

AMENDED IN SENATE JUNE 20, 2011

AMENDED IN ASSEMBLY APRIL 14, 2011

AMENDED IN ASSEMBLY MARCH 22, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 753

Introduced by Assembly Member Monning
(Coauthor: Senator Strickland)

February 17, 2011

An act to amend ~~Section 1936 of the Civil Code~~ *Section 24010 of, and to add 24010.1 to, the Vehicle Code*, relating to vehicle rentals.

LEGISLATIVE COUNSEL'S DIGEST

AB 753, as amended, Monning. ~~The Rachel and Jacqueline Houck Rental Car Safety Act: vehicle~~ *Vehicles: rentals.*

(1) Existing law prohibits a person engaging in the short-term rental of vehicles from renting a vehicle unless the vehicle meets specified requirements. A violation of this prohibition is a crime.

This bill would further prohibit the short-term rental of a vehicle that is subject to a federal safety recall notice unless specified conditions are met. The bill would prohibit a person engaging in the short-term rental of vehicles from selling a vehicle at retail unless the vehicle meets specified requirements. Because a violation of these prohibitions is a crime, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Under existing federal law, when a manufacturer of motor vehicles or replacement equipment determines that any motor vehicle or item of replacement equipment produced by the manufacturer contains a defect that relates to motor vehicle safety, or fails to conform to an applicable federal motor vehicle safety standard, the manufacturer is required to provide notification to owners, dealers, and distributors of motor vehicles and replacement equipment, as specified.~~

~~Existing state law requires a vehicle rental company to make certain disclosures to a person who rents a vehicle.~~

~~This bill would enact the Raechel and Jacqueline Houek Rental Car Safety Act, which would prohibit a rental company from renting, selling, or distributing a vehicle to a person after the rental company has received a safety recall notice for that vehicle pursuant to specified provisions of federal law, unless the repairs necessary to correct the defect or noncompliance have been performed on the vehicle.~~

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

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

1 SECTION 1. Section 24010 of the Vehicle Code is amended to
2 read:

3 24010. (a) ~~No~~A person engaged in the rental of ~~any~~ a vehicle,
4 for periods of 30 days or less, shall *not* rent, lease or otherwise
5 allow the operation of ~~such~~ *that* vehicle unless all of the following
6 requirements are met:

7 (1) All necessary equipment required by this code and
8 regulations adopted pursuant to this code for the operation of the
9 vehicle upon a highway has been provided or offered to the lessee
10 for his or her use.

11 (2) The vehicle conforms to all applicable federal motor vehicle
12 safety standards established under the *federal* National Traffic and
13 Motor Vehicle Safety Act of 1966 (15 U.S.C. Sec. 1381 et seq.)
14 and the regulations adopted under that act.

15 (3) The vehicle is mechanically sound and safe to operate within
16 the meaning of Section 24002.

17 (4) *If the vehicle is subject to a federal safety recall notice*
18 *pursuant to Part 577 (commencing with Section 577.1) of Chapter*

1 *V of Subtitle B Title 49 of the Code of Federal Regulations, the*
2 *repairs necessary to correct the noncompliance or defect have*
3 *been performed on the vehicle consistent with that part.*

4 *(5) If the vehicle is subject to a federal safety recall notice*
5 *pursuant to Part 577 (commencing with Section 577.1) of Chapter*
6 *V of Subtitle B Title 49 of the Code of Federal Regulations that*
7 *provides for interim steps to temporarily correct the noncompliance*
8 *or defect, the interim steps as provided in the most recent notice*
9 *have been performed on the vehicle.*

10 *(b) For the purposes of paragraphs (4) and (5) of subdivision*
11 *(a), a vehicle is not deemed to be subject to a federal safety recall*
12 *notice pursuant to Part 577 (commencing with Section 577.1) of*
13 *Chapter V of Subtitle B Title 49 of the Code of Federal Regulations*
14 *if any of the following conditions are met:*

15 *(1) The federal safety recall notice has not been received by the*
16 *lessor at the time the lessor provides the vehicle to the lessee.*

17 *(2) The vehicle is subject to a safety recall conducted in stages,*
18 *including, but not limited to, a recall notice or a series of notices*
19 *advising owners of vehicles in different model years to take their*
20 *vehicle to an authorized dealer to have the repair work performed*
21 *during subsequent time periods, and the lessor has not received a*
22 *notice advising it in writing that the vehicle should be taken to an*
23 *authorized dealer to have the recall work performed.*

24 *(3) The vehicle is subject to a federal safety recall notice that*
25 *is only applicable to geographic regions outside of the state.*

26 ~~(b)~~

27 *(c) In order to ensure compliance with this section, the*
28 *department may conduct periodic inspections, without prior notice,*
29 *of the business premises of persons engaged in the rental of*
30 *vehicles for periods of 30 days or less and of the vehicles*
31 *themselves, for the purpose of ascertaining that the vehicles are*
32 *in compliance with this section. Any vehicle which is found not*
33 *in compliance shall not be rented or leased until proof of full*
34 *compliance with this section is made to the satisfaction of the*
35 *department.*

36 ~~(e)~~

37 *(d) The contract or rental agreement shall include the name of*
38 *the person from whom the vehicle is rented, leased or obtained,*
39 *the address of that person's place of business in this state where*
40 *the vehicle is rented, leased, or delivered, and a statement of any*

1 required equipment refused by the person to whom the vehicle is
2 rented, leased, or delivered.

3 *SEC. 2. Section 24010.1 is added to the Vehicle Code, to read:*
4 *24010.1. A person subject to the requirements of Section 24010*
5 *shall not sell a vehicle at retail, unless that vehicle is in compliance*
6 *with the requirements of Section 24010.*

7 *SEC. 3. No reimbursement is required by this act pursuant to*
8 *Section 6 of Article XIII B of the California Constitution because*
9 *the only costs that may be incurred by a local agency or school*
10 *district will be incurred because this act creates a new crime or*
11 *infraction, eliminates a crime or infraction, or changes the penalty*
12 *for a crime or infraction, within the meaning of Section 17556 of*
13 *the Government Code, or changes the definition of a crime within*
14 *the meaning of Section 6 of Article XIII B of the California*
15 *Constitution.*

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Assembly April 14, 2011. (JR11)**