

House File 721 - Introduced

HOUSE FILE 721

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 241)

A BILL FOR

1 An Act relating to customer facility charges as part of a
2 vehicle rental transaction at airports, and including
3 effective date and applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 330B.1 Definitions.

2 As used in this chapter:

3 1. "*Agreement day*" means each twenty-four-hour period,
4 or fraction thereof, within a rental period, each of which
5 constitutes a separate day for which a customer facility charge
6 may be levied.

7 2. "*Airport commission*" means an airport commission created
8 under chapter 330.

9 3. "*Aviation authority*" means an aviation authority created
10 under chapter 330A.

11 4. "*Consolidated vehicle rental facility*" means a
12 consolidated facility used by a rental vehicle business on
13 airport property.

14 5. "*Customer*" means a person who is authorized to use a
15 rental vehicle under the terms of a rental agreement as the
16 result of a vehicle rental transaction involving a rental
17 vehicle business.

18 6. "*Customer facility charge*" means any fee or charge
19 required by an aviation authority, airport commission,
20 municipality, or other entity that operates an airport to be
21 collected by the owner or operator of a rental vehicle business
22 from a customer in a vehicle rental transaction at an airport.

23 7. "*Municipality*" means any county or city of this state,
24 whose ordinances permit the entry of and submission by such
25 political subdivision to an aviation authority created and
26 operating under chapter 330A.

27 8. "*Rental agreement*" means a written contract containing
28 the terms and conditions for the use of a rental vehicle by a
29 customer for not more than sixty days.

30 9. "*Rental vehicle*" means a passenger-type vehicle that,
31 upon execution of a rental agreement, is made available to a
32 customer for the customer's use for not more than sixty days.

33 10. "*Rental vehicle business*" means a person who authorizes
34 a customer to use a rental vehicle and who utilizes airport
35 property in any aspect during a vehicle rental transaction.

1 11. "*Vehicle rental transaction*" means an act by a customer
2 and rental vehicle business that results in the customer's use
3 of a rental vehicle for not more than sixty days.

4 Sec. 2. NEW SECTION. 330B.2 **Customer facility charges.**

5 1. An aviation authority, airport commission, municipality,
6 or other entity that operates an airport may require the
7 owner or operator of a rental vehicle business to collect a
8 customer facility charge from a customer as part of a vehicle
9 rental transaction at an airport, which shall be used for the
10 purposes of financing, designing, constructing, operating,
11 maintaining, acquiring, or otherwise improving consolidated
12 vehicle rental facilities and common use transportation systems
13 used to transport customers between consolidated vehicle rental
14 facilities and other airport facilities.

15 2. If a customer facility charge is included as part of a
16 vehicle rental transaction, the rental vehicle business shall
17 include the customer facility charge as a separate line item
18 in the rental agreement and the rental agreement must refer to
19 the charge as "customer facility charge". The moneys collected
20 as a customer facility charge shall be held in trust for the
21 benefit of the airport for the purposes authorized in this
22 chapter and remitted at the direction of the airport, but not
23 more often than once per month, for use only as authorized in
24 this chapter.

25 3. A customer facility charge shall be uniformly calculated
26 based either on a per-agreement or per-agreement-day basis at
27 the discretion of the aviation authority, airport commission,
28 municipality, or other entity that operates the airport. An
29 aviation authority, airport commission, municipality, or other
30 entity that operates an airport shall provide notice of any
31 changes to the customer facility charge, including but not
32 limited to the amount and calculation method, to every rental
33 vehicle business not less than thirty days prior to the change
34 taking effect.

35 4. A customer facility charge imposed by an aviation

1 authority, airport commission, municipality, or other entity
2 that operates an airport must be used only for financing,
3 designing, constructing, operating, maintaining, acquiring, or
4 otherwise improving the consolidated vehicle rental facilities
5 and common-use transportation systems used to transport
6 customers between consolidated vehicle rental facilities and
7 other airport facilities, including necessary equipment,
8 vehicles, and facilities for such systems. Customer facility
9 charge moneys shall not be used for airport terminal expansion,
10 gate expansion, runway expansion, or for any purpose not
11 authorized under this chapter.

12 5. Other than the fee to rent a vehicle, a rental vehicle
13 business shall not collect an additional fee or impose an
14 additional charge as part of a vehicle rental transaction at
15 an airport, other than a customer facility charge as provided
16 under this chapter.

17 6. The aggregate amount of moneys collected as customer
18 facility charges shall not exceed the reasonable costs,
19 as determined by an annual audit by an independent auditor
20 paid for by the aviation authority, airport commission,
21 municipality, or other entity that operates an airport, for the
22 purposes authorized under this chapter.

23 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
24 importance, takes effect upon enactment.

25 Sec. 4. APPLICABILITY. This Act applies to moneys collected
26 as a customer facility charge on or after the effective date of
27 this Act, and to moneys collected as a customer facility charge
28 prior to the effective date of this Act that are unexpended,
29 unencumbered, and unobligated on the effective date of this
30 Act.

31 EXPLANATION

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

34 This bill creates a new Code chapter 330B authorizing and
35 regulating customer facility charges imposed as part of a

1 vehicle rental transaction at an airport. Under the bill, an
2 aviation authority, airport commission, municipality, or other
3 entity that operates an airport is authorized to require a
4 rental vehicle business to impose a customer facility charge
5 (charge), as defined by the bill. The charge is paid by a
6 customer who rents a vehicle at the airport.

7 The bill requires a charge to be listed as a separate
8 line item on all vehicle rental agreements transacted at the
9 airport. The charge must be uniformly calculated based either
10 on a per-agreement or per-agreement-day basis at the discretion
11 of the aviation authority, airport commission, municipality,
12 or other entity that operates the airport. An entity that
13 operates an airport is required to provide notice of any
14 changes to the charge, including but not limited to the amount
15 and calculation method, to every rental vehicle business not
16 less than 30 days prior to the change taking effect.

17 The charge must be used only for financing, designing,
18 constructing, operating, maintaining, acquiring, or otherwise
19 improving the consolidated vehicle rental facilities and
20 common-use transportation systems used to transport customers
21 between consolidated vehicle rental facilities and other
22 airport facilities, including necessary equipment, vehicles,
23 and facilities for such systems. The bill prohibits customer
24 facility charge moneys from being used for airport terminal
25 expansion, gate expansion, runway expansion, or for any other
26 purpose not authorized under the bill.

27 The bill takes effect upon enactment and applies to charges
28 collected on or after that date, and to charges collected prior
29 to that date that are unexpended, unencumbered, and unobligated
30 on that date.