

A.B. 573

ASSEMBLY BILL NO. 573—COMMITTEE ON WAYS AND MEANS

JUNE 5, 2005

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing fees and charges imposed on short-term lease of passenger car. (BDR 43-1494)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included in Executive Budget.

~

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to the leasing of motor vehicles; increasing the amount of the governmental services fee imposed on the short-term lease of a passenger car and providing for the use of the additional proceeds; revising certain provisions governing the charges which may be imposed by a short-term lessor of a passenger car; making an appropriation; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 482.313 is hereby amended to read as follows:
2 482.313 1. Upon the lease of a passenger car by a short-term
3 lessor in this State, the short-term lessor:
4 (a) Shall charge and collect from the short-term lessee:
5 (1) A governmental services fee of ~~16~~ 8 percent of the total
6 amount for which the passenger car was leased, excluding the items
7 described in subsection 7; and
8 (2) Any fee required pursuant to NRS 244A.810 or
9 244A.860; and
10 (b) May charge and collect from the short-term lessee a recovery
11 surcharge not to exceed 4 percent of the total amount for which the
12 passenger car was leased, excluding the items described in



1 subsection 8, as reimbursement for vehicle licensing fees and taxes
2 paid by the short-term lessor.

3 ➡ The amount of any fee charged pursuant to this subsection must
4 be indicated in the lease agreement.

5 2. The fees due from a short-term lessor to the Department of
6 Taxation pursuant to subsection 1 are due on the last day of each
7 calendar quarter. On or before the last day of the month following
8 each calendar quarter, the short-term lessor shall:

9 (a) File with the Department of Taxation, on a form prescribed
10 by the Department of Taxation, a report indicating the total amount
11 of:

12 (1) Each of the fees collected by the short-term lessor
13 pursuant to paragraph (a) of subsection 1 during the immediately
14 preceding calendar quarter;

15 (2) Recovery surcharges, if any, collected by the short-term
16 lessor pursuant to paragraph (b) of subsection 1 during the
17 immediately preceding calendar quarter; and

18 (3) Vehicle licensing fees and taxes paid by the short-term
19 lessor pursuant to this chapter during the immediately preceding
20 calendar quarter.

21 (b) Remit to the Department of Taxation, the fees collected by
22 the short-term lessor pursuant to paragraph (a) of subsection 1
23 during the immediately preceding calendar quarter.

24 3. Except as otherwise provided in a contract made pursuant to
25 NRS 244A.820 or 244A.870, the Department of Taxation shall
26 deposit all money received from short-term lessors pursuant to the
27 provisions of this section with the State Treasurer for credit to the
28 State General Fund. *One-quarter of the proceeds of the*
29 *governmental services fee which is collected pursuant to*
30 *subparagraph (1) of paragraph (a) of subsection 1 during each*
31 *calendar quarter and deposited in the State General Fund*
32 *pursuant to this subsection is hereby appropriated to the*
33 *University of Nevada School of Medicine for expenditure in*
34 *accordance with section 4 of this act.*

35 4. To ensure compliance with this section, the Department of
36 Taxation may audit the records of a short-term lessor.

37 5. The provisions of this section do not limit or affect the
38 payment of any taxes or fees imposed pursuant to the provisions of
39 this chapter.

40 6. The Department of Motor Vehicles shall, upon request,
41 provide to the Department of Taxation any information in its records
42 relating to a short-term lessor that the Department of Taxation
43 considers necessary to collect the fees described in subsection 1.

44 7. For the purposes of charging and collecting the
45 governmental services fee described in subparagraph (1) of



1 paragraph (a) of subsection 1, the following items must not be
2 included in the total amount for which the passenger car was leased:

3 (a) The amount of any recovery surcharge charged and collected
4 pursuant to paragraph (b) of subsection 1;

5 (b) The amount of any charge for fuel used to operate the
6 passenger car;

7 (c) The amount of any fee or charge for the delivery,
8 transportation or other handling of the passenger car;

9 (d) The amount of any fee or charge for insurance, including,
10 without limitation, personal accident insurance, extended coverage
11 or insurance coverage for personal property;

12 (e) The amount of any charges assessed against a short-term
13 lessee for damages for which the short-term lessee is held
14 responsible; and

15 (f) The amount of any fee charged and collected pursuant to
16 subparagraph (2) of paragraph (a) of subsection 1.

17 8. For the purposes of charging and collecting the recovery
18 surcharge described in paragraph (b) of subsection 1, the following
19 items must not be included in the total amount for which the
20 passenger car was leased:

21 (a) The amount of the fees charged and collected pursuant to
22 paragraph (a) of subsection 1;

23 (b) The amount of any charge for a collision damage waiver or a
24 similar instrument that acts as a waiver of the short-term lessor's
25 right to collect from the short-term lessee for any damage to the
26 passenger car;

27 (c) The amount of any charge for fuel used to operate the
28 passenger car;

29 (d) The amount of any fee or charge for the delivery,
30 transportation or other handling of the passenger car;

31 (e) The amount of any fee or charge for insurance, including,
32 without limitation, personal accident insurance, extended coverage
33 or insurance coverage for personal property;

34 (f) The amount of any charges assessed against a short-term
35 lessee for damages for which the short-term lessee is held
36 responsible; and

37 (g) The amount of any concession fee or charge that the short-
38 term lessor:

39 (1) Is required to pay to do business at an airport, if
40 applicable; and

41 (2) Passes on to the short-term lessee of the passenger car.

42 9. The Executive Director of the Department of Taxation shall:

43 (a) Adopt such regulations as he determines are necessary to
44 carry out the provisions of this section; and



(b) Upon the request of the Director of the Department of Motor Vehicles, provide to the Director of the Department of Motor Vehicles a copy of any record or report described in this section.

10. As used in this section, "vehicle licensing fees and taxes" means:

(a) The fees paid by a short-term lessor for the registration of, and the issuance of certificates of title for, the passenger cars leased by him; and

(b) The basic and supplemental governmental services taxes paid by the short-term lessor with regard to those passenger cars.

Sec. 2. NRS 482.31565 is hereby amended to read as follows:

482.31565 1. A short-term lessor shall not require the purchase of a waiver of damages, optional insurance or any other optional good or service as a condition for the lease of a passenger car.

2. A short-term lessor may sell a waiver of damages . ~~but shall not charge more than \$15 per full or partial rental day or 24 hour rental period, as appropriate, for the waiver.]~~

3. A short-term lessor who disseminates an advertisement in the State of Nevada that contains a rate for the lease of a passenger car shall include in the advertisement a clearly readable statement of the charge for a waiver of damages and a statement that the waiver is optional.

4. A short-term lessor shall not engage in any unfair, deceptive or coercive conduct to induce a short-term lessee to purchase a waiver of damages, optional insurance or any other optional good or service, including, but not limited to, refusing to honor the lessee's reservation, limiting the availability of cars, requiring a deposit or debiting or blocking the lessee's credit card account for a sum equivalent to a deposit if the lessee declines to purchase a waiver, optional insurance or any other optional good or service.

Sec. 3. NRS 482.3158 is hereby amended to read as follows:

482.3158 1. The short-term lessor of a passenger car may impose an additional charge:

(a) Based on reasonable age criteria established by the lessor.

(b) For any item or a service provided if the short-term lessee could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service.

(c) For insurance and accessories requested by the lessee.

(d) For service incident to the lessee's optional return of the car to a location other than the location where the car was leased.

(e) For refueling the car at the conclusion of the lease if the lessee did not return the car with as much fuel as was in the fuel tank at the beginning of the lease.



(f) For any authorized driver in addition to the short-term lessee and one other authorized driver but shall not charge more than \$5 per full or partial 24-hour period for such an additional authorized driver.

(g) Which is not prohibited by a specific statute if the additional charge is clearly and conspicuously disclosed on the written lease agreement or on another document which is provided to the short-term lessee upon the commencement of the lease.

2. A short-term lessor shall not charge a short-term lessee, as a condition of leasing a passenger car, an additional fee for:

(a) Any surcharges required for fuel.

(b) Transporting the lessee to the location where the car will be delivered to the lessee.

(c) One other authorized driver.

3. If a short-term lessor:

(a) Delivers a passenger car to a short-term lessee at a location other than the location where the lessor normally carries on its business, the lessor shall not charge the lessee any amount for the period before the delivery of the car.

(b) Takes possession of a passenger car from a short-term lessee at a location other than the location where the lessor normally carries on its business, the lessor shall not charge the lessee any amount for the period after the lessee notifies the lessor to take possession of the car.

Sec. 4. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The money appropriated to the University of Nevada School of Medicine pursuant to subsection 3 of NRS 482.313:

(a) Must be accounted for separately in the State General Fund;

(b) May only be used to carry out a program for the transplantation of human organs and tissue; and

(c) Does not revert to the State General Fund at the end of any fiscal year.

2. The Department of Administration of the School of Medicine shall administer the account. Any interest or income earned on the money in the account must be credited to the account. Any claims against the account must be paid as other claims against the State are paid.

Sec. 5. The amendatory provisions of section 1 of this act do not apply to any fees required to be collected before July 1, 2005.

Sec. 6. 1. There is hereby appropriated from the State General Fund to the University of Nevada School of Medicine the sum of \$20,000 for the program for the transplantation of human organs and tissue.



1 2. Any remaining balance of the appropriation made by
2 subsection 1 must not be committed for expenditure after June 30,
3 2007, and must be reverted to the State General Fund on or before
4 September 21, 2007.

5 **Sec. 7.** 1. This section and section 6 of this act become
6 effective upon passage and approval.

7 2. Sections 1 to 5, inclusive, of this act become effective on
8 July 1, 2005.



