

Senator Curtis S. Bramble proposes the following substitute bill:

RENTAL CAR AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions regarding vehicle rentals and establishes requirements for private vehicle rentals.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ establishes requirements for a vehicle rental transaction;
- ▶ establishes operational requirements for a private vehicle rental program provider

(program provider), including requirements:

- for motor vehicles for which the program provider may facilitate rentals;
- regarding equipment installation, operation, and maintenance;
- regarding the keeping of records; and
- regarding disclosures;
- ▶ requires a concession agreement for certain activity at an airport;
- ▶ reduces the maximum amount of certain taxes that may be imposed on a private vehicle rental;
- ▶ addresses liability for loss during a private vehicle rental;
- ▶ provides insurance requirements for a private vehicle rental program provider;



- 26 ▶ prohibits an insurer from cancelling or failing to renew a policy solely based on
- 27 participation in a private vehicle rental, except under certain circumstances; and
- 28 ▶ makes technical and conforming changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

- 35 **31A-21-303**, as last amended by Laws of Utah 2015, Chapter 385
- 36 **41-1a-214**, as last amended by Laws of Utah 2018, Chapter 375
- 37 **41-12a-303.2**, as last amended by Laws of Utah 2018, Chapters 30 and 160
- 38 **59-12-603**, as last amended by Laws of Utah 2018, Chapters 258 and 312
- 39 **59-12-1201**, as last amended by Laws of Utah 2016, Chapters 184 and 291

40 ENACTS:

- 41 **13-48a-101**, Utah Code Annotated 1953
- 42 **13-48a-102**, Utah Code Annotated 1953
- 43 **13-48a-201**, Utah Code Annotated 1953
- 44 **13-48b-101**, Utah Code Annotated 1953
- 45 **13-48b-102**, Utah Code Annotated 1953
- 46 **13-48b-201**, Utah Code Annotated 1953
- 47 **13-48b-202**, Utah Code Annotated 1953
- 48 **13-48b-203**, Utah Code Annotated 1953
- 49 **13-48b-204**, Utah Code Annotated 1953
- 50 **13-48b-205**, Utah Code Annotated 1953
- 51 **13-48b-301**, Utah Code Annotated 1953
- 52 **13-48b-302**, Utah Code Annotated 1953
- 53 **13-48b-303**, Utah Code Annotated 1953
- 54 **13-48b-304**, Utah Code Annotated 1953
- 55 **13-48b-305**, Utah Code Annotated 1953
- 56 **13-48b-306**, Utah Code Annotated 1953

57 [31A-22-323](#), Utah Code Annotated 1953

58 [31A-22-324](#), Utah Code Annotated 1953



60 *Be it enacted by the Legislature of the state of Utah:*

61 Section 1. Section **13-48a-101** is enacted to read:

62 **CHAPTER 48a. MOTOR VEHICLE RENTAL ACT**

63 **Part 1. General Provisions**

64 **13-48a-101. Title.**

65 This chapter is known as "Motor Vehicle Rental Act."

66 Section 2. Section **13-48a-102** is enacted to read:

67 **13-48a-102. Definitions.**

68 As used in this chapter:

69 (1) "Motor vehicle" means the same as that term is defined in Section [13-48b-102](#).

70 (2) (a) "Motor vehicle rental company" means the same as that term is defined in

71 Section [13-48-102](#).

72 (b) "Motor vehicle rental company" does not include a private vehicle rental owner
73 who makes no more than three vehicles available for rent during a 12-month period through:

74 (i) a private vehicle rental program; or

75 (ii) any combination of private vehicle rental programs.

76 (3) "Private motor vehicle" means the same as that term is defined in Section

77 [13-48b-102](#).

78 (4) "Private vehicle rental" means the same as that term is defined in Section

79 [13-48b-102](#).

80 (5) "Private vehicle rental owner" or "owner" means the same as that term is defined in

81 Section [13-48b-102](#).

82 (6) "Private vehicle rental program" or "rental program" means the same as that term is
83 defined in Section [13-48b-102](#).

84 (7) "Private vehicle rental program provider" or "provider" means the same as that term
85 is defined in Section [13-48b-102](#).

86 (8) "Private vehicle renter" or "renter" means the same as that term is defined in

87 Section [13-48b-102](#).

- 88 (9) "Vehicle rental transaction" means the transfer of possession of a motor vehicle:
- 89 (a) for consideration; and
- 90 (b) without the transfer of ownership of the motor vehicle.

91 Section 3. Section **13-48a-201** is enacted to read:

92 **Part 2. Requirements for Vehicle Rental Transactions**

93 **13-48a-201. Transaction requirements.**

94 (1) A vehicle rental transaction that a private vehicle rental program provider facilitates
95 is subject to all statutory and regulatory obligations for a private passenger motor vehicle rental
96 vehicle, transaction, or company, including compliance with:

- 97 (a) Title 13, Chapter 48, Motor Vehicle Rental Company Disclosure Act;
- 98 (b) Title 59, Chapter 12, Sales and Use Tax Act; and
- 99 (c) municipal, county, or local government regulation regarding a vehicle rental

100 transaction at an airport.

101 (2) (a) Any disclosure that a motor vehicle rental company is required to provide,
102 deliver, post, or otherwise make available is timely and effectively made when the motor
103 vehicle rental company provides the notice or disclosure electronically:

- 104 (i) at or before the time required; or
- 105 (ii) included in a member or master agreement in effect at the time of rental.

106 (b) For the purposes of this chapter, a master or member agreement includes any
107 service:

- 108 (i) a company offers that permits a customer to bypass a retail service location and
109 obtain a product or service directly;
- 110 (ii) where the rental company does not require the renter to execute a rental agreement
111 at the time of rental; or
- 112 (iii) where the renter does not receive the rental terms and conditions at the time of
113 rental.

114 (3) (a) Electronic or written acceptance is a valid form of acceptance of any disclosure.

115 (b) Acceptance remains effective until the renter affirmatively withdraws the
116 acceptance.

117 (4) A disclosure made in accordance with this chapter is exempt from any placement or
118 stylistic display requirements, including location, font size, typeset, or other specifically stated

119 description, if the disclosure is generally consistent in appearance with the entirety of the
120 communication in which the disclosure is contained.

