

AMENDED IN SENATE FEBRUARY 14, 2009

CALIFORNIA LEGISLATURE—2009—10 SECOND EXTRAORDINARY SESSION

SENATE BILL

No. 10

Introduced by Senator ~~Ducheny~~ Oropeza

February 11, 2009

~~An act relating to the Budget Act of 2008.~~ *An act to add Section 1936.015 to the Civil Code, relating to vehicle license fees.*

LEGISLATIVE COUNSEL'S DIGEST

SB 10, as amended, ~~Ducheny Oropeza. Budget Act of 2008.~~ *Vehicle license fees.*

Existing law requires a passenger vehicle rental company to only advertise a rental rate that includes the entire amount, except certain taxes and charges. Existing law authorizes the rental company, when providing a quote or imposing charges for a rental, to separately state the certain taxes and charges. Existing law prohibits a rental company from charging in addition to the rental rate and certain taxes and charges, any fee that must be paid by the renter as a condition of hiring or leasing the vehicle other than customer facility charges and airport concession fees.

Existing law also requires the rental company, if customer facility charges, airport concession fees, or tourism commission assessments are imposed, to provide the person receiving the quote with a good faith estimate of the rental rate and certain taxes and charges when the quote is given, to clearly and conspicuously disclose in the rental contract the total rate and certain taxes and charges when the rental commences, and to provide each person, other than those persons within the rental company, offering quotes to actual or prospective customers access to information about certain taxes and charges.

This bill would, notwithstanding those provisions, include the increased vehicle license fee, as defined, among those specified taxes and charges.

This bill would become operative only if SB 3 or AB 3 of the 2009–10 3rd Extraordinary Session of the Legislature is enacted and increases the vehicle license fee above 0.65% of the value of the vehicle and shall cease to become operative upon restoration of the vehicle license fee to no more than 0.65% of the value of the vehicle.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2008.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1936.015 is added to the Civil Code, to
2 read:
3 1936.015. (a) For the purposes of this section, the following
4 definitions shall apply:
5 (1) “Vehicle license fee” has the same meaning as in Sections
6 10751 and 10752 of the Revenue and Taxation Code, as that fee
7 existed on January 1, 2009.
8 (2) “Increased vehicle license fee” means the amount of the fee
9 increase in the vehicle license fee above 0.65 percent of the value
10 of the vehicle. The increased vehicle license fee shall be separately
11 charged, clearly stated, and prorated at one-three hundred
12 sixty-fifth of the fee increase in the annual vehicle license fee
13 actually paid on the particular vehicle being rented for each full
14 or partial 24-hour rental day that the vehicle is rented. The total
15 of all increased vehicle license fees charged to renters shall not
16 exceed the fee increase in the annual vehicle license fee actually
17 paid for the particular vehicle rented.
18 (b) Notwithstanding subdivision (n) of Section 1936 or
19 subdivision (b) of Section 1936.01, upon an increase of the vehicle
20 license fee above 0.65 percent of the value of the vehicle pursuant
21 to legislation enacted with the Budget Act of 2009, the following
22 provisions shall apply with respect to the increased vehicle license
23 fee:
24 (1) A rental company shall only advertise a rental rate that
25 includes the entire amount, except taxes, the increased vehicle

1 license fee, a customer facility charge, if any, and a mileage
2 charge, if any, that a renter must pay to hire or lease the vehicle
3 for the period of time to which the rental rate applies.

4 (2) When providing a quote, or imposing charges for a rental,
5 the rental company may separately state the rental rate, taxes, the
6 increased vehicle license fee, customer facility charge, if any,
7 airport concession fee, if any, tourism commission assessment, if
8 any, and a mileage charge, if any, that a renter must pay to hire
9 or lease the vehicle for the period of time to which the rental rate
10 applies. A rental company may not charge in addition to the rental
11 rate, taxes, the increased vehicle license fee, a customer facility
12 charge, if any, airport concession fee, if any, tourism commission
13 assessment, if any, and a mileage charge, if any, any fee that must
14 be paid by the renter as a condition of hiring or leasing the vehicle,
15 such as, but not limited to, required fuel or airport surcharges
16 other than customer facility charges and airport concession fees.

17 (3) If customer facility charges, airport concession fees, or
18 tourism commission assessments are imposed, the rental company
19 shall do each of the following:

20 (A) At the time the quote is given, provide the person receiving
21 the quote with a good faith estimate of the rental rate, taxes, the
22 increased vehicle license fee customer facility charge, if any,
23 airport concession fee, if any, and tourism commission assessment,
24 if any, as well as the total charges for the entire rental. The total
25 charges, if provided on an Internet Web site, shall be displayed in
26 a typeface at least as large as any rental rate disclosed on that
27 page and shall be provided on a page that the person receiving
28 the quote may reach by following links through no more than two
29 Internet Web site pages, including the page on which the rental
30 rate is first provided. The good faith estimate may exclude mileage
31 charges and charges for optional items that cannot be determined
32 prior to completing the reservation based upon the information
33 provided by the person.

