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## Transportation Committee

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### SSB 5509

**Brief Description:** Clarifying rental car company charges, surcharges, and fees to be included in rental car agreements.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Marr, Kauffman and Shin).

#### Brief Summary of Substitute Bill

- Allows rental car companies to include separately stated surcharges or fees in their rental agreements.
- Requires a rental car company that includes a separate vehicle license cost recovery fee in a transaction to insure that the fee is a good faith estimate of the average daily charge to recover the total annual titling, registration, plating, and inspection costs for the vehicle.
- Requires the rental car company to adjust the vehicle cost recovery fee for the following calendar year by the corresponding amount if the vehicle cost recovery fee is found to exceed the actual costs.

**Hearing Date:** 3/18/09

**Staff:** David Munnecke (786-7315)

#### **Background:**

Rental car businesses are required to register with the Department of Licensing (DOL), and renew this registration annually. Rental cars must be titled and registered with the DOL, and identified at the time of registration with the rental car business number issued by the DOL. The DOL is empowered to conduct audits, investigations, and enforcement actions in relation to the statutory requirements for rental car businesses.

Rental car businesses are not required, nor are they prevented from, separately identifying fees or surcharges that are imposed in addition to the rental rate and applicable rental car taxes.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:**

Rental car companies may include separately stated surcharges or fees in their rental agreements. If a rental car company includes a separate vehicle license cost recovery fee in a transaction, the fee must represent the company's good faith estimate of the average daily charge to recover the total annual titling, registration, plating, and inspection costs for the vehicle.

If the vehicle cost recovery fee imposed is found to exceed the actual costs for that calendar year, the rental car company can retain that amount but must adjust the vehicle cost recovery fee for the following calendar year by the corresponding amount.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.