

**Fifty-seventh Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 9, 2001**

SENATE BILL NO. 2181  
(Senators Traynor, Krebsbach, Stenehjem)  
(Representatives Glassheim, Hawken)

AN ACT to create and enact a new section to chapter 57-39.2 of the North Dakota Century Code, relating to a surcharge on motor vehicle rentals; to amend and reenact subsection 13 of section 57-39.2-04 of the North Dakota Century Code, relating to limitations on the sales tax exemption for rentals of motor vehicles; and to provide an effective date.

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

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

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

1. A surcharge under this section must be noted in the rental contract and collected in accordance with the terms of the contract.
2. On February fifteenth of each year, a company that collects surcharges under this section shall file a report with the commissioner stating the total amount of excise taxes paid under chapter 57-40.3 on its rental vehicles for the preceding calendar year and the total amount of rental motor vehicle revenues earned on rentals in this state for the preceding calendar year. All surcharge revenues collected during the calendar year by the company in excess of the total amount of excise taxes paid under chapter 57-40.3 during the calendar year by the company on rental motor vehicles must be remitted to the commissioner with the report and considered sales tax collections under this chapter.
3. For three years after filing the report under this section the company shall retain copies of rental contracts and the commissioner may require the company to furnish copies of rental contracts for purposes of ensuring compliance with this section.

**SECTION 2. AMENDMENT.** Subsection 13 of section 57-39.2-04 of the North Dakota Century Code is amended and reenacted as follows:

13. Gross receipts from the sale of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of North Dakota. However, gross receipts from the rental of any motor vehicle for fewer than thirty days are not exempt but taxes imposed under home rule authority do not apply to such rentals.

**SECTION 3. EFFECTIVE DATE.** This Act is effective for rental of motor vehicles for which the rental contract term begins after June 30, 2001.

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President of the Senate

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Speaker of the House

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Secretary of the Senate

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Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-seventh Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2181.

Senate Vote:    Yeas    42        Nays    6        Absent    1

House Vote:    Yeas    88        Nays    6        Absent    4

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Secretary of the Senate

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2001.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2001.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2001,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

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Secretary of State