121 (5) A motor vehicle rental company meets all obligation to physically inspect and
122 compare a renter's driver license, if:

123 (a) (i) the motor vehicle rental company facilitates the rental through digital, electronic,
124 or other means that allow a customer to obtain possession of a vehicle without in-person
125 contact with an agent or employee of the provider; or

126 (ii) the renter does not execute a rental contract at the time of rental; and

127 (b) (i) at the time a renter enrolls, or any time thereafter in a membership program,
128 master agreement, or other means of establishing use of the provider's services, requires
129 verification that the renter is a licensed driver; or

130 (ii) before to the renter takes possession of the rental vehicle, the provider requires
131 documentation that verifies the renter's identity.

132 Section 4. Section **13-48b-101** is enacted to read:

133 **CHAPTER 48b. PRIVATE VEHICLE RENTAL ACT**

134 **Part 1. General Provisions**

135 **13-48b-101. Title.**

136 This chapter is known as "Private Vehicle Rental Act."

137 Section 5. Section **13-48b-102** is enacted to read:

138 **13-48b-102. Definitions.**

139 As used in this chapter:

140 (1) (a) "Authorized driver" means the renter of a private motor vehicle.

141 (b) "Authorized driver" includes any individual the program provider authorizes to
142 drive the private motor vehicle in accordance with the program provider's rental agreement
143 with the renter.

144 (2) "Motor vehicle" means a motor vehicle as defined in Section [41-1a-102](#) that:

145 (a) has a gross weight rating of 10,000 pounds or less;

146 (b) is not used for the commercial delivery of goods or materials; and

147 (c) is not used for the commercial transportation of goods or materials.

148 (3) "Motor vehicle rental company" means the same as that term is defined in Section
149 [13-48a-102](#).

- 150 (4) (a) "Private motor vehicle" means a motor vehicle:
151 (i) owned by and registered to an individual; and
152 (ii) insured under a personal motor vehicle liability insurance policy, in accordance
153 with Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators
154 Act, insuring:
155 (A) the individual described in Subsection (4)(a)(i); or
156 (B) the individual described in Subsection (4)(a)(i) and individuals residing in the same
157 household as the individual.
158 (b) "Private motor vehicle" does not include a motor vehicle with fewer than four
159 wheels.
160 (5) "Private vehicle rental" means the use of a private motor vehicle:
161 (a) by a person other than the vehicle's registered owner; and
162 (b) in connection with a private vehicle rental program.
163 (6) "Private vehicle rental owner" or "owner" means the registered owner of a private
164 motor vehicle available for rent through a private vehicle rental program.
165 (7) "Private vehicle rental program" or "rental program" means any means, digital or
166 otherwise, through which a private vehicle rental program provider facilitates a private vehicle
167 rental.
168 (8) "Private vehicle rental program provider" or "program provider" means the person
169 who facilitates vehicle rental transactions through a private vehicle rental program.
170 (9) "Private vehicle renter" or "renter" means a person, other than the private vehicle
171 rental owner, who rents the owner's vehicle through a private vehicle rental program.
172 (10) "Program rental period" or "rental period" means the period of time:
173 (a) beginning when a renter or the program provider takes possession and control of a
174 vehicle available for private vehicle rental; and
175 (b) ending when:
176 (i) the vehicle is:
177 (A) retrieved by the owner or owner's designee;
178 (B) returned to a location agreed upon by the owner or the renter; or
179 (C) returned to a location designation by the program provider; and
180 (ii) (A) the time period established through the program expires;

181 (B) the renter verifiably communicates to the program provider or owner that the renter
182 deems the rental period terminated; or

183 (C) the owner or the program provider takes possession and control of the vehicle.

184 (11) "Rental agreement" means any written agreement stating the terms and conditions
185 governing the use of a private motor vehicle a program provider makes available for use
186 through a rental program.

187 (12) "Vehicle rental transaction" means the transfer of possession of a motor vehicle:

188 (a) for consideration; and

189 (b) without the transfer of ownership of the motor vehicle.

190 Section 6. Section **13-48b-201** is enacted to read:

191 **Part 2. Requirements for Private Vehicle Rental**

192 **13-48b-201. Facilitating a motor vehicle rental.**

193 For each motor vehicle for which a program provider facilitates a rental, the program
194 provider shall:

195 (1) require that the motor vehicle is a private motor vehicle;

196 (2) provide the motor vehicle owner with suitable proof of compliance with the
197 insurance requirements of this chapter; and

198 (3) require that the motor vehicle comply with the minimum financial responsibility
199 requirements of the state in which the vehicle is registered.

200 Section 7. Section **13-48b-202** is enacted to read:

201 **13-48b-202. Equipment -- Indemnification.**

202 A program provider shall:

203 (1) to the extent necessary for the motor vehicle to be used in a private vehicle rental,
204 facilitate the installation, operation, and maintenance of the program provider's own signage
205 and computer hardware and software in the motor vehicle; and

206 (2) indemnify and hold harmless the owner for:

207 (a) the cost of damage to, or theft of, equipment the program provider installs, operates,
208 and maintains under Subsection (1); and

209 (b) any damage the installation, operation, or maintenance of equipment described in
210 Subsection (1) causes to the motor vehicle.

211 Section 8. Section **13-48b-203** is enacted to read:

212 13-48b-203. Records.

213 A program provider shall collect, maintain, and make available, at the cost of the
214 program provider, to any government agency as required by law:

- 215 (1) information regarding an owner's primary motor vehicle liability insurer;
- 216 (2) information regarding a renter's primary motor vehicle, excess, or umbrella insurer;

217 and

218 (3) the following information pertaining to an incident that occurs during a rental
219 period:

220 (a) verifiable records of the rental period for the private motor vehicle enrolled in the
221 rental program that was involved in the incident; and

222 (b) to the extent electronic equipment for monitoring the following information is
223 installed in the motor vehicle, verifiable electronic records of:

- 224 (i) the time in relation to initial and final locations; and
- 225 (ii) miles driven.

226 Section 9. Section **13-48b-204** is enacted to read:

227 13-48b-204. Disclosure requirements.

