplying the rental
10 surcharge rate by the number of days for which a vehicle is rented.
11 This amount shall be entered on the rental car bill on the line labeled
12 "Reimbursement for Title and Registration."

13 c. A rental company shall calculate the rental surcharge rate and
14 begin collecting the rental surcharge no later than January 15 of the
15 year in which the surcharge applies. The rental company shall
16 continue to collect the surcharge until the company recovers the total
17 amount of its titling and registration fees for the previous calendar
18 year or until the next rental surcharge rate is calculated, whichever
19 comes first.

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21 4. a. A rental company which collects rental surcharges in excess
22 of the total amount of its titling and registration fees in the previous
23 year shall deduct the excess amount from the amount it is entitled to
24 collect in the next year.

25 b. A rental company which collects less in rental surcharge
26 payments than the total of its registration and titling fees in the
27 previous year shall not recover the shortfall in any succeeding year.

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29 5. The Division of Motor Vehicles shall annually publish the
30 amount of titling and registration fees that are subject to the provisions
31 of this act paid by rental companies in the previous year. If the total
32 amount of fees used by a rental company (TR) in calculating the rental
33 surcharge rate (SR) pursuant to section 3 of this act exceed the
34 amount published by the division, the division's figure shall be used to
35 recalculate the rental surcharge rate and the company's reimbursements
36 shall be adjusted accordingly. The director, pursuant to the
37 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
38 seq.), may promulgate all regulations necessary to carry out the
39 purposes of this act.

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41 6. A rental company that violates this act shall be subject to a civil
42 penalty of not less than \$500 or more than \$1,000 for each violation
43 or each day of a continuing violation. The Attorney General may sue
44 to recover the civil penalty, enjoin a violation of this act, or both.