34 (B) At the time and place the rental commences, clearly and
35 conspicuously disclose in the rental contract, or that portion of
36 the contract that is provided to the renter, the total of the rental
37 rate, taxes, the increased vehicle license fee, customer facility
38 charge, if any, airport concession fee, if any, and tourism
39 commission assessment, if any, for the entire rental, exclusive of
40 charges that cannot be determined at the time the rental

1 *commences. Charges imposed pursuant to this subparagraph shall*
2 *be no more than the amount of the quote provided in a confirmed*
3 *reservation, unless the person changes the terms of the rental*
4 *contract subsequent to making the reservation.*

5 *(C) Provide each person, other than those persons within the*
6 *rental company, offering quotes to actual or prospective customers*
7 *access to information about the increased vehicle license fee,*
8 *customer facility charges, airport concession fees, and tourism*
9 *commission assessments as well as access to information about*
10 *when those charges apply. Any person providing quotes to actual*
11 *or prospective customers for the hire or lease of a vehicle from a*
12 *rental company shall provide the quotes in the manner described*
13 *in subparagraph (A).*

14 *(4) In addition to the rental rate, taxes, the increased vehicle*
15 *license fee, customer facility charges, if any, airport concession*
16 *fees, if any, tourism commission assessments, if any, and mileage*
17 *charges, if any, a rental company may charge for an item or service*
18 *provided in connection with a particular rental transaction if the*
19 *renter could have avoided incurring the charge by choosing not*
20 *to obtain or utilize the optional item or service. Items and services*
21 *for which the rental company may impose an additional charge,*
22 *include, but are not limited to, optional insurance and accessories*
23 *requested by the renter, service charges incident to the renter's*
24 *optional return of the vehicle to a location other than the location*
25 *where the vehicle was hired or leased, and charges for refueling*
26 *the vehicle at the conclusion of the rental transaction in the event*
27 *the renter did not return the vehicle with as much fuel as was in*
28 *the fuel tank at the beginning of the rental. A rental company also*
29 *may impose an additional charge based on reasonable age criteria*
30 *established by the rental company.*

31 *(5) A rental company may not charge any fee for authorized*
32 *drivers in addition to the rental charge for an individual renter.*

33 *(6) If a rental company states a rental rate in print advertisement*
34 *or in a telephonic, in-person, or computer-transmitted quote, the*
35 *rental company shall clearly disclose in that advertisement or*
36 *quote the terms of any mileage conditions relating to the rental*
37 *rate disclosed in the advertisement or quote, including, but not*
38 *limited to, to the extent applicable, the amount of mileage and gas*
39 *charges, the number of miles for which no charges will be imposed,*

1 *and a description of geographic driving limitations within the*
2 *United States and Canada.*

3 (7) (A) *When a rental rate is stated in an advertisement, in*
4 *connection with a car rental at an airport where a customer facility*
5 *charge is imposed, the rental company shall clearly disclose the*
6 *existence and amount of the customer facility charge. For the*
7 *purposes of this subparagraph, advertisements include radio,*
8 *television, other electronic media, and print advertisements. If the*
9 *rental rate advertisement is intended to include transactions at*
10 *more than one airport imposing a customer facility charge, a range*
11 *of charges may be stated in the advertisement. However, all rental*
12 *rate advertisements that include car rentals at airport destinations*
13 *shall clearly and conspicuously include a toll-free telephone*
14 *number whereby a customer can be told the specific amount of the*
15 *customer facility charge to which the customer will be obligated.*

16 (B) *If any person or entity other than a rental car company,*
17 *including a passenger carrier or a seller of travel services,*
18 *advertises a rental rate for a car rental at an airport where a*
19 *customer facility charge is imposed, that person or entity shall,*
20 *provided they are provided with information about the existence*
21 *and amount of the charge, to the extent not specifically prohibited*
22 *by federal law, clearly disclose the existence and amount of the*
23 *charge. If a rental car company provides the person or entity with*
24 *rental rate and customer facility charge information, the rental*
25 *car company is not responsible for the failure of that person or*
26 *entity to comply with this subparagraph.*

27 (8) *If a rental company delivers a vehicle to a renter at a*
28 *location other than the location where the rental company normally*
29 *carries on its business, the rental company may not charge the*
30 *renter any amount for the rental for the period before the delivery*
31 *of the vehicle. If a rental company picks up a rented vehicle from*
32 *a renter at a location other than the location where the rental*
33 *company normally carries on its business, the rental company may*
34 *not charge the renter any amount for the rental for the period after*
35 *the renter notifies the rental company to pick up the vehicle.*

36 (9) *Except as otherwise permitted pursuant to the customer*
37 *facility charge, a rental company may not separately charge, in*
38 *addition to the rental rate, a fee for transporting the renter to the*
39 *location where the rented vehicle will be delivered to the renter.*

1 (c) A renter may bring an action against a rental company for
2 the recovery of damages and appropriate equitable relief for a
3 violation of this section. The prevailing party shall be entitled to
4 recover reasonable attorney's fees and costs.

5 (d) Any waiver of any of the provisions of this section shall be
6 void and unenforceable as contrary to public policy.

7 (e) (1) This section shall become operative only if Senate Bill
8 3 or Assembly Bill 3 of the 2009–10 Third Extraordinary Session
9 of the Legislature is enacted and increases the vehicle license fee
10 above 0.65 percent of the value of the vehicle and shall cease to
11 become operative upon restoration of the vehicle license fee to no
12 more than 0.65 percent of the value of the vehicle.

13 (2) Provisions of this section relating to the disclosure and
14 separately stated charges for a customer facility charge or an
15 airport concession fee shall remain operative so long as the
16 Secretary of Business, Transportation and Housing provides notice
17 to the Legislature and the Secretary of State and posts notice on
18 its Internet Web site that the conditions described in Section
19 13995.92 of the Government Code have been satisfied.

20 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
21 ~~changes relating to the Budget Act of 2008.~~

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