228 (1) Before a private motor vehicle is made available for use through a rental program, a
229 program provider shall disclose to the owner:

230 (a) that during a private vehicle rental, an owner's personal motor vehicle liability
231 insurer may exclude any and all coverage afforded to the personal motor vehicle liability
232 insurer's policy;

233 (b) that an owner's personal motor vehicle liability insurer has the right to notify an
234 insured that the personal motor vehicle liability insurer does not have a duty to defend or
235 indemnify a person for liability for loss that occurs during a private vehicle rental;

236 (c) that, if the private motor vehicle the owner makes available for private vehicle
237 rental has a lien against the private motor vehicle, the owner is required to notify the lienholder
238 that the program provider is using the private motor vehicle to provide private vehicle rentals;
239 and

240 (d) that using a private motor vehicle against which there is a lien in a private vehicle
241 rental may violate the rental vehicle owner's contract with the lienholder.

242 (2) Before a renter's first operation of a private motor vehicle through a rental program,

243 the program provider shall disclose to the renter the information described in Subsections
244 (1)(a) and (b).

245 Section 10. Section **13-48b-205** is enacted to read:

246 **13-48b-205. Airport concession agreement requirement.**

247 A program provider that facilitates a private vehicle rental at, or allows a program rental
248 period to begin or end at, an airport shall have a concession agreement with the airport.

249 Section 11. Section **13-48b-301** is enacted to read:

250 **Part 3. Insurance**

251 **13-48b-301. Insurance coverage during program rental period.**

252 (1) (a) A program provider shall assume liability of a private vehicle rental owner for
253 any bodily injury or property damage to a third party or uninsured or underinsured motorist or
254 personal injury protection loss during the program rental period in an amount stated in the
255 rental agreement with the owner.

256 (b) An amount stated in a rental agreement as described in Subsection (1)(a) shall be at
257 least the extent required under:

258 (i) Sections [31A-22-306](#) through [31A-22-309](#) for personal injury protection;

259 (ii) Section [31A-22-305](#) for uninsured motorist coverage; and

260 (iii) Section [31A-22-305.3](#) for underinsured motorist coverage.

261 (2) A program provider shall ensure that, during a program rental period, the private
262 vehicle rental owner and the authorized driver are insured under a motor vehicle liability
263 insurance policy that:

264 (a) recognizes that the motor vehicle insured under the policy is made available and
265 used through a private vehicle rental program; and

266 (b) provides insurance coverage at least to the extent required under:

267 (i) Sections [31A-22-306](#) through [31A-22-309](#) for personal injury protection;

268 (ii) Section [31A-22-305](#) for uninsured motorist coverage; and

269 (iii) Section [31A-22-305.3](#) for underinsured motorist coverage.

270 (3) The insurance described under Subsection (2) may be satisfied by motor vehicle
271 liability insurance maintained by:

272 (a) the private vehicle rental owner;

273 (b) an authorized driver;

274 (c) the program provider; or

275 (d) a combination of Subsection (3)(a) through (c).

276 Section 12. Section **13-48b-302** is enacted to read:

277 **13-48b-302. Coordination of insurance coverage.**

278 (1) The insurance policy described in Subsection 13-48b-301(2) is primary during each
279 program rental period.

280 (2) A program provider shall assume primary liability for a claim if:

281 (a) the program provider is, in whole or in part, providing the insurance required under
282 Subsection 13-48b-301(2);

283 (b) a dispute exists as to who was in control of the private motor vehicle at the time of
284 the loss; and

285 (c) the program provider does not have available, did not retain, or fails to provide the
286 information required under Section 13-48b-303.

287 Section 13. Section **13-48b-303** is enacted to read:

288 **13-48b-303. Recordkeeping.**

289 (1) A program provider shall collect and verify records related to each private vehicle
290 rental, including:

291 (a) the time and date of the beginning and end of the program rental period;

292 (b) fees the renter paid for the private vehicle rental; and

293 (c) revenues the owner received for the private vehicle rental.

294 (2) A program provider shall provide the information described in Subsection (1) upon
295 request to the owner, the owner's insurer, or the authorized driver's insurer to facilitate a claim
296 coverage investigation.

297 (3) A program provider shall retain the information described in Subsection (1) at least
298 until the applicable personal injury statute of limitations expires.

299 Section 14. Section **13-48b-304** is enacted to read:

300 **13-48b-304. Insurable interest.**

301 (1) Notwithstanding any other provision of law, a program provider has an insurable
302 interest in a private motor vehicle during the program rental period.

303 (2) Nothing in this section requires or creates liability on a program provider to
304 maintain coverage required under this part.

305 Section 15. Section **13-48b-305** is enacted to read:

306 **13-48b-305. Vicarious liability -- Exemption.**

307 A program provider and a private vehicle rental owner are exempt from vicarious
308 liability:

309 (1) in accordance with 49 U.S.C. Sec. 30106; and

310 (2) under any state or local law that imposes liability solely based on vehicle
311 ownership.

312 Section 16. Section **13-48b-306** is enacted to read:

313 **13-48b-306. Application.**

314 Nothing in this chapter or Section [31A-22-325](#):

315 (1) limits the liability of a program provider for any act or omission of the program
316 provider that results in injury to any person as a result of the use of a private motor vehicle
317 through a rental program; or

318 (2) limits the ability of the program provider to, by contract, seek indemnification from
319 an owner or authorized driver for economic loss sustained by the rental program resulting from
320 a breach of the terms and conditions of the rental agreement.

321 Section 17. Section **31A-21-303** is amended to read:

322 **31A-21-303. Cancellation, issuance, renewal.**

323 (1) (a) Except as otherwise provided in this section, other statutes, or by rule under
324 Subsection (1)(c), this section applies to all policies of insurance:

325 (i) except for:

326 (A) life insurance;

327 (B) accident and health insurance; and

328 (C) annuities; and

329 (ii) if the policies of insurance are issued on forms that are subject to filing under
330 Subsection [31A-21-201](#)(1).

331 (b) A policy may provide terms more favorable to insureds than this section requires.

332 (c) The commissioner may by rule totally or partially exempt from this section classes
333 of insurance policies in which the insureds do not need protection against arbitrary or
334 unannounced termination.

