



# 130th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2022

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Legislative Document

No. 1890

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H.P. 1400

House of Representatives, January 5, 2022

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**An Act To Create a Rental Fleet Registration Program and Equalize  
the Tax Rate Imposed on Rental Vehicles**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT  
Clerk

Presented by Representative PERRY of Bangor.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **PART A**

3 **Sec. A-1. 29-A MRSA §412** is enacted to read:

4 **§412. Rental fleet registration**

5 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
6 following terms have the following meanings.

7 A. "Rental fleet" means a fleet containing more than 25 rental fleet vehicles.

8 B. "Rental fleet vehicle" means a motor vehicle that is:

9 (1) Owned by a person engaged in the business of renting motor vehicles;

10 (2) Offered for rental without a hired driver under a rental agreement; and

11 (3) Designated by the registered owner of the motor vehicle as a rental fleet vehicle  
12 at the time of registration.

13 **2. Program established.** A rental fleet registration program is established to provide  
14 a means of issuing certificates of registration for rental fleet vehicles. The Secretary of  
15 State shall adopt rules to administer the rental fleet registration program. Rules adopted  
16 under this subsection must provide for:

17 A. An application form;

18 B. The payment of fees;

19 C. The addition of rental fleet vehicles to and the removal of rental fleet vehicles from  
20 a rental fleet;

21 D. The issuance of certificates of registration for rental fleet vehicles; and

22 E. The revocation of a certificate of registration for noncompliance with this section.

23 **3. License plate.** The Secretary of State shall determine the design for a rental fleet  
24 license plate. The design must include distinctive colors and graphics. The design may  
25 indicate that the plate does not have an expiration date. The design may not include an  
26 expiration date.

27 **4. Application.** The owner of a rental fleet may apply to the Secretary of State to  
28 register rental fleet vehicles under this section. The application for registration under this  
29 section must be in a form prescribed by the Secretary of State and must include:

30 A. For each rental fleet vehicle, the information required in section 401, subsection 2;

31 B. The election of a common registration renewal month for the rental fleet; and

32 C. For each rental fleet vehicle, the municipality to which the excise tax described in  
33 Title 36, section 1482 is to be paid.

34 **5. Fees.** A registration fee must accompany a registration application submitted under  
35 this section. The fee is in an amount equal to the applicable annual registration fee required  
36 by section 501 or 504, as applicable. In addition to the annual registration fee, an annual  
37 \$2.50 inspection exemption fee applies to a rental fleet vehicle exempt from inspection  
38 under section 1752-A. A fee collected under this subsection must be credited to the General  
39 Highway Fund.

1           **6. Approval.** The Secretary of State shall approve an application for the registration  
2 of rental fleet vehicles that conforms to the rules adopted pursuant to this section and is  
3 accompanied by the appropriate fee. On approval of an application for the registration of  
4 rental fleet vehicles, the Secretary of State shall:

5           A. Record the registration of each rental fleet vehicle described in the registration  
6 application;

7           B. Assign the owner of the rental fleet a rental fleet number;

8           C. Issue a certificate of registration that contains the name and address of the owner  
9 of the rental fleet, the rental fleet number assigned under paragraph B and the  
10 registration renewal month; and

11           D. Issue a set of 2 rental fleet license plates for each registered rental fleet vehicle.

12           **7. Renewal; revocation.** The owner of a rental fleet shall renew the registration  
13 together with the payment of the applicable registration fees annually on or before the last  
14 day of the registration renewal month assigned to the rental fleet. If an owner fails to renew  
15 the registration as provided by this subsection, the Secretary of State shall revoke the  
16 registration.

17           **8. Validity.** A certificate of registration and rental fleet license plates issued under  
18 this section are valid as long as the vehicle is maintained as part of the rental fleet and the  
19 owner renews the registration annually. Display of the rental fleet license plates is prima  
20 facie evidence that a vehicle has been registered in accordance with this section.

21           **9. Transfer.** If an owner removes a rental fleet vehicle registered under this section  
22 from a rental fleet, the owner may transfer the registration, including the certificate of  
23 registration and the rental fleet license plates, to another rental fleet vehicle, which must be  
24 registered within the same registration year. The fee for transferring a registration under  
25 this subsection is \$8. If the registration fee for the vehicle to which the registration is  
26 transferred is greater than the fee for the vehicle that was removed, the owner shall pay the  
27 difference when registering the vehicle to which the registration was transferred. A  
28 registration transferred under this subsection is subject to reimbursement in the same  
29 manner as described in Title 36, section 2015, subsection 2.

30           **10. Compliance with International Registration Plan.** Registration under this  
31 section has no effect on a motor vehicle owner's responsibilities under the International  
32 Registration Plan described in section 531.

