

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

463X0392

SENATE BILL NO. 115

Introduced by: Senators Tidemann, Buhl O'Donnell, Curd, Greenfield (Brock), Monroe, Novstrup (David), Peters, and Solano and Representatives Romkema, Bartling, Bolin, Brunner, Cronin, Dryden, Gibson, Hawks, Solum, Verchio, and Wiik

1 FOR AN ACT ENTITLED, An Act to permit car rental companies to include certain fees in a
2 rental agreement.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 Terms used in this Act mean:

6 (1) "Car rental company," a business with a primary purpose of renting motor vehicles
7 to consumers under rental agreements for periods of ninety days or less;

8 (2) "Vehicle license cost recovery fee," a charge that may be separately stated and
9 charged on the rental contract in a vehicle rental transaction originating in this state
10 to recover costs incurred by a car rental company to license, title, register, plate, and
11 inspect rental vehicles.

12 Section 2. That the code be amended by adding a NEW SECTION to read:

13 A car rental company may include separately stated surcharges, fees, or charges in a rental
14 agreement, which may include vehicle license cost recovery fees, airport access fees, airport



1 concession fees, and all applicable taxes.

2 Section 3. That the code be amended by adding a NEW SECTION to read:

3 If a car rental company includes a vehicle license cost recovery fee as a separately stated
4 charge in a rental transaction, the amount of the fee shall represent the car rental company's
5 good-faith estimate of the car rental company's daily charge as calculated by the car rental
6 company to recover its actual total annual motor vehicle licensing, titling, registration, plating,
7 and inspection costs.

8 Section 4. That the code be amended by adding a NEW SECTION to read:

9 If the total amount of the vehicle license cost recovery fees collected by a car rental company
10 under this Act in any calendar year exceeds the car rental company's actual costs to license, title,
11 register, plate, and inspect the motor vehicles for that calendar year, the car rental company shall
12 do both of the following:

13 (1) Retain the excess amount; and

14 (2) Adjust the estimated average per vehicle license cost recovery fee for the following
15 calendar year by a corresponding amount.

16 Nothing in this section prevents a rental car company from making adjustments to the
17 vehicle license cost recovery fee during the calendar year.