335 (d) The rights provided by this section are in addition to and do not prejudice any other

336 rights the insureds may have at common law or under other statutes.

337 (2) (a) As used in this Subsection (2), "grounds" means:

338 (i) material misrepresentation;

339 (ii) substantial change in the risk assumed, unless the insurer should reasonably have
340 foreseen the change or contemplated the risk when entering into the contract;

341 (iii) substantial breaches of contractual duties, conditions, or warranties;

342 (iv) attainment of the age specified as the terminal age for coverage, in which case the
343 insurer may cancel by notice under Subsection (2)(c), accompanied by a tender of proportional
344 return of premium; or

345 (v) in the case of motor vehicle insurance, revocation or suspension of the driver's
346 license of:

347 (A) the named insured; or

348 (B) any other person who customarily drives the motor vehicle.

349 (b) (i) Except as provided in Subsection (2)(e) or unless the conditions of Subsection
350 (2)(b)(ii) are met, an insurance policy may not be canceled by the insurer before the earlier of:

351 (A) the expiration of the agreed term; or

352 (B) one year from the effective date of the policy or renewal.

353 (ii) Notwithstanding Subsection (2)(b)(i), an insurance policy may be canceled by the
354 insurer for:

355 (A) nonpayment of a premium when due; or

356 (B) subject to Subsection (2)(f), on grounds defined in Subsection (2)(a).

357 (c) (i) The cancellation provided by Subsection (2)(b), except cancellation for
358 nonpayment of premium, is effective no sooner than 30 days after the delivery or first-class
359 mailing of a written notice to the policyholder.

360 (ii) Cancellation for nonpayment of premium is effective no sooner than 10 days after
361 delivery or first class mailing of a written notice to the policyholder.

362 (d) (i) Notice of cancellation for nonpayment of premium shall include a statement of
363 the reason for cancellation.

364 (ii) Subsection (7) applies to the notice required for grounds of cancellation other than
365 nonpayment of premium.

366 (e) (i) Subsections (2)(a) through (d) do not apply to any insurance contract that has not

367 been previously renewed if the contract has been in effect less than 60 days when the written
368 notice of cancellation is mailed or delivered.

369 (ii) A cancellation under this Subsection (2)(e) may not be effective until at least 10
370 days after the delivery to the insured of a written notice of cancellation.

371 (iii) If the notice required by this Subsection (2)(e) is sent by first-class mail, postage
372 prepaid, to the insured at the insured's last-known address, delivery is considered accomplished
373 after the passing, since the mailing date, of the mailing time specified in the Utah Rules of
374 Civil Procedure.

375 (iv) A policy cancellation subject to this Subsection (2)(e) is not subject to the
376 procedures described in Subsection (7).

377 (f) In the case of motor vehicle insurance, an insurance policy may not be canceled
378 solely based on the participation of a motor vehicle that is covered by the motor vehicle
379 insurance policy in a private vehicle rental, as defined in Section 13-48b-102, unless:

380 (i) the motor vehicle owner fails during the application process to provide complete
381 and accurate information about the use of a motor vehicle through a private vehicle rental
382 program as defined in Section 13-48b-102; or

383 (ii) the motor vehicle owner exceeds the limit established in the insurance policy of the
384 number of motor vehicles the owner is permitted to enroll in a private vehicle rental program as
385 defined in Section 13-48b-102.

386 (3) A policy may be issued for a term longer than one year or for an indefinite term if
387 the policy includes a clause providing for cancellation by the insurer by giving notice as
388 provided in Subsection (4)(b)(i) 30 days prior to any anniversary date.

389 (4) (a) Subject to Subsections (2), (3), and (4)(b), a policyholder has a right to have the
390 policy renewed:

391 (i) on the terms then being applied by the insurer to similar risks; and

392 (ii) (A) for an additional period of time equivalent to the expiring term if the agreed
393 term is one year or less; or

394 (B) for one year if the agreed term is longer than one year.

395 (b) Except as provided in Subsections (4)(c) and (5), the right to renewal under
396 Subsection (4)(a) is extinguished if:

397 (i) at least 30 days before the policy expiration or anniversary date a notice of intention

398 not to renew the policy beyond the agreed expiration or anniversary date is delivered or sent by
399 first-class mail by the insurer to the policyholder at the policyholder's last-known address;

400 (ii) not more than 45 nor less than 14 days before the due date of the renewal premium,
401 the insurer delivers or sends by first-class mail a notice to the policyholder at the policyholder's
402 last-known address, clearly stating:

403 (A) the renewal premium;

404 (B) how the renewal premium may be paid, including the due date for payment of the
405 renewal premium;

406 (C) that failure to pay the renewal premium extinguishes the policyholder's right to
407 renewal; and

408 (D) subject to Subsection (4)(e), that the extinguishment of the right to renew for
409 nonpayment of premium is effective no sooner than at least 10 days after delivery or first class
410 mailing of a written notice to the policyholder that the policyholder has failed to pay the
411 premium when due;

412 (iii) the policyholder has:

413 (A) accepted replacement coverage; or

414 (B) requested or agreed to nonrenewal; or

415 (iv) the policy is expressly designated as nonrenewable.

416 (c) Unless the conditions of Subsection (4)(b)(iii) or (iv) apply, an insurer may not fail
417 to renew an insurance policy as a result of a telephone call or other inquiry that:

418 (i) references a policy coverage; and

419 (ii) does not result in the insured requesting payment of a claim.

420 (d) Failure to renew under this Subsection (4) is subject to Subsection (5).

421 (e) (i) During the period that begins when the notice described in Subsection
422 (4)(b)(ii)(D) is delivered or mailed and ends when the premium is paid, coverage exists and
423 premiums are due.

424 (ii) If after receiving the notice required by Subsection (4)(b)(ii)(D) a policyholder fails
425 to pay the renewal premium, the coverage is extinguished as of the date the renewal premium is
426 originally due.

427 (iii) Delivery of the notice required by Subsection (4)(b)(ii)(D) includes electronic
428 delivery in accordance with Section [31A-21-316](#).

429 (iv) An insurer is not subject to Subsection (4)(b)(ii)(D) if it provides notice of the
430 extinguishment of the right to renew for failure to pay premium at least 15 days, but no longer
431 than 45 days, before the day the renewal payment is due.