33           **11. Rules.** The Secretary of State shall adopt rules to implement this section. Rules  
34 adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter  
35 375, subchapter 2-A.

36           **Sec. A-2. 29-A MRSA §1752-A** is enacted to read:

37           **§1752-A. Temporary exemption**

38           A rental fleet vehicle registered under section 412 is exempt from inspection until the  
39 last day of the registration renewal month of the 3rd year following the year the vehicle  
40 was manufactured, or until the date the vehicle is removed from the rental fleet, whichever  
41 is earlier. After the exemption period has expired or the vehicle has been removed from  
42 the rental fleet, the vehicle is subject to inspection in accordance with section 1751.

1 Display of rental fleet license plates creates a presumption that the vehicle is exempt from  
2 inspection.

3 **PART B**

4 **Sec. B-1. 36 MRSA §1752, sub-§11, ¶B**, as amended by PL 2021, c. 181, Pt. B,  
5 §§2 and 3, is further amended by amending subparagraph (3) to read:

6 (3) The sale, to a person primarily engaged in the business of renting automobiles,  
7 ~~of automobiles, integral parts of automobiles or accessories to automobiles, for~~  
8 ~~rental or for use in an automobile rented for a period of less than one year~~ an  
9 automobile or of a truck or van with a gross vehicle weight of less than 26,000  
10 pounds for the purpose of rental for a period of less than one year or of integral  
11 parts or accessories to an automobile or to a truck or van with a gross vehicle  
12 weight of less than 26,000 pounds;

13 **Sec. B-2. 36 MRSA §1752, sub-§14, ¶A**, as amended by PL 2019, c. 401, Pt. B,  
14 §5, is further amended by amending subparagraph (4) to read:

15 (4) In the case of the lease or rental for a period of less than one year of an  
16 automobile or of a ~~pickup~~ truck or van with a gross vehicle weight of less than  
17 26,000 pounds rented from a person primarily engaged in the business of renting  
18 automobiles, the value is the total rental charged to the lessee and includes, but is  
19 not limited to, maintenance and service contracts, drop-off or pick-up fees, airport  
20 surcharges, mileage fees and any separately itemized charges on the rental  
21 agreement to recover the owner's estimated costs of the charges imposed by  
22 government authority for title fees, inspection fees, local excise tax and agent fees  
23 on all vehicles in its rental fleet registered in the State. All fees must be disclosed  
24 when an estimated quote is provided to the lessee; and

25 **Sec. B-3. 36 MRSA §1752, sub-§17-B**, as amended by PL 2013, c. 156, §2, is  
26 further amended to read:

27 **17-B. Taxable service.** "Taxable service" means the rental of living quarters in a  
28 hotel, rooming house or tourist or trailer camp; the transmission and distribution of  
29 electricity; the rental or lease of an automobile, a camper trailer, or a motor home, as  
30 defined in Title 29-A, section 101, subsection 40; the rental or lease of a ~~pickup~~ truck or  
31 van with a gross vehicle weight of less than 26,000 pounds from a person primarily engaged  
32 in the business of renting automobiles; the sale of an extended service contract on an  
33 automobile or truck that entitles the purchaser to specific benefits in the service of the  
34 automobile or truck for a specific duration; and the sale of prepaid calling service.

35 **Sec. B-4. 36 MRSA §1811, sub-§1, ¶D**, as amended by PL 2019, c. 607, Pt. B,  
36 §5, is further amended by amending subparagraph (4), division (b) to read:

37 (b) A ~~pickup~~ truck or van with a gross vehicle weight of less than 26,000  
38 pounds rented from a person primarily engaged in the business of renting  
39 automobiles; or

40 **SUMMARY**

41 Part A of this bill establishes a registration program for rental fleet vehicles that  
42 includes:

- 1           1. A common registration renewal month;
- 2           2. A unique owner registration number;
- 3           3. Required annual renewal;
- 4           4. The issuance of certificates of registration;
- 5           5. Distinctive license plates;
- 6           6. A temporary exemption from inspection requirements; and
- 7           7. The ability to transfer and remove rental fleet vehicles.

8           Part A also specifies that participation in the rental fleet vehicle registration program  
9           has no effect on the requirements of the International Registration Plan.

10          Part B of the bill addresses the treatment of vehicles owned by a rental car company  
11          for purposes of the sales and use tax. Current law requires that a rental car company that  
12          purchases a truck pay sales tax on that truck but is not required to charge sales tax on the  
13          charge for renting the truck to a consumer. Part B makes such a purchase exempt from the  
14          sales tax and makes the rental subject to the rate of a taxable service. Part B also makes  
15          technical corrections to the tax law regarding trucks.