

HOUSE BILL REPORT

HB 2322

As Reported by House Committee On: Transportation

Title: An act relating to the vehicle license cost recovery fee charged for certain rental car transactions.

Brief Description: Concerning the vehicle license cost recovery fee charged for certain rental car transactions.

Sponsors: Representative Zeiger.

Brief History:

Committee Activity:

Transportation: 1/13/16, 1/20/16 [DP].

Brief Summary of Bill

- Establishes that authorization granted to rental car companies to separately itemize vehicle license cost recovery fees, and other fees and charges, applies to rentals of private passenger motor vehicles or cargo vehicles, excluding trucks that weigh 26,000 pounds or more.
- Establishes that the fee and charge authorization applies to any business that rents rental cars to the public, including franchisees.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 23 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Bergquist, Gregerson, Hayes, Hickel, Kochmar, McBride, Morris, Pike, Riccelli, Rodne, Rossetti, Sells, Shea, Stambaugh, Tarleton and Young.

Staff: Jennifer Harris (786-7143).

Background:

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.

Rental car companies may include separately itemized fees and charges in a rental agreement. These additional fees and charges are generally assessed by rental car companies separately from a daily vehicle rental charge. While no limitation is placed on the fees and charges that can be included as separate line items, vehicle license cost recovery fees, child restraint system rental fees, airport-related recovery fees, all applicable taxes, and government surcharges are specifically identified as eligible fees and charges.

If vehicle license cost recovery fees are included as a separately stated charge, the rental car company must make a good faith estimate of the rental car company's average daily charge needed to recover the annual cost of rental vehicle titling, registration, plating, and inspection. When a rental car company determines that the fee collected for these items exceeds their total cost in a calendar year, it must reduce the license cost recovery fees to be collected the following calendar year by a corresponding amount.

Similarly, if a child restraint system rental fee is included as a separately stated charge, the rental car company must make a good faith estimate of its costs to provide the child restraint system. If a rental car customer pays a child restraint system rental fee and the child restraint system is not available in a timely manner at the time of rental, as determined by the customer (but no less than one hour after the customer's arrival), then the customer may cancel a reservation, the costs and penalties associated with the cancellation will be void, and the customer will be entitled to a refund of any costs associated with the vehicle's rental.

Summary of Bill:

The authorization granted to rental car companies to separately itemize vehicle license cost recovery fees, as well as other fees and charges, applies to rentals of a private passenger motor vehicle or a cargo vehicle, excluding trucks that weigh 26,000 pounds or more. These vehicles must be rented or leased for a duration of 30 or fewer consecutive days by a driver not required to possess a commercial driver's license in order to operate the vehicle being rented. This authorization applies to any business that rents rental cars to the public, including franchisees.

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.

Staff Summary of Public Testimony:

(In support) This is a definitional bill providing a definition where no definition was supplied when a bill was passed in 2009. It points to a definition that is in a different part of law. The

bill makes sure vans, recreational vehicles, sport utility vehicles, pickups, and small trucks are included in what is covered in the law. It is a technical correction that clarifies the law.

(Opposed) None.

Persons Testifying: Representative Zeiger, prime sponsor; and Dylan Doty and Dave Blauvelt, Enterprise Holdings.

Persons Signed In To Testify But Not Testifying: None.