432 (v) Subsection (4)(b)(ii)(D) does not apply to a policy that provides coverage for 30
433 days or less.

434 (5) Notwithstanding Subsection (4), an insurer may not fail to renew the following
435 personal lines insurance policies solely on the basis of:

436 (a) in the case of a motor vehicle insurance policy:

437 (i) a claim from the insured that:

438 (A) results from an accident in which:

439 (I) the insured is not at fault; and

440 (II) the driver of the motor vehicle that is covered by the motor vehicle insurance
441 policy is 21 years of age or older; and

442 (B) is the only claim meeting the condition of Subsection (5)(a)(i)(A) within a
443 36-month period;

444 (ii) a single traffic violation by an insured that:

445 (A) is a violation of a speed limit under Title 41, Chapter 6a, Traffic Code;

446 (B) is not in excess of 10 miles per hour over the speed limit;

447 (C) is not a traffic violation under:

448 (I) Section 41-6a-601;

449 (II) Section 41-6a-604; or

450 (III) Section 41-6a-605;

451 (D) is not a violation by an insured driver who is younger than 21 years of age; and

452 (E) is the only violation meeting the conditions of Subsections (5)(a)(ii)(A) through
453 (D) within a 36-month period; [or]

454 (iii) a claim for damage that:

455 (A) results solely from:

456 (I) wind;

457 (II) hail;

458 (III) lightning; or

459 (IV) an earthquake;

460 (B) is not preventable by the exercise of reasonable care; and
461 (C) is the only claim meeting the conditions of Subsections (5)(a)(iii)(A) and (B)
462 within a 36-month period; [~~and~~] or
463 (iv) the owner of the motor vehicle covered by a motor vehicle insurance policy using
464 the motor vehicle in a private vehicle rental, as defined in Section 13-48b-102, unless:
465 (A) the motor vehicle owner fails during the renewal process to provide complete and
466 accurate information about the use of a motor vehicle through a private vehicle rental program
467 as defined in Section 13-48b-102; or
468 (B) the motor vehicle owner exceeds the limit established in the insurance policy of the
469 number of motor vehicles the owner is permitted to enroll in a private vehicle rental program as
470 defined in Section 13-48b-102; and
471 (b) in the case of a homeowner's insurance policy, a claim by the insured that is for
472 damage that:
473 (i) results solely from:
474 (A) wind;
475 (B) hail; or
476 (C) lightning;
477 (ii) is not preventable by the exercise of reasonable care; and
478 (iii) is the only claim meeting the conditions of Subsections (5)(b)(i) and (ii) within a
479 36-month period.
480 (6) (a) (i) Subject to Subsection (6)(b), if the insurer offers or purports to renew the
481 policy, but on less favorable terms or at higher rates, the new terms or rates take effect on the
482 renewal date if the insurer delivered or sent by first-class mail to the policyholder notice of the
483 new terms or rates at least 30 days prior to the expiration date of the prior policy.
484 (ii) If the insurer did not give the prior notification described in Subsection (6)(a)(i) to
485 the policyholder, the new terms or rates do not take effect until 30 days after the notice is
486 delivered or sent by first-class mail, in which case the policyholder may elect to cancel the
487 renewal policy at any time during the 30-day period.
488 (iii) Return premiums or additional premium charges shall be calculated
489 proportionately on the basis that the old rates apply.
490 (b) Subsection (6)(a) does not apply if the only change in terms that is adverse to the

491 policyholder is:

492 (i) a rate increase generally applicable to the class of business to which the policy
493 belongs;

494 (ii) a rate increase resulting from a classification change based on the altered nature or
495 extent of the risk insured against; or

496 (iii) a policy form change made to make the form consistent with Utah law.

497 (7) (a) If a notice of cancellation or nonrenewal under Subsection (2)(c) does not state
498 with reasonable precision the facts on which the insurer's decision is based, the insurer shall
499 send by first-class mail or deliver that information within 10 working days after receipt of a
500 written request by the policyholder.

501 (b) A notice under Subsection (2)(c) is not effective unless it contains information
502 about the policyholder's right to make the request.

503 (8) (a) An insurer that gives a notice of nonrenewal or cancellation of insurance on a
504 motor vehicle insurance policy issued in accordance with the requirements of Chapter 22, Part
505 3, Motor Vehicle Insurance, for nonpayment of a premium shall provide notice of nonrenewal
506 or cancellation to a lienholder if the insurer has been provided the name and mailing address of
507 the lienholder.

508 (b) The notice described in Subsection (8)(a) shall be provided to the lienholder by first
509 class mail or, if agreed by the parties, any electronic means of communication.

510 (c) A lienholder shall provide a current physical address of notification or an electronic
511 address of notification to an insurer that is required to make a notification under Subsection
512 (8)(a).

513 (9) If a risk-sharing plan under Section [31A-2-214](#) exists for the kind of coverage
514 provided by the insurance being cancelled or nonrenewed, a notice of cancellation or
515 nonrenewal required under Subsection (2)(c) or (4)(b)(i) may not be effective unless it contains
516 instructions to the policyholder for applying for insurance through the available risk-sharing
517 plan.

518 (10) There is no liability on the part of, and no cause of action against, any insurer, its
519 authorized representatives, agents, employees, or any other person furnishing to the insurer
520 information relating to the reasons for cancellation or nonrenewal or for any statement made or
521 information given by them in complying or enabling the insurer to comply with this section

522 unless actual malice is proved by clear and convincing evidence.

523 (11) This section does not alter any common law right of contract rescission for
524 material misrepresentation.

525 (12) If a person is required to pay a premium in accordance with this section:

526 (a) the person may make the payment using:

527 (i) the United States Postal Service;

528 (ii) a delivery service the commissioner describes or designates by rule made in
529 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; or

530 (iii) electronic means; and

531 (b) the payment is considered to be made:

532 (i) for a payment that is mailed using the method described in Subsection (12)(a)(i), on
533 the date the payment is postmarked;

534 (ii) for a payment that is delivered using the method described in Subsection (12)(a)(ii),
535 on the date the delivery service records or marks the payment as having been received by the
536 delivery service; or

537 (iii) for a payment that is made using the method described in Subsection (12)(a)(iii),
538 on the date the payment is made electronically.

