

FEE DISCLOSURE FOR RENTAL VEHICLE

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Senate Bill 1003

Sponsor: Sen. Randy Richardville

House Committee: Regulatory Reform

Senate Committee: Economic Development and Regulatory Reform

Complete to 5-12-08

A SUMMARY OF SENATE BILL 1003 AS PASSED BY THE SENATE 3-25-08

The Michigan Consumer Protection Act states that unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce are unlawful, and it lists activities that constitute these methods, acts, or practices. Senate Bill 1003 would amend the act (MCL 445.903 and 445.903f) to include a violation of Section 3f, which would be added by the bill, in the list of unlawful activities. Section 3f would do all of the following:

- Require a car rental company to provide a consumer — at the time a price quote or estimate is given and also in the rental agreement —with either an estimated total price for a vehicle rental or to disclose any vehicle license cost recovery fee and any other mandatory fee.
- If a vehicle license cost recovery fee was included as a separately stated mandatory fee in a rental transaction, provide that the fee would have to be based on the company's average per-vehicle portion of the annual costs to license, title, and register its vehicles.
- If the total amount of the vehicle license recovery fees collected by a car rental company in a calendar year exceeded the company's actual costs to license, title, and register its vehicles, the company would be required to retain the excess amount and to reduce the fees by an amount equal to the excess amount collected in the preceding calendar year.

The bill would apply to a person whose primary business was renting vehicles to consumers under rental agreements for periods of 90 days or less.

"Vehicle license cost recovery fee" would mean a charge that may be included in a vehicle rental transaction originating in Michigan to recover costs incurred by a car rental company to license, title, and register rental vehicles. "Mandatory fee" would mean a fee, charge, or surcharge that a car rental company includes in every vehicle rental transaction. A fee, charge, or surcharge associated with optional products and services available for purchase by a consumer at the time of rental would not be a mandatory fee.

FISCAL IMPACT:

Senate Bill 1003 would have no fiscal impact on the State of Michigan or its local units of government.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.