

Senate Bill 181

By: Senator Carter of the 13th

AS PASSED

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 and other vehicle rental companies with respect to certain vehicle fees and
4 taxes; to provide for definitions; to provide for procedures, conditions, and limitations; to
5 provide for applicability of sales and use taxation with respect to such fees; to provide for
6 related matters; to provide an effective date; to repeal conflicting laws; and for other
7 purposes.

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

9 **SECTION 1.**

10 Article 7 of Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to
11 motor vehicle license fees and classes, is amended by adding a new Code section to read as
12 follows:

13 "40-2-167.

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

15 (1) 'Motor vehicle rental company' means an individual or business entity whose
16 business activity is renting motor vehicles to consumers under rental agreements for
17 periods of 90 days or less or renting 'heavy-duty equipment motor vehicles' as such term
18 is defined in Code Section 48-5-505.

19 (2) 'Recoverable facility charges' means governmental and private concession fees,
20 including airport concession fees, consolidated facility charges, and the fees and charges
21 incurred thereon, actually paid by a motor vehicle rental company.

22 (3) 'Recoverable fees and taxes' means costs incurred by a motor vehicle rental company
23 to license, title, register, plate, and inspect rental motor vehicles and ad valorem taxes
24 imposed in connection with the registration of rental motor vehicles or a 1 1/2 percent
25 property tax recovery fee on 'heavy-duty equipment motor vehicles' as such term is
26 defined in Code Section 48-5-505.

1 (4) 'Rental agreement' means an agreement under which a rental motor vehicle is rented
2 or leased.

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

4 (b) Pursuant to a written rental agreement between a motor vehicle rental company and a
5 rental customer, a motor vehicle rental company may include separately stated fees in a
6 rental agreement, which may include, but shall not be limited to, recoverable facility
7 charges and recoverable fees and taxes, as provided in this Code section.

8 (c) If a motor vehicle rental company includes a charge for recoverable fees and taxes as
9 a separately stated fee in a rental transaction disclosed on the rental agreement, the amount
10 of the charge shall represent the motor vehicle rental company's good faith estimate of the
11 motor vehicle rental company's daily charge as calculated by the motor vehicle rental
12 company to recover its actual total annual recoverable fees and taxes on its rental motor
13 vehicle fleet for the corresponding calendar year.

14 (d) If the total amount of the recoverable fees and taxes collected by a motor vehicle rental
15 company under this Code section in any calendar year exceeds the motor vehicle rental
16 company's actual recoverable fees and taxes for that calendar year, the motor vehicle rental
17 company shall:

18 (1) Retain the excess amount; and

19 (2) Adjust the estimated average per vehicle fee for recoverable fees and taxes for the
20 following calendar year by a corresponding amount.

21 Nothing herein shall prevent a motor vehicle rental company from making adjustments to
22 the per vehicle recoverable fees and taxes charge during the calendar year to reflect interim
23 developments affecting the motor vehicle rental company's prior estimated per vehicle fee
24 for such calendar year.

25 (e) The property tax recovery fee may be assessed if the motor vehicle rental company
26 includes the fee as a separately stated fee on its rental agreement.

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

30 **SECTION 2.**

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

33 **SECTION 3.**

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