539 Section 18. Section **31A-22-323** is enacted to read:

540 **31A-22-323. Definitions.**

541 As used in Section 31A-22-324:

542 (1) "Authorized driver" means the same as that term is defined in Section 13-48b-102.

543 (2) "Private motor vehicle" means the same as that term is defined in Section
544 13-48b-102.

545 (3) "Private vehicle rental" means the same as that term is defined in Section
546 13-48b-102.

547 (4) "Private vehicle rental owner" or "owner" means the same as that term is defined in
548 Section 13-48b-102.

549 (5) "Private vehicle rental program provider" or "program provider" means the same as
550 that term is defined in Section 13-48b-102.

551 (6) "Private vehicle renter" or "renter" means the same as that term is defined in
552 Section 13-48b-102.

553 (7) "Private vehicle rental program" or "rental program" means the same as that term is
554 defined in Section 13-48b-102.

555 (8) "Program rental period" or "rental period" means the same as that term is defined in
556 Section 13-48b-102.

557 Section 19. Section 31A-22-324 is enacted to read:

558 **31A-22-324. Private vehicle rentals.**

559 (1) An insurer that insures a private motor vehicle during a program rental period shall
560 indemnify the program provider to the extent of the program provider's obligation, if any, under
561 the applicable insurance policy, if the private vehicle rental owner was in control of the private
562 motor vehicle at the time of the loss.

563 (2) If the insurance maintained by a private vehicle rental owner or by an authorized
564 driver has lapsed or does not provide the required coverage, insurance maintained by a program
565 provider shall:

566 (a) provide the coverage required by Subsection 13-48b-301(2), beginning with the
567 first dollar of a claim; and

568 (b) have the duty to defend the claim.

569 (3) (a) Coverage under an automobile insurance policy maintained by a program
570 provider is not dependent on a personal automobile insurer first denying a claim.

571 (b) Coverage under a personal automobile insurance policy is not dependent on any
572 other automobile insurer first denying a claim.

573 (4) An insurer that issues motor vehicle liability insurance in this state may exclude
574 any and all coverage and the duty to defend or indemnify for any claim under a private vehicle
575 rental owner's personal motor vehicle liability insurance policy.

576 (5) Nothing in this section or Title 13, Chapter 48b, Private Vehicle Rental Act,
577 invalidates or limits an exclusion contained in a motor vehicle liability insurance policy,
578 including any insurance policy in use or approved for use that excludes coverage for motor
579 vehicles made available for rent, sharing, or hire or for any business use.

580 (6) A motor vehicle insurer that defends or indemnifies a claim against a private motor
581 vehicle that is excluded under the terms of the insurer's policy shall have the right to seek
582 contribution against the insurer of the program provider if the claim is:

583 (a) made against the private vehicle rental owner or the authorized driver for a loss or

584 injury that occurs during the program rental period; and

585 (b) excluded under the terms of the insurer's policy.

586 Section 20. Section **41-1a-214** is amended to read:

587 **41-1a-214. Registration card to be exhibited.**

588 (1) For the convenience of a peace officer or any officer or employee of the division,
589 the owner or operator of a vehicle is encouraged to carry the registration card in the vehicle for
590 which the registration card was issued and display the registration card upon request.

591 (2) For a vehicle owned by a rental company, as defined in Section [31A-22-311](#), a
592 person driving or in control of the vehicle may display the vehicle's rental agreement, as
593 defined in Section [31A-22-311](#), in place of a registration card.

594 (3) For a vehicle being used in a private vehicle rental, as defined in Section
595 [13-48b-102](#), a person driving or in control of the vehicle may display the vehicle's rental
596 agreement, as defined in Section [13-48b-102](#), in place of a registration card.

597 Section 21. Section **41-12a-303.2** is amended to read:

598 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**
599 **operating motor vehicle -- Defense -- Penalties.**

600 (1) As used in this section:

601 (a) "Division" means the Motor Vehicle Division of the State Tax Commission.

602 (b) "Registration materials" means the evidences of motor vehicle registration,
603 including all registration cards, license plates, temporary permits, and nonresident temporary
604 permits.

605 (2) (a) (i) A person operating a motor vehicle shall:

606 (A) have in the person's immediate possession evidence of owner's or operator's
607 security for the motor vehicle the person is operating; and

608 (B) display it upon demand of a peace officer.

609 (ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is
610 operating:

611 (A) a government-owned or leased motor vehicle; or

612 (B) an employer-owned or leased motor vehicle and is driving it with the employer's
613 permission.

614 (iii) A person operating a vehicle that is owned by a rental company, as defined in

615 Section [31A-22-311](#), may comply with Subsection (2)(a)(i) by having in the person's
616 immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section
617 [31A-22-311](#).

618 (iv) A person operating a vehicle in a private vehicle rental, as defined in Section
619 [13-48b-102](#), may comply with Subsection (2)(a)(i) by having in the person's immediate
620 possession, or displaying, the rental vehicle's rental agreement, as defined in Section
621 [13-48b-102](#).

622 (b) Evidence of owner's or operator's security includes any one of the following:

623 (i) a copy of the operator's valid:

624 (A) insurance policy;

625 (B) insurance policy declaration page;

626 (C) binder notice;

627 (D) renewal notice; or

628 (E) card issued by an insurance company as evidence of insurance;

629 (ii) a certificate of insurance issued under Section [41-12a-402](#);

630 (iii) a certified copy of a surety bond issued under Section [41-12a-405](#);

631 (iv) a certificate of the state treasurer issued under Section [41-12a-406](#);

632 (v) a certificate of self-funded coverage issued under Section [41-12a-407](#); or

633 (vi) information that the vehicle or driver is insured from the Uninsured Motorist
634 Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured
635 Motorist Identification Database Program.

636 (c) A card issued by an insurance company as evidence of owner's or operator's
637 security under Subsection (2)(b)(i)(E) on or after July 1, 2014, may not display the owner's or
638 operator's address on the card.

639 (d) (i) A person may provide to a peace officer evidence of owner's or operator's
640 security described in this Subsection (2) in:

641 (A) a hard copy format; or

642 (B) an electronic format using a mobile electronic device.

