
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1125 Session of
2013

INTRODUCED BY ERICKSON, WOZNIAK, RAFFERTY, PILEGGI AND SOLOBAY,
OCTOBER 21, 2013

REFERRED TO TRANSPORTATION, OCTOBER 21, 2013

AN ACT

1 Amending Title 74 (Transportation) of the Pennsylvania
2 Consolidated Statutes, in airport operation and zoning,
3 providing for first class city consolidated car rental
4 facility.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Chapter 59 of Title 74 of the Pennsylvania
8 Consolidated Statutes is amended by adding a subchapter to read:

9 SUBCHAPTER C

10 FIRST CLASS CITY CONSOLIDATED

11 CAR RENTAL FACILITY

12 Sec.

13 5931. Scope of subchapter.

14 5932. Definitions.

15 5933. Customer facility charge and rental facility agreement.

16 § 5931. Scope of subchapter.

17 This subchapter relates to first class city consolidated
18 rental car facilities.

19 § 5932. Definitions.

1 The following words and phrases when used in this subchapter
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Airport." A public international airport located partially
5 in a city of the first class and partially in an adjacent
6 municipality.

7 "Airport owner." Any of the following:

8 (1) A city which owns and operates an airport.

9 (2) An authority created by a city of the first class to
10 own and operate an airport or any portion or activity of the
11 airport.

12 "Airport property." Property owned and operated by an
13 airport owner, including property that is leased, licensed or
14 made available for use by the airport owner.

15 "City." A city of the first class.

16 "Concession agreement." A regulation, contract, permit,
17 license or other agreement entered into between an airport owner
18 and a vehicle rental company which includes the terms and
19 conditions under which the company may conduct any aspect of its
20 rental vehicle business at the airport or through the use of
21 airport property, including a vehicle rental company which
22 provides a customer access to a vehicle or executes a rental
23 contract either on or off of airport property.

24 "Customer facility charge." A fee assessed on each motor
25 vehicle rental under this subchapter used for the purposes
26 described under section 5933(i) (relating to customer facility
27 charge and rental facility agreement).

28 "Motor vehicle." A private passenger motor vehicle that
29 meets all of the following:

30 (1) Is designed to transport not more than 15

1 passengers.

2 (2) Is rented for not more than 30 days without a
3 driver.

4 (3) Is part of a fleet of at least five passenger
5 vehicles used for the purpose under paragraph (2).

6 "Rental facility." A consolidated facility for the use of a
7 vehicle rental company to conduct business on airport property.

8 "Rental facility agreement." A written agreement entered
9 into between an airport owner and a vehicle rental company which
10 shall include:

11 (1) The location, scope of operations and general design
12 of the rental facility, a rental facility improvement and a
13 transportation system which connects to a terminal or related
14 structure.

15 (2) The manner in which the proceeds of the customer
16 facility charge are to be used as provided under section
17 5933(i).

18 (3) A procedure and requirement for a consultation
19 regarding the implementation of this chapter for the
20 disclosure to a vehicle rental company of information
21 relating to the collection and use of the customer facility
22 charge.

23 (4) A methodology and procedure by which the amount of
24 the customer facility charge will be calculated and adjusted.

25 "Rental facility improvement." A facility or structure on
26 airport property needed for development or use of the rental
27 facility. The term shall include a cost necessary for planning,
28 finance, design, construction, equipping or furnishing of a
29 rental facility improvement.

30 "Rental facility operations and maintenance expenses." The

1 cost of operating and maintaining the rental facility, including
2 day-to-day costs.

3 "Transportation system." A system which transports an
4 arriving or departing vehicle rental customer between a terminal
5 or related structure and the rental facility.

6 "Transportation system costs." The portion of total cost
7 incurred to design, finance, construct, operate and maintain a
8 transportation system which reflects the usage or benefit of the
9 system to vehicle rental companies and their customers.

10 "Vehicle rental company." A person engaged in the business
11 of renting a motor vehicle in this Commonwealth that provides a
12 motor vehicle rental to a customer which utilizes airport
13 property in any aspect of its business, including to do any of
14 the following:

15 (1) Contact customers or pick up or drop off customers
16 on airport property.

17 (2) Advertise the availability of a vehicle rental
18 service, notwithstanding if other aspects of the rental
19 company business are not conducted on airport property.

20 § 5933. Customer facility charge and rental facility agreement.

21 (a) Rental facility agreement.--A rental facility agreement
22 shall be enforceable if it is executed by the airport owner and
23 at least 80% of the vehicle rental companies which utilized
24 airport property and which provided at least 90% of the motor
25 vehicle rentals conducted utilizing airport property in the most
26 recently completed calendar year.

27 (b) Imposition of customer facility charge.--

28 (1) Except as provided under paragraph (2), a city may
29 impose a customer facility charge of not more than \$8 per
30 rental day on a customer renting a motor vehicle from a

1 vehicle rental company doing business at an airport. The
2 charge may:

3 (i) be imposed notwithstanding the absence of
4 authority in a regulation or concession agreement; and

5 (ii) not affect the validity or enforceability of a
6 concession agreement.

7 (2) Notwithstanding paragraph (1), a rental facility
8 agreement may provide for a customer facility charge which
9 exceeds \$8 per rental day.

10 (3) A city may unilaterally decrease the customer
11 facility charge provided in a rental facility agreement or
12 otherwise provided. An increase in the customer facility
13 charge, decreased under this paragraph, shall require an
14 amendment of the rental facility agreement if the increase
15 will cause the customer facility charge to exceed the
16 original amount.

