

AMENDED IN SENATE JULY 7, 2011
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 24010 of, and to add *Section 24010.1* to, the Vehicle Code, relating to vehicle rentals.

LEGISLATIVE COUNSEL'S DIGEST

AB 753, as amended, Monning. 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 *enact the Raechel and Jacqueline Houck Rental Car Safety Act, which 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 would be a crime, this bill would impose a state-mandated local program. This bill would specify that the provisions relating to short-term rental vehicles are applicable to a rental car company, as defined, and would state that this provision is declaratory of existing law.*

(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.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. This act shall be known, and may be cited, as the
2 *Raechel and Jacqueline Houck Rental Car Safety Act.*

3 ~~SECTION 1.~