643 (ii) If a person provides evidence of owner's or operator's security in an electronic
644 format using a mobile electronic device under this Subsection (2)(d), the peace officer viewing
645 the owner's or operator's security on the mobile electronic device may not view any other

646 content on the mobile electronic device.

647 (iii) Notwithstanding any other provision under this section, a peace officer is not
648 subject to civil liability or criminal penalties under this section if the peace officer inadvertently
649 views content other than the evidence of owner's or operator's security on the mobile electronic
650 device.

651 (e) (i) Evidence of owner's or operator's security from the Uninsured Motorist
652 Identification Database Program described under Subsection (2)(b)(vi) supercedes any
653 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

654 (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if
655 the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a,
656 Part 8, Uninsured Motorist Identification Database Program, information indicates that the
657 vehicle or driver is insured.

658 (3) It is an affirmative defense to a charge or in an administrative action under this
659 section that the person had owner's or operator's security in effect for the vehicle the person
660 was operating at the time of the person's citation or arrest.

661 (4) (a) The following are considered proof of owner's or operator's security for
662 purposes of Subsection (3) and Section 41-12a-804:

663 (i) evidence defined in Subsection (2)(b);

664 (ii) a written statement from an insurance producer or company verifying that the
665 person had the required motor vehicle insurance coverage on the date specified; or

666 (iii) a written statement from an insurance producer or company, or provision in an
667 insurance policy, indicating that the policy provides coverage for a newly purchased car and the
668 coverage extended to the date specified.

669 (b) The court considering a citation issued under this section shall allow the evidence
670 or a written statement under Subsection (4)(a) and a copy of the citation to be electronically
671 submitted or mailed to the clerk of the court to satisfy Subsection (3).

672 (c) The notice under Section 41-12a-804 shall specify that the written statement under
673 Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to
674 satisfy the proof of owner's or operator's security required under Section 41-12a-804.

675 (5) (a) A person who is convicted of violating Subsection (2)(a)(i):

676 (i) is guilty of an infraction for a first offense and subject to a fine of not less than

677 \$400; and

678 (ii) is guilty of a class C misdemeanor for each offense subsequent to the first offense
679 that is committed within three years after the day on which the person commits the first offense
680 and subject to a fine of not less than \$1,000.

681 (b) A court may waive up to \$300 of a fine charged under Subsection (5)(a) if the
682 person demonstrates that the owner's or operator's security required under Section 41-12a-301
683 was obtained after the violation but before sentencing.

684 (6) Upon receiving notification from a court of a conviction for a violation of this
685 section, the department:

686 (a) shall suspend the person's driver license; and

687 (b) may not renew the person's driver license or issue a driver license to the person
688 until the person gives the department proof of owner's or operator's security.

689 (i) This proof of owner's or operator's security shall be given by any of the ways
690 required under Section 41-12a-401.

691 (ii) This proof of owner's or operator's security shall be maintained with the department
692 for a three-year period.

693 (iii) An insurer that provides a certificate of insurance as provided under Section
694 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination
695 is filed with the department no later than 10 days after termination as required under Section
696 41-12a-404.

697 (iv) If a person who has canceled the certificate of insurance applies for a license
698 within three years from the date proof of owner's or operator's security was originally required,
699 the department shall refuse the application unless the person reestablishes proof of owner's or
700 operator's security and maintains the proof for the remainder of the three-year period.

701 Section 22. Section 59-12-603 is amended to read:

702 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**
703 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**
704 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**
705 **requirements.**

706 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this
707 part, impose a tax as follows:

708 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%
709 on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for:

710 (I) rentals of motor vehicles facilitated by a private vehicle rental program provider, as
711 that term is defined in Section 13-48b-102, in which case the imposed tax may not exceed
712 1.9%, and

713 (II) leases and rentals of motor vehicles made for the purpose of temporarily replacing
714 a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;
715 and

716 (B) beginning on or after January 1, 1999, a county legislative body of any county
717 imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under
718 Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals
719 of motor vehicles not exceeding 30 days, except for:

720 (I) rentals of motor vehicles facilitated by a private vehicle rental program provider, as
721 that term is defined in Section 13-48b-102, in which case the imposed tax may not exceed
722 2.5%, and

723 (II) leases and rentals of motor vehicles made for the purpose of temporarily replacing
724 a person's motor vehicle that is being repaired pursuant to a repair or an insurance agreement;

725 (ii) a county legislative body of any county may impose a tax of not to exceed 1% of all
726 sales of the following that are sold by a restaurant:

727 (A) alcoholic beverages;

728 (B) food and food ingredients; or

729 (C) prepared food; and

730 (iii) a county legislative body of a county of the first class may impose a tax of not to
731 exceed .5% on charges for the accommodations and services described in Subsection
732 [59-12-103\(1\)\(i\)](#).

733 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section
734 [17-31-5.5](#).

735 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
736 for in Subsections (1)(a)(i) through (iii) may be used for:

737 (i) financing tourism promotion; and

738 (ii) the development, operation, and maintenance of:

- 739 (A) an airport facility;
- 740 (B) a convention facility;
- 741 (C) a cultural facility;
- 742 (D) a recreation facility; or
- 743 (E) a tourist facility.

744 (b) A county of the first class shall expend at least \$450,000 each year of the revenue
745 from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a
746 marketing and ticketing system designed to:

747 (i) promote tourism in ski areas within the county by persons that do not reside within
748 the state; and

749 (ii) combine the sale of:

- 750 (A) ski lift tickets; and
- 751 (B) accommodations and services described in Subsection 59-12-103(1)(i).

752 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other
753 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local
754 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,
755 Part 5, Agency Bonds, to finance:

- 756 (a) an airport facility;
- 757 (b) a convention facility;
- 758 (c) a cultural facility;
- 759 (d) a recreation facility; or
- 760 (e) a tourist facility.

761 (4) (a) To impose the tax under Subsection (1), each county legislative body shall adopt
762 an ordinance imposing the tax.

763 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the
764 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
765 those items and sales described in Subsection (1).

766 (c) The name of the county as the taxing agency shall be substituted for that of the state
767 where necessary, and an additional license is not required if one has been or is issued under
768 Section 59-12-106.

