

SENATE BILL NO. 185

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY SENATOR MICCICHE

Introduced: 2/12/20

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to rental vehicles; relating to vehicle rental networks; relating to**
2 **liability for vehicle rental taxes; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
5 to read:

6 SHORT TITLE. This Act may be known as the Vehicle Rental Modernization Act.

7 * **Sec. 2.** AS 43.52.050(a) is amended to read:

8 (a) The taxes imposed by AS 43.52.010 - 43.52.099 shall be collected and
9 paid to the department

10 (1) by the

11 (A) person who provides the leased or rented vehicle; or

12 (B) vehicle rental business that arranged or executed the
13 rental through the vehicle rental network if the rental was arranged or
14 executed through a vehicle rental network; and

(2) in the manner and at the times required by the department by regulation.

* **Sec. 3.** AS 43.52.050 is amended by adding a new subsection to read:

(c) In this section, "vehicle rental business" and "vehicle rental network" have the meanings given in AS 45.45.459.

* **Sec. 4.** AS 45.45 is amended by adding new sections to article 8 to read:

Sec. 45.45.425. Vehicle rental network rentals. A vehicle rental business that arranges or executes personal passenger vehicle or recreational vehicle rentals through a vehicle rental network is subject to the same laws and regulations as other passenger vehicle or recreational vehicle rentals, including AS 19.75.915, AS 28.10.375, AS 28.35.320, AS 43.52, and AS 45.45.425 - 45.45.459.

Sec. 45.45.430. Electronic notice and disclosure. (a) If a vehicle rental business is required to provide a notice or disclosure, the vehicle rental business may deliver the notice or disclosure electronically.

(b) A person may accept a notice or disclosure from a vehicle rental business electronically. The acceptance of a notice or disclosure is valid until the person affirmatively withdraws acceptance of the notice or disclosure.

* **Sec. 5.** AS 45.45.450 is amended to read:

Sec. 45.45.450. Identification of cost recovery fees. If a vehicle rental [CAR] business charges a cost recovery fee, the vehicle rental [CAR] business shall separately identify and charge for each cost recovery fee in writing in the vehicle rental [CAR] agreement. In this section, "cost recovery fee" means a vehicle licensing cost recovery fee, an airport-related cost, a government tax, or a government surcharge.

* **Sec. 6.** AS 45.45.455 is amended to read:

Sec. 45.45.455. Vehicle licensing cost recovery fee. (a) A vehicle rental [CAR] business may not charge a renter a vehicle licensing cost recovery fee unless the vehicle licensing cost recovery fee represents a good faith estimate by the vehicle rental [CAR] business of the average daily cost to the vehicle rental [CAR] business of recovering its actual total annual licensing costs in the state during a calendar year.

(b) If the total amount of the vehicle licensing cost recovery fees collected by

1 a **vehicle** rental [CAR] business during a calendar year exceeds the actual amount of
 2 the **vehicle** rental [CAR] business's licensing costs during that calendar year, the
 3 **vehicle** rental [CAR] business shall

4 (1) retain the excess amount; and

5 (2) adjust the good faith estimate required by (a) of this section for the
 6 next calendar year so that the good faith estimate reflects the excess amount.

7 (c) In addition to the adjustment required by (b) of this section, a **vehicle**
 8 rental [CAR] business may adjust its vehicle licensing cost recovery fee during the
 9 calendar year when the excess vehicle licensing cost recovery fees are collected if the
 10 vehicle licensing cost recovery fee otherwise complies with this section.

11 * **Sec. 7.** AS 45.45.459 is amended to read:

12 **Sec. 45.45.459. Definitions.** In **AS 45.45.425 - 45.45.459** [AS 45.45.450 -
 13 45.45.459],

14 (1) ["CAR" MEANS A MOTOR VEHICLE;

15 (2)] "licensing cost" means the cost of titling, registering, obtaining
 16 license plates for, or inspection of the rental cars of a rental car business in the state;

17 **(2) "passenger vehicle" has the meaning given in AS 43.52.099;**

18 **(3) "personal vehicle" means a motor vehicle that is owned, leased,**
 19 **or otherwise authorized to be rented by the owner; "personal vehicle" does not**
 20 **include a taxi, limousine, or other commercial motor vehicle for hire;**

21 **(4) "recreational vehicle" has the meaning given in AS 43.52.099;**

22 **(5) "vehicle" [(3) "MOTOR VEHICLE"] has the meaning given to**
 23 **"motor vehicle" in AS 28.90.990;**

24 **(6) [(4) "RENTAL CAR BUSINESS" MEANS A PERSON WHO**
 25 **ENGAGES IN THE BUSINESS OF RENTING CARS IN THE STATE;**

26 (5)] "vehicle licensing cost recovery fee" means a fee to recover
 27 licensing costs;

28 **(7) "vehicle rental business" means a person who engages in the**
 29 **business of renting a vehicle in the state or, through a vehicle rental network,**
 30 **arranging or executing a vehicle rental in the state;**

31 **(8) "vehicle rental network" means a digital network that connects**

1 vehicle renters to personal vehicle owners; in this paragraph, "digital network"
2 means any online-enabled application, software, website, or system offered or
3 used by a vehicle rental network company that enables the prearrangement of
4 vehicle rentals with personal vehicle owners.

5 * **Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).