HOUSE BILL No. 4031

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January 22, 2013, Introduced by Rep. Geiss and referred to the Committee on Transportation and Infrastructure.

A bill to impose a state assessment on persons engaged in the business of leasing or renting a motor vehicle; to provide for the levy, collection, and administration of the state assessment; to provide for the disposition of the proceeds of the state assessment; to prescribe the powers and duties of certain state departments and certain public entities; and to provide for certain exemptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the "Michigan car rental assessment act".

Sec. 2. As used in this act:

(a) "Assessable transaction" means the lease or rental of a motor vehicle designed for 8 or fewer passengers, regardless of whether the vehicle is licensed in this state, for a period of less than 31 days that commences at a commercial airport or at a

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location within 1.1 miles of a commercial airport.

(b) "Commercial airport" means an airport within this state that has regularly scheduled commercial flights.

(c) "Michigan car rental assessment fund" means the Michigan car rental assessment fund created in section 7.

(d) "Motor vehicle" means a motor vehicle that is or would be subject to registration and certificate of title under section 216 of the Michigan vehicle code, 1949 PA 300, MCL 257.216, that is designed and intended to be used primarily in the transportation of passengers. Motor vehicle does not include a road tractor, school bus, special mobile equipment, tank vehicle, truck tractor, implement of husbandry, or farm tractor as those terms are defined by the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(e) "Next Michigan development district" means that term as defined in section 3 of the next Michigan development act, 2010 PA 275, MCL 125.2953.

(f) "Person" means an individual, partnership, corporation, association, limited liability company, or other legal entity.

Sec. 3. Except as otherwise provided in this section or in section 7 or 8, beginning with assessable transactions that begin after September 30, 2013 there is imposed on persons engaged in the rental or lease of motor vehicles an assessment of $1.00 for each day or portion of a day of each assessable transaction.

Sec. 4. (1) An assessment under this act shall be collected at the same time and in the same manner as the tax imposed under the use tax act, 1937 PA 94, MCL 205.91 to 205.111, and the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78.

(2) The assessment imposed by this act shall be administered by the department of treasury under 1941 PA 122, MCL 205.1 to 205.31.

Sec. 5. (1) The assessment provided for under this act is a tax that is levied on a person engaged in the business of rental or lease of motor vehicles.

(2) A taxpayer may reimburse himself or herself by adding the amount of the assessment to the rental transaction.

Sec. 6. The proceeds from the collection of the assessment imposed under this act shall be deposited with the state treasurer and credited to the Michigan car rental assessment fund.

Sec. 7. (1) The Michigan car rental assessment fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department of treasury shall be the administrator of the fund for auditing purposes.

(5) The department of treasury shall expend money from the fund, upon appropriation, only for 1 or more of the following purposes:

(a) If the commercial airport from which the assessment was collected is located within or connected to a next Michigan development district, only for road construction and maintenance within that next Michigan development district that are located within 1.1 miles of the commercial airport.

(b) If the commercial airport from which the assessment was collected is not located within or connected to a next Michigan development district, only for road construction and maintenance within 1.1 miles of the commercial airport.

Sec. 8. This act does not apply to a motor vehicle provided at no charge to a person whose motor vehicle is being repaired, adjusted, or serviced by the entity providing the replacement motor vehicle.

Sec. 9. This act does not apply to a motor vehicle provided to a person whose motor vehicle is being repaired, adjusted, replaced, or serviced, and who submits an insurance claim, accident report, or written estimate from a motor vehicle repair facility dated within 7 days of the lease or rental of a motor vehicle.