769 (5) To maintain in effect its tax ordinance adopted under this part, each county

770 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
771 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
772 amendments to Part 1, Tax Collection.

773 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory
774 board in accordance with Section 17-31-8, the county legislative body of the county of the first
775 class shall create a tax advisory board in accordance with this Subsection (6).

776 (b) The tax advisory board shall be composed of nine members appointed as follows:

777 (i) four members shall be residents of a county of the first class appointed by the
778 county legislative body of the county of the first class; and

779 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or
780 towns within the county of the first class appointed by an organization representing all mayors
781 of cities and towns within the county of the first class.

782 (c) Five members of the tax advisory board constitute a quorum.

783 (d) The county legislative body of the county of the first class shall determine:

784 (i) terms of the members of the tax advisory board;

785 (ii) procedures and requirements for removing a member of the tax advisory board;

786 (iii) voting requirements, except that action of the tax advisory board shall be by at
787 least a majority vote of a quorum of the tax advisory board;

788 (iv) chairs or other officers of the tax advisory board;

789 (v) how meetings are to be called and the frequency of meetings; and

790 (vi) the compensation, if any, of members of the tax advisory board.

791 (e) The tax advisory board under this Subsection (6) shall advise the county legislative
792 body of the county of the first class on the expenditure of revenue collected within the county
793 of the first class from the taxes described in Subsection (1)(a).

794 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part
795 shall be administered, collected, and enforced in accordance with:

796 (A) the same procedures used to administer, collect, and enforce the tax under:

797 (I) Part 1, Tax Collection; or

798 (II) Part 2, Local Sales and Use Tax Act; and

799 (B) Chapter 1, General Taxation Policies.

800 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or

801 Subsections 59-12-205(2) through (6).

802 (b) Except as provided in Subsection (7)(c):

803 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the
804 commission shall distribute the revenue to the county imposing the tax; and

805 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue
806 according to the distribution formula provided in Subsection (8).

807 (c) The commission shall retain and deposit an administrative charge in accordance
808 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

809 (8) The commission shall distribute the revenue generated by the tax under Subsection
810 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the
811 following formula:

812 (a) the commission shall distribute 70% of the revenue based on the percentages
813 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by
814 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

815 (b) the commission shall distribute 30% of the revenue based on the percentages
816 generated by dividing the population of each county collecting a tax under Subsection
817 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

818 (9) (a) For purposes of this Subsection (9):

819 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
820 County Annexation.

821 (ii) "Annexing area" means an area that is annexed into a county.

822 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
823 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
824 change shall take effect:

825 (A) on the first day of a calendar quarter; and

826 (B) after a 90-day period beginning on the date the commission receives notice meeting
827 the requirements of Subsection (9)(b)(ii) from the county.

828 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

829 (A) that the county will enact or repeal a tax or change the rate of a tax under this part;

830 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

831 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

832 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
833 (9)(b)(ii)(A), the rate of the tax.

834 (c) (i) If the billing period for a transaction begins before the effective date of the
835 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
836 the tax or the tax rate increase shall take effect on the first day of the first billing period that
837 begins after the effective date of the enactment of the tax or the tax rate increase.

838 (ii) If the billing period for a transaction begins before the effective date of the repeal
839 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
840 rate decrease shall take effect on the first day of the last billing period that began before the
841 effective date of the repeal of the tax or the tax rate decrease.

842 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
843 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
844 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

845 (A) on the first day of a calendar quarter; and

846 (B) after a 90-day period beginning on the date the commission receives notice meeting
847 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

848 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

849 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,
850 repeal, or change in the rate of a tax under this part for the annexing area;

851 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

852 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

853 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
854 (9)(d)(ii)(A), the rate of the tax.

855 (e) (i) If the billing period for a transaction begins before the effective date of the
856 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
857 the tax or the tax rate increase shall take effect on the first day of the first billing period that
858 begins after the effective date of the enactment of the tax or the tax rate increase.

859 (ii) If the billing period for a transaction begins before the effective date of the repeal
860 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
861 rate decrease shall take effect on the first day of the last billing period that began before the
862 effective date of the repeal of the tax or the tax rate decrease.

863 Section 23. Section **59-12-1201** is amended to read:

864 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
865 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

866 (1) (a) Except as provided in ~~[Subsection]~~ Subsections (1)(b) and (3), there is imposed
867 a tax of 2.5% on all short-term leases and rentals of motor vehicles not exceeding 30 days.

868 (b) If a private vehicle rental program, as that term is defined in Section [13-48b-102](#),
869 facilitates a short-term rental of a motor vehicle not exceeding 30 days, there is imposed a tax
870 of 1.6% on the short-term rental.

871 ~~[(b)]~~ (c) The tax imposed in this section is in addition to all other state, county, or
872 municipal fees and taxes imposed on rentals of motor vehicles.

873 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
874 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

875 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
876 take effect on the first day of the first billing period:

877 (A) that begins after the effective date of the tax rate increase; and

878 (B) if the billing period for the transaction begins before the effective date of a tax rate
879 increase imposed under Subsection (1).

880 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
881 rate decrease shall take effect on the first day of the last billing period:

882 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
883 and

884 (B) if the billing period for the transaction begins before the effective date of the repeal
885 of the tax or the tax rate decrease imposed under Subsection (1).

886 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

887 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

888 (b) the motor vehicle is rented as a personal household goods moving van; or

889 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
890 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
891 insurance agreement.

892 (4) (a) (i) The tax authorized under this section shall be administered, collected, and
893 enforced in accordance with:

894 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
895 Tax Collection; and

896 (B) Chapter 1, General Taxation Policies.

897 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
898 Subsections [59-12-103](#)(4) through (10) or Section [59-12-107.1](#) or [59-12-123](#).

899 (b) The commission shall retain and deposit an administrative charge in accordance
900 with Section [59-1-306](#) from the revenues the commission collects from a tax under this part.

901 (c) Except as provided under Subsection (4)(b), all revenue received by the
902 commission under this section shall be deposited daily with the state treasurer and credited
903 monthly to the Marda Dillree Corridor Preservation Fund under Section [72-2-117](#).