17 (c) Amendment of rental facility agreement.--The following
18 shall apply:

19 (1) An amendment to a rental facility agreement must be
20 executed by the vehicle rental companies or their successors,
21 which are a party to the original rental facility agreement.

22 (2) The terms of the rental facility agreement may be
23 amended no more than one time per calendar year to authorize
24 the increase of the amount of the customer facility charge to
25 fund the current costs authorized under the rental facility
26 agreement.

27 (d) Enforcement.--The terms of a rental facility agreement
28 may be interpreted and enforced by a court of competent
29 jurisdiction through the imposition of a mandatory or
30 prohibitive injunction. A monetary damage may not be awarded to

1 a vehicle rental company or to a person required to pay the
2 customer facility charge for a violation of the terms and
3 conditions of the rental facility agreement.

4 (e) Limitation on use.--Notwithstanding the authorization
5 for the use of the proceeds of the customer facility charge
6 imposed under subsection (b)(1)(i) and, except as provided under
7 subsection (f), until a rental facility agreement is executed,
8 the proceeds of the customer facility charge may be used only
9 for planning, design, feasibility studies and other preliminary
10 expenses necessary for the uses authorized under subsection
11 (b)(1)(i).

12 (f) Time limitation.--If a rental facility agreement is not
13 executed within two years of the date a vehicle rental company
14 is required to begin collecting the customer facility charge, a
15 city may continue to impose and collect the customer facility
16 charge authorized under subsection (b)(1). After notice to the
17 vehicle rental companies, the city may use the proceeds of the
18 customer facility charge in the manner authorized under
19 subsection (b)(1)(i), except that an expense imposed on a
20 vehicle rental company for the purposes under subsection (e) may
21 not exceed the proceeds of the customer facility charge.

22 (g) Additional cost.--A customer facility charge shall be in
23 addition to other motor vehicle rental fees and taxes imposed by
24 law, except that the customer facility charge may not constitute
25 part of the purchase price of a motor vehicle rental imposed
26 under any of the following:

27 (1) Article II of the act of March 4, 1971 (P.L.6,
28 No.2), known as the Tax Reform Code of 1971.

29 (2) The act of June 5, 1991 (P.L.9, No.6), known as the
30 Pennsylvania Intergovernmental Cooperation Authority Act for

1 Cities of the First Class.

2 (3) A law similar to the statutes under paragraphs (1)
3 and (2).

4 (h) Collection.--The following shall apply:

5 (1) A customer facility charge shall be:

6 (i) collected from a customer by a vehicle rental
7 company and held in a segregated trust fund for the
8 benefit of the airport owner; and

9 (ii) paid to the airport owner no later than the
10 last day of the month following the month in which
11 customer facility charge revenues are collected, or if
12 necessary to facilitate a pledge of customer facility
13 charge revenues under subsection (j), at an earlier date
14 as designated by the airport owner, but not sooner than
15 the 15th day of the month following the month in which
16 the customer facility charges are collected.

17 (2) A customer facility charge may not constitute gross
18 receipts or income of a vehicle rental company for purposes
19 of a tax imposed by the Commonwealth, the city or any other
20 municipality.

21 (3) A vehicle rental company may not pledge, subject to
22 a lien, or encumber funds in a segregated trust fund under
23 paragraph (1)(i).

24 (i) Use.--The proceeds of the customer facility charge shall
25 be deposited by the airport owner into a segregated account to
26 be used for the planning, development, financing, construction
27 and operation of:

28 (1) a rental facility;

29 (2) a rental facility improvement;

30 (3) transportation system costs; or

1 (4) a rental facility operation and maintenance expense.

2 (j) Pledge.--An airport owner may pledge customer facility
3 charge revenues for any of the following:

4 (1) Any use authorized under subsection (i).

5 (2) The creation and maintenance of a reasonable reserve
6 and for the payment of debt service for any use authorized
7 under subsection (i).

8 (k) Administration.--An airport owner may do any of the
9 following:

10 (1) Require a vehicle rental company to provide it with
11 periodic statements of account, file returns, authorize
12 payments and maintain records, in accordance with its
13 obligations under this subchapter.

14 (2) Conduct an examination to ensure a vehicle rental
15 company's compliance with its obligations under this
16 subchapter and may do any of the following:

17 (i) Collect an amount due.

18 (ii) Impose a lien and file a suit to recover an
19 amount due.

20 (iii) Grant a refund.

21 (iv) Require the payment of an authorized addition
22 to a customer facility charge, interest and penalty.

23 (v) Adopt reasonable rules and regulations to
24 implement this section.

25 (vi) Seek criminal penalties, as provided for a city
26 of the first class for the collection of taxes, for
27 failure to comply with the requirements of this
28 subchapter.

29 (1) Commonwealth pledge.--The Commonwealth pledges to and
30 agrees with:

1 (1) Any person, firm or corporation, government agency,
2 whether in this Commonwealth or elsewhere, or Federal agency
3 subscribing to or acquiring debt obligations secured by
4 customer facility charges to be issued by an airport that the
5 Commonwealth will not limit or alter the rights vested in the
6 airport owner under this subchapter in a manner inconsistent
7 with the obligations of the airport owner to the obligees of
8 the airport owner until all debt obligations secured by
9 customer facility charges and interest on the debt
10 obligations are fully paid or provided for.

11 (2) Any Federal agency that, if the Federal Agency
12 contributes funds for the airport owner or project, the
13 Commonwealth will not alter or limit the rights and powers of
14 the airport owner in a manner which would be inconsistent
15 with the due performance of an agreement between the airport
16 owner and a Federal agency.

17 Section 2. This act shall take effect immediately.