

SENATE CS FOR HOUSE BILL NO. 90(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered: 5/4/22

Referred: Labor and Commerce, Finance

Sponsor(s): REPRESENTATIVE WOOL

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to rental vehicles; relating to vehicle rental networks; relating to**
2 **vehicle rental taxes; relating to the collection of a municipal sales tax for certain vehicle**
3 **rentals; relating to vehicle rental fees; and providing for an effective date."**

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

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

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

8 * **Sec. 2.** AS 43.52.020 is amended to read:

9 **Sec. 43.52.020. Rate of passenger vehicle rental tax.** The rate of the tax
10 levied in AS 43.52.010 is

11 **(1)** 10 percent of the total fees and costs charged for the lease or rental
12 of **a** [THE] passenger vehicle **from a vehicle rental business;**

13 **(2)** **five percent of the total fees and costs charged for the lease or**
14 **rental of a passenger vehicle from a vehicle rental individual.**

1 * **Sec. 3.** AS 43.52.020 is amended by adding a new subsection to read:

2 (b) In this section,

3 (1) "vehicle rental business" has the meaning given in AS 45.45.459;

4 (2) "vehicle rental individual" has the meaning given in AS 45.45.459.

5 * **Sec 4.** AS 43.52.050(a) is amended to read:

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

8 (1) by the

9 **(A) vehicle rental network company that arranged or**
10 **executed the lease or rental if the lease or rental was arranged or executed**
11 **through a vehicle rental network; or**

12 **(B) person who provides the leased or rented vehicle if the**
13 **lease or rental was not arranged or executed through a vehicle rental**
14 **network;** and

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

17 * **Sec. 5.** AS 43.52.050 is amended by adding a new subsection to read:

18 (c) In this section, "vehicle rental network" has the meaning given in
19 AS 45.45.459.

20 * **Sec. 6.** AS 43.52.090 is amended by adding a new subsection to read:

21 (b) The tax imposed in AS 43.52.020 does not apply to a person who rents
22 three or fewer vehicles in the state.

23 * **Sec. 7.** AS 45.45 is amended by adding new sections to article 8 to read:

24 **Sec. 45.45.425. Vehicle rental network rentals.** (a) A vehicle rental business
25 or vehicle rental individual that arranges or executes passenger vehicle or recreational
26 vehicle rentals through a vehicle rental network is subject to the same laws and
27 regulations as other passenger vehicle or recreational vehicle rentals, including
28 AS 19.75.915, AS 28.10.375, AS 28.35.320, AS 43.52, and AS 45.45.425 - 45.45.459.

29 (b) A municipality that imposes a sales tax on a vehicle rental may require a
30 vehicle rental network company to collect and pay the municipal sales tax on behalf of
31 a vehicle rental business or vehicle rental individual.

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

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

8 * **Sec. 8.** AS 45.45.450 is amended to read:

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

15 * **Sec. 9.** AS 45.45.455 is amended to read:

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

23 (b) If the total amount of the vehicle licensing cost recovery fees collected by
24 a vehicle rental [CAR] business **or vehicle rental individual** during a calendar year
25 exceeds the actual amount of the vehicle rental [CAR] business's **or vehicle rental**
26 **individual's** licensing costs during that calendar year, the vehicle rental [CAR]
27 business **or vehicle rental individual** shall

28 (1) retain the excess amount; and

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

31 (c) In addition to the adjustment required by (b) of this section, a vehicle

1 rental [CAR] business **or vehicle rental individual** may adjust its vehicle licensing
 2 cost recovery fee during the calendar year when the excess vehicle licensing cost
 3 recovery fees are collected if the vehicle licensing cost recovery fee otherwise
 4 complies with this section.

5 * **Sec. 10.** AS 45.45.459 is amended to read:

6 **Sec. 45.45.459. Definitions.** In **AS 45.45.425 - 45.45.459** [AS 45.45.450 -
 7 45.45.459],

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

9 (2)] "licensing cost" means the cost of titling, registering, obtaining
 10 license plates for, or inspection of the rental cars of a **vehicle** rental [CAR] business **or**
 11 **vehicle rental individual** in the state;

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

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

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

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

19 (6) [(4) "RENTAL CAR BUSINESS" MEANS A PERSON WHO
 20 ENGAGES IN THE BUSINESS OF RENTING CARS IN THE STATE;

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

23 (7) **"vehicle rental business" means a person that, as the person's**
 24 **primary business, rents vehicles in the state or, through a vehicle rental network,**
 25 **arranges or executes vehicle rentals in the state;**

26 (8) **"vehicle rental individual" means a person who rents vehicles**
 27 **in the state or, through a vehicle rental network in the state, arranges or executes**
 28 **vehicle rentals in the state, but whose primary business is not the rental of**
 29 **vehicles;**

30 (9) **"vehicle rental network" means a digital network that connects**
 31 **vehicle renters to personal vehicle owners; in this paragraph, "digital network"**

1 **means any online-enabled application, software, website, or system offered or**
2 **used by a vehicle rental network company that enables the prearrangement of**
3 **vehicle rentals with personal vehicle owners.**

4 * **Sec. 11.** Sections 1 - 6 of this Act take effect January 1, 2023.