



## Bill Text: NJ A2546 | 2014-2015 | Regular Session | Introduced New Jersey Assembly Bill 2546

**Bill Title:** Exempts certain car-sharing programs from motor vehicle rental fees.

**Spectrum:** Partisan Bill (Democrat)

**Status:** (Introduced) 2014-02-10 - Introduced, Referred to Assembly Environment and Solid Waste Committee [A2546 Detail]

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# ASSEMBLY, No. 2546 STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED FEBRUARY 10, 2014

**Sponsored by:**  
Assemblyman CARMELO G. GARCIA  
District 33 (Hudson)

### SYNOPSIS

Exempts certain car-sharing programs from motor vehicle rental fees.

### CURRENT VERSION OF TEXT

As introduced.

AN ACT exempting certain car-sharing programs from the motor vehicle rental surcharge and amending P.L.2002, c.34.

**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

1. Section 54 of P.L.2002, c.34 (C.App.A:9-78) is amended to read as follows:

54. a. As used in this section:

"Car-sharing organization" means a nonprofit organization that runs a membership program intended to offer an alternative to car ownership under which persons or entities that become members are permitted to use vehicles from a fleet on a hourly basis.

"Rental company" means a person engaged in the business of renting motor vehicles ~~except that "rental company" shall not include activities conducted by a car-sharing organization as defined in this section.~~

"Rental motor vehicle" means a passenger automobile, truck or semitrailer that is rented ~~by a rental company~~ without a driver and used in the transportation of persons or property other than commercial freight.

b. Each rental company doing business in this State shall pay a fee for each rental motor vehicle that the company shall have rented from a location in this State under the terms of a rental agreement for a period of not more than 28 days. The amount of the fee shall be:

(1) \$0.25 per hour or part thereof, for any rental of a duration of less than 24 hours; or

(2) \$5 for each day or part thereof [that each such vehicle was rented] ~~for any rental of a duration of more than 24 hours.~~

A car-sharing organization shall not be required to pay this fee. The fee shall be separately stated to the person to whom the motor vehicle

is rented and shall not be included in the receipts subject to the taxes imposed pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

The director of the Division of Taxation in the Department of the Treasury shall collect and administer the fee; in so doing, the director shall have all the powers granted pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.). The director may, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), make, adopt, amend or repeal such rules and regulations as the director finds necessary to carry out the provisions of this subsection.

c. There is established in the General Fund the New Jersey Domestic Security Account, which shall be a dedicated nonlapsing account. Amounts paid to the State Treasurer from the first \$2 of the fee for each day or part thereof that a rental motor vehicle was rented pursuant to subsection b. of this section shall be deposited into the account upon receipt. Moneys in the account, including interest thereon, shall be available exclusively for appropriation to support medical emergency disaster preparedness for bioterrorism, security coverage at nuclear power facilities, State Police salaries related to Statewide security services, and counter-terrorism programs. (cf: P.L.2006, c.42, s.1)

2. This act shall take effect immediately.

#### STATEMENT

This bill exempts nonprofit car-sharing organizations from the \$5 surcharge on motor vehicle rentals charged pursuant to section 54 of P.L.2002, c.34 (C.App.A:9-78). The bill defines a car-sharing organization as ". . . a nonprofit organization that runs a membership program intended to offer a alternative to car ownership under which persons or entities that become members are permitted to use vehicles from a fleet on a hourly basis." Under the bill, a nonprofit car-sharing organization would be differentiated from car rental companies and thereby ensure that alternatives to car ownership receive different tax treatment from car-rental commercial transactions.

The bill also provides a proration of the fee for rentals of less than 24 hours duration, at the rate of \$0.25 per hour or part thereof.