

Senate Bill 181

By: Senator Carter of the 13th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 7 of Chapter 2 of Title 40 of the Official Code of Georgia Annotated,  
2 relating to motor vehicle license fees and classes, so as to provide for the imposition of a fee  
3 by 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 Article 7 of Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to  
10 motor vehicle license fees and classes, is amended by adding a new Code section to read as  
11 follows:

12 "40-2-167.

13 (a) As used in this Code section, the term:

14 (1) 'Government facility charges' means the total concession recovery fees actually  
15 incurred or the total consolidated facility fees actually incurred by a motor vehicle rental  
16 company and which are used for improvements to or construction of facilities where a  
17 motor vehicle rental company operates, when such charges are imposed by an airport or  
18 other governmentally owned or operated facility, each of which shall be shown as  
19 separate line items when passed through to rental customers.

20 (2) 'Motor vehicle rental company' means an individual or business entity which owns,  
21 rents, or leases five or more rental motor vehicles and which regularly rents or leases such  
22 vehicles to the public for value.

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

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

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

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

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

11 (4) 'Rental motor vehicle' means a motor vehicle that is rented or leased without a driver.

12 (b) Pursuant to a written rental agreement between a motor vehicle rental company and a  
13 rental customer, a motor vehicle rental company may separately charge fees to recover  
14 recoverable fees and taxes, and government facility charges, in connection with the rental  
15 motor vehicles in its rental fleet as provided in this Code section.

16 (c) The amount of the fee to recover recoverable fees and taxes shall be based upon the  
17 motor vehicle rental company's good faith estimate of the average per-day, per-rental  
18 motor vehicle amount of the motor vehicle rental company's aggregate recoverable fees  
19 and taxes imposed in connection with rental motor vehicles made available for lease or  
20 rental for the corresponding calendar year.

21 (d) No motor vehicle rental company charging such a recovery fee for recoverable fees and  
22 taxes or government facility charges may make any print media or publicly broadcast  
23 advertisement in this state that includes any specific statement of the rental rate for a rental  
24 motor vehicle available for lease or rent in this state, unless such advertisement also  
25 includes a statement that the customer will pay a recovery fee and which discloses the  
26 estimated maximum daily charge for such recovery of recoverable fees and taxes and  
27 which discloses the existence of any government facility charges.

28 (e) The recovery fee for recoverable fees and taxes shall be billed as a separately identified  
29 charge in the rental documentation and must bear the designation 'Vehicle License Fee  
30 Recovery' or 'VLFR.' Additionally, the rental agreement itself must explain that the charge  
31 represents:

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

35 (f) Any such recovery fees for recoverable fees and taxes collected by the motor vehicle  
36 rental company in excess of the finally determined amount of the motor vehicle rental  
37 company's actual recoverable fees and taxes for such year shall be retained by the motor

1 vehicle rental company during such calendar year and applied toward its recoverable fees  
2 and taxes for the next calendar year. In that event, the amount of the next year's recovery  
3 fee for recoverable fees and taxes shall be reduced to take into account the excess amount  
4 collected in the prior year.

5 (g) The recovery fee authorized by this Code section for recoverable fees and taxes shall  
6 be subject to state and local sales and use tax in the manner and to the same extent as the  
7 fee charged for the lease or rental of the rental motor vehicle."

8 **SECTION 2.**

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

11 **SECTION 3.**

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