

**House File 622 - Introduced**

HOUSE FILE 622

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 340)

(SUCCESSOR TO HSB 24)

**A BILL FOR**

1 An Act relating to certain fees charged in connection with  
2 vehicle rental agreements and making penalties applicable.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 516D.3, subsection 6, paragraph a, Code  
2 2015, is amended to read as follows:

3 a. *"Mandatory charge"* does not include an airport-imposed  
4 fee or a vehicle license recovery fee if the existence and  
5 amount of the fee are clearly and conspicuously disclosed  
6 immediately adjacent to any advertised rental price. The  
7 customer must be informed of the amount of the fee when the  
8 reservation is made. When an advertisement encompasses more  
9 than one rental location, the fee may be expressed as the  
10 maximum fee or range of fees.

11 Sec. 2. Section 516D.3, Code 2015, is amended by adding the  
12 following new subsection:

13 NEW SUBSECTION. 12. *"Vehicle license recovery fee"* means a  
14 charge that may be separately stated and charged on a vehicle  
15 rental transaction originating in this state to recover fees  
16 paid to this state by a rental company to license, title,  
17 register, and plate rental vehicles.

18 Sec. 3. NEW SECTION. 516D.3A **Vehicle license recovery fee.**

19 1. A rental company may include separately stated charges in  
20 a rental agreement pursuant to the provisions of this chapter  
21 for the recovery of fees paid to this state to license, title,  
22 register, and plate rental vehicles.

23 2. If a rental company includes a vehicle license recovery  
24 fee as a separately stated charge in a rental transaction,  
25 the amount of the fee shall represent the rental company's  
26 good-faith estimate of the rental company's average per vehicle  
27 portion of the rental company's total annual titling and  
28 registration fees paid to this state.

29 3. If the total amount of the vehicle license recovery  
30 fees collected by a rental company under this section in any  
31 calendar year exceeds the rental company's actual fees paid  
32 to this state to license, title, register, and plate rental  
33 vehicles for that calendar year, the rental company shall do  
34 both of the following:

35 a. Retain the excess amount to be held in a vehicle license

1 recovery fee fund as a consumer credit for the following year.  
2 *b.* Lower the estimated average per vehicle titling and  
3 registration charge for the following calendar year by the  
4 corresponding amount in the vehicle license recovery fee fund.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with  
7 the explanation's substance by the members of the general assembly.

8 This bill relates to fees vehicle rental companies charge to  
9 recover costs paid to license, title, register, or plate rental  
10 vehicles in Iowa, and makes penalties applicable.

11 The bill defines "vehicle license recovery fee" as a charge  
12 that may be separately stated and charged on a vehicle rental  
13 transaction originating in this state to recover fees paid to  
14 this state by a rental company to license, title, register, and  
15 plate rental vehicles.

16 Rental companies may charge a vehicle license recovery fee  
17 in a rental transaction that is equal to the rental company's  
18 good-faith estimate of the average per vehicle portion of the  
19 rental company's total annual titling and registration fees  
20 paid to this state. The bill provides that if the total amount  
21 of vehicle license recovery fees a rental company collects  
22 exceeds the amount it actually spent to license, title,  
23 register, and plate rental vehicles, the rental company shall  
24 keep the excess amount in a fund as a consumer credit and lower  
25 the estimated average per vehicle titling and registration  
26 charge for the following year by the corresponding amount in  
27 the fund.

28 The bill provides that the vehicle license recovery fee  
29 is not a mandatory charge that must be included in a rental  
30 company's advertisement or quote if such fee is clearly  
31 disclosed next to the advertised rental price.

32 Pursuant to Code section 516D.9, any violation of the  
33 provisions of the bill is an unlawful practice under Code  
34 section 714.16(2)(a). Code section 714.16 permits the attorney  
35 general to investigate a person the attorney general believes

H.F. 622

1 is engaged in an unlawful practice and to seek and obtain  
2 injunctive relief against a person who is engaged in an  
3 unlawful practice, and for a court to impose a civil penalty  
4 against a person who committed an unlawful practice.