



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

Senate Bill 138 (as introduced 1-31-07)  
Sponsor: Senator Randy Richardville  
Committee: Economic Development and Regulatory Reform

Date Completed: 5-21-07

### **CONTENT**

The bill would amend the Michigan Vehicle Code to prohibit a rental vehicle company from charging a consumer a separately stated fee to recover any portion of the company's vehicle titling and registration costs incurred under the Code for its fleet of vehicles, unless all of the following conditions were met:

- The fee represented a good-faith estimate by the rental vehicle company of the average per-day, per-vehicle portion of its total annual titling and registration costs incurred under the Code.
- The fee was itemized in a rental agreement separately from other charges to the consumer.
- The fee was described in the rental agreement in the following manner: "The estimated average per day per vehicle portion of the rental company's total annual titling and registration costs incurred under the Michigan Vehicle Code".

If the total amount of fees collected by a rental vehicle company in any calendar year exceeded the company's actual titling and registration costs incurred during that calendar year, the company would have to retain the excess amount and adjust the estimated average per-day per-vehicle titling and registration charge for the following calendar year by a corresponding amount.

If a rental vehicle company advertised the rental rate for a vehicle available for rent in Michigan, the company would have to include the fee authorized under the bill in the advertised price, unless the advertisement clearly and conspicuously disclosed the maximum daily amount of the fee.

"Rental vehicle company" would mean a person that rents a motor vehicle to a consumer.

Proposed MCL 257.810c

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Stephanie Yu

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.