

SENATE NO. 2025

AN ACT RELATIVE TO VEHICLE LICENSE FEES

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Chapter 90 of the General Laws, as appearing in the 2004 Official Edition, is
2 hereby amended by inserting after section 32C the following section:--

3 Section 32C ½. (A) As used in this section the following words and phrases shall have the
4 following meanings unless the context requires otherwise:

5 “Authorized Driver”, a renter who drives a private passenger motor vehicle rented under the
6 terms of a rental agreement or any person expressly listed by the rental company on the rental
7 agreement as an authorized driver.

8 “Rental Agreement”, any written agreement setting forth the terms and conditions governing the
9 use of a private passenger motor vehicle provided by a rental company to an authorized driver
10 for 30 continuous days or less.

11 “Rental Company”, any person or organization in the business of providing private passenger
12 motor vehicles for rent to the public from locations in the commonwealth.

13 “Vehicle License Fee”, a separately itemized daily fee charged by a rental company to a renter
14 in order to recover the company’s cost of inspecting, titling, plating and registering its rental
15 fleet. The vehicle license fee shall represent the rental company’s good faith estimate of the

16 average per day per vehicle portion of the rental company's total annual vehicle title, inspection,
17 plate and registration costs as set forth under this chapter or as modified, to be paid for its rental
18 fleet during the calendar year.

19 (B) A rental company may charge a vehicle license fee under the terms of a rental agreement
20 under the following conditions:

21 (i) the vehicle license fee shall be displayed as a separately itemized charge on the rental
22 agreement and printed in the rental agreement as follows:

23 "The Vehicle License Fee Recovery (VLF REC) is owner's charge to recover owner's estimated
24 average daily cost per vehicle of the charges imposed by governmental authorities to title,
25 inspect, plate and register all vehicles in its rental fleet. The Vehicle License Fee Recovery is
26 not a tax and is not calculated based on the costs imposed upon a particular vehicle."

27 This disclosure requirement shall be deemed satisfied if this written notice appears in materials
28 furnished to a consumer during the enrollment process into a master rental agreement. This
29 notice provision is deemed complied with for all consumers who have previously enrolled into a
30 master rental agreement prior to the effective date of this section.

31 (ii) a rental company making any advertisement in the commonwealth that contains a rental rate
32 and that charges a separate vehicle license fee shall include a statement in the advertisement that
33 discloses the maximum daily charge for the vehicle license fee and that the customer shall pay
34 said fee; and

35 (iii) vehicle license fees collected by the rental company in excess of the actual amount of its
36 vehicle title, inspection, plate and registration costs, as set forth under this chapter or as
37 modified, if any, shall be retained by the rental company and applied towards the recovery of its
38 next calendar year's vehicle title, inspection, plate and registration costs. In such event, the

39 good faith estimate of the vehicle license fee to be charged by the rental company for the next
40 calendar year shall be reduced to take into account the excess amount collected from the prior
41 year.