

CHAPTER 102
VEHICLE RENTAL AGREEMENT FEES
H.F. 622

AN ACT relating to certain fees charged in connection with vehicle rental agreements and making penalties applicable.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 516D.3, subsection 6, paragraph a, Code 2015, is amended to read as follows:

a. “Mandatory charge” does not include an airport-imposed fee or a vehicle license recovery fee if the existence and amount of the fee are clearly and conspicuously disclosed immediately adjacent to any advertised rental price. The customer must be informed of the amount of the fee when the reservation is made. When an advertisement encompasses more than one rental location, the fee may be expressed as the maximum fee or range of fees.

Sec. 2. Section 516D.3, Code 2015, is amended by adding the following new subsection:
NEW SUBSECTION. 12. “*Vehicle license recovery fee*” means a charge that may be separately stated and charged on a vehicle rental transaction originating in this state to recover fees paid to this state by a rental company to license, title, register, and plate rental vehicles.

Sec. 3. NEW SECTION. 516D.3A Vehicle license recovery fee.

1. A rental company may include separately stated charges in a rental agreement pursuant to the provisions of this chapter for the recovery of fees paid to this state to license, title, register, and plate rental vehicles.

2. If a rental company includes a vehicle license recovery fee as a separately stated charge in a rental transaction, the amount of the fee shall represent the rental company’s good-faith estimate of the rental company’s average per vehicle portion of the rental company’s total annual titling and registration fees paid to this state.

3. If the total amount of the vehicle license recovery fees collected by a rental company under this section in any calendar year exceeds the rental company’s actual fees paid to this state to license, title, register, and plate rental vehicles for that calendar year, the rental company shall do both of the following:

a. Retain the excess amount to be held in a vehicle license recovery fee fund as a consumer credit for the following year.

b. Lower the estimated average per vehicle titling and registration charge for the following calendar year by the corresponding amount in the vehicle license recovery fee fund.

Approved May 15, 2015