

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1118
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted
5/9/07

Short Title: Rental Car Fee Reform.

(Public)

Sponsors:

Referred to:

March 22, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW THE UNBUNDLING OF VEHICLE LICENSE AND
3 REGISTRATION FEES FROM RENTAL CAR RATES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 66-201 is amended by adding a new subdivision to read:

6 "(8) "Vehicle license and registration fees" means charges that may be
7 imposed upon any rental transaction originating in this State to recoup
8 the costs incurred by a rental car company to license, title, inspect, and
9 register rental vehicles. Rental car companies shall make a good faith
10 effort to ensure that any vehicle license and registration fees collected
11 do not exceed the actual costs incurred by the rental car company to
12 license, title, inspect, and register rental vehicles. Any amounts
13 collected by the rental car company in excess of the actual amount of
14 its costs incurred shall be retained by the rental car company and
15 applied to the costs incurred in the next calendar year for licensing,
16 titling, inspecting, and registering rental vehicles. In that event, the
17 good faith estimate of any vehicle license and registration fees to be
18 charged by the company in the next calendar year shall be reduced to
19 take into account the excess amount collected from the prior year."

20 **SECTION 2.** G.S. 66-202 reads as rewritten:

21 **"§ 66-202. Rental car advertising.**

22 (a) Except as set forth in subsections (d) and (e) of this section and
23 G.S. 66-204(a), a rental car company shall only advertise and charge a rental rate that
24 includes the entire amount, except taxes and a mileage charge, if any, that a renter must
25 pay to hire or lease a vehicle for the period of time to which the rental rate applies.

26 (b) If a rental car company states a rental rate in a print advertisement or in an
27 in-person or computer-transmitted quotation contained in the rental car company's
28 proprietary computer reservation system, the rental car company shall clearly disclose

1 or cause to be disclosed in that advertisement or quotation the terms of any mileage
2 conditions relating to the advertised or quoted rental rate, including, but not limited to:
3 To the extent applicable, the amount of mileage and fuel charges; the number of miles
4 for which no charge will be imposed; and a description of the geographic driving
5 limitations, if any, within the United States and Canada.

6 (c) A rental car company shall also include in all price advertising the daily rate
7 it charges for collision damage waivers; shall state in such advertising that collision
8 damage waivers are not required; and shall state that prospective renters should examine
9 or inquire about their automobile insurance policies to see whether such policies will
10 cover damage to rental vehicles.

11 (d) For a rental rate stated in an advertisement, quotation, or reservation for an
12 airport location, a rental car company shall clearly and conspicuously disclose the
13 existence and actual amount of the airport charges or fees, if any. For a rental rate stated
14 in an advertisement, quotation, or reservation involving more than one airport location,
15 a rental car company shall clearly and conspicuously disclose the existence and range of
16 airport charges ~~of or~~ fees, if any, or the maximum airport charge or fee. A rental car
17 company, in its discretion, may elect to separate vehicle license and registration fees
18 from its rental rate. For a rental rate stated in an advertisement, quotation, or reservation
19 with a separate vehicle license and registration fee, a rental company shall clearly and
20 conspicuously disclose the existence and range of vehicle license and registration fees
21 or the maximum vehicle license and registration fee. For purposes of this section,
22 advertisements shall include radio, television, other electronic media, and print. For
23 purposes of this section, quotations and reservations shall include in-person or
24 proprietary computer-transmitted reservation systems.

25 (e) A rental car company shall clearly and conspicuously display the total
26 estimated price, and the amount of the airport charges or fees—fees, if any, and vehicle
27 license and registration fees, if any, in any proprietary computer-assisted reservation
28 system, shown or referenced on the same page on the computer screen viewed by the
29 renter as the displayed rental rate and in a print size not smaller than the print size of the
30 rental rate. ~~A rental car company shall inform the renter of the amount of the airport~~
31 ~~charges or fees either at the time of making an initial quotation of a rental rate or at the~~
32 ~~time of making a reservation, if the quotation is made by the rental car company for a~~
33 ~~location at which it collects airport charges or fees.~~ When providing a renter a quotation
34 of a rental rate in person or over a voice system, a rental car company shall inform the
35 renter of the total estimated price, inclusive of all taxes, fees, and charges, or shall
36 disclose the amount of airport charges or fees, if any, and vehicle license and
37 registration fees, if any. A rental car company shall separately identify the amount and
38 existence of ~~the~~ airport charges or fees and vehicle license and registration fees on the
39 rental agreement."

40 **SECTION 3.** G.S. 66-203(a) reads as rewritten:

41 "(a) No rental car company may charge, in addition to the rental rate, taxes,
42 airport charges and fees, if any, vehicle license and registration fees, if any, and mileage
43 charge, if any, any fee that must be paid by the renter as a condition of hiring or leasing

1 a vehicle, such as, but not limited to, required fuel charges or any fee for transporting
2 the renter to the location where the rented vehicle will be delivered to that person."

3 **SECTION 4.** G.S. 66-204(a) reads as rewritten:

4 "(a) In addition to the rental rate, taxes, airport charges and fees, if any, vehicle
5 license and registration fees, if any, and mileage charge, if any, a rental car company
6 may charge a renter for an item or service provided in connection with a particular
7 rental transaction if the renter can avoid incurring that charge by choosing not to obtain
8 or utilize the optional item or service. Items and services for which a rental car company
9 may impose an additional charge include, but are not limited to: Optional insurance and
10 accessories requested by the renter unless otherwise prohibited by law; service charges
11 incident to a person's optional return of the vehicle to a location other than the location
12 where the vehicle was hired or leased; optional collision damage waivers; and charges
13 for refueling the vehicle at the conclusion of the rental transaction in the event the
14 rented vehicle is not returned with as much fuel as was in its fuel tank at the beginning
15 of the rental."

16 **SECTION 5.** This act becomes effective July 1, 2007.