

**SECOND ENGROSSMENT
with House Amendments**

Fifty-seventh
Legislative Assembly
of North Dakota

REENGROSSED SENATE BILL NO. 2181

Introduced by

Senators Traynor, Krebsbach, Stenehjem

Representatives Glassheim, Hawken

1 A BILL for an Act to create and enact a new section to chapter 57-39.2 of the North Dakota
2 Century Code, relating to rental company surcharge on motor vehicle rentals; and to provide an
3 effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 57-39.2 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Surcharge on rental motor vehicles.** A rental company engaged in the business of
8 renting motor vehicles for periods of fewer than thirty days shall collect a three percent
9 surcharge on each rental contract at the time a vehicle of a gross vehicle weight of ten
10 thousand pounds [4535.92 kilograms] or less is rented from the company in this state. A
11 vehicle is considered rented in this state if possession is obtained by the renter in this state.
12 The surcharge must be computed on the total dollar amount for the rental as stated in the rental
13 contract, excluding taxes, fuel collections, or other ancillary products sold to customers such as
14 collision damage waiver, supplemental liability protection, personal accident insurance, and
15 personal effects coverage.

16 1. A surcharge under this section must be noted in the rental contract and collected in
17 accordance with the terms of the contract.

18 2. On February fifteenth of each year, a rental company that collects surcharges
19 under this section shall file a report with the commissioner stating the total amount
20 of excise taxes paid under chapter 57-40.3 on its rental vehicles for the preceding
21 calendar year and the total amount of rental motor vehicle revenues earned on
22 rentals in this state for the preceding calendar year. All surcharge revenues
23 collected during the calendar year by the rental company in excess of the total
24 amount of excise taxes paid under chapter 57-40.3 during the calendar year by the

1 company on rental motor vehicles must be remitted to the commissioner with the
2 report and considered sales tax collections under this chapter.
3 3. For three years after filing the report under this section the rental company shall
4 retain copies of rental contracts and the commissioner may require the rental
5 company to furnish copies of rental contracts for purposes of ensuring compliance
6 with this section.

7 **SECTION 2. EFFECTIVE DATE.** This Act is effective for rental of motor vehicles for
8 which the rental contract term beings after June 30, 2001.