

Senate Bill 620

By: Senator Carter of the 13th

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to
2 registration and licensing of motor vehicles, so as to provide for the imposition of fee by
3 motor vehicle rental companies with respect to certain motor vehicle fees and taxes; to
4 provide for definitions; to provide for procedures, conditions, and limitations; to provide for
5 applicability of sales and use taxation with respect to such fees; to provide for related
6 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

7 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

8 **SECTION 1.**

9 Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to registration and
10 licensing of motor vehicles, is amended by adding a new article at the end thereof to be
11 designated Article 8 to read as follows:

12 **"ARTICLE 8**

13 40-2-170.

14 As used in this article, the term:

15 (1) 'Motor vehicle rental company' means an individual or business entity which owns,
16 rents, or leases five or more rental motor vehicles and which regularly rents or leases such
17 vehicles to the public for value.

18 (2) 'Recoverable fees and taxes' means the following tag fees, title fees, registration fees,
19 and ad valorem taxes imposed in relation to rental motor vehicles:

20 (A) Any amount levied for a certificate of title, application for a certificate of title, or
21 charges for the processing thereof which are imposed upon a motor vehicle rental
22 company, in each case pursuant to Code Sections 40-3-38 and 40-3-20;

23 (B) Any amount levied for a license tag or revalidation decal, in each case pursuant to
24 Code Sections 40-2-42, 40-2-151, and 40-2-155;

1 (C) Any amount levied as a condition to participation in a fleet registration plan as
2 defined in Code Section 40-2-50; or

3 (D) Any amount levied by the state or a local taxing authority as ad valorem taxes on
4 rental motor vehicles, including in connection with their registration, in each case
5 pursuant to Code Sections 48-5-471 and 48-5-473.

6 (3) 'Rental motor vehicle' means a motor vehicle that is rented or leased without a driver
7 on a daily rental rate basis.

8 40-2-171.

9 (a) Pursuant to a written rental agreement between a motor vehicle rental company and a
10 rental customer, a motor vehicle rental company may charge a daily fee to recover
11 recoverable fees and taxes in connection with the rental motor vehicles in its rental fleet
12 as provided in this Code section.

13 (b) The amount of the daily recovery fee shall be based upon the motor vehicle rental
14 company's good faith estimate of the average per-day, per-rental motor vehicle amount of
15 the motor vehicle rental company's aggregate recoverable fees and taxes imposed in
16 connection with rental motor vehicles made available for lease or rental for the
17 corresponding calendar year.

18 (c) No motor vehicle rental company charging such a recovery fee may make any print
19 media or publicly broadcast advertisement in this state that includes any specific statement
20 of the rental rate for a rental motor vehicle available for rent in this state, unless such
21 advertisement also includes a statement that the customer will pay a recovery fee and
22 which discloses the estimated maximum daily charge for such recovery fee.

23 (d) The recovery fee shall be billed as a separately identified charge in the rental
24 documentation, and must bear the designation 'Vehicle Lien Fee,' 'VLF,' 'RegRecover,'
25 'Registration Recovery,' 'RR,' 'Registration Recovery Fee,' or 'RRF.' Additionally, the rental
26 agreement itself must explain that the charge represents:

27 'the estimated average per-day, per-vehicle amount of [the motor vehicle rental
28 company's] total annual cost for applicable tag, title, and registration fees and ad valorem
29 taxes.'

30 (e) Any such recovery fees collected by the motor vehicle rental company in excess of the
31 finally determined amount of the motor vehicle rental company's actual recoverable fees
32 and taxes for such year shall be retained by the motor vehicle rental company during such
33 calendar year and applied toward its recoverable fees and taxes for the next calendar year.
34 In that event, the amount of the next year's recovery fee shall be reduced to take into
35 account the excess amount collected in the prior year.

1 (f) The recovery fee authorized by this Code section shall be subject to state and local sales
2 and use tax in the manner and to the same extent as the fee charged for the rental of the
3 rental motor vehicle."

4 **SECTION 2.**

5 This Act shall become effective upon its approval by the Governor or upon its becoming law
6 without such approval.

7 **SECTION 3.**

8 All laws and parts of laws in conflict with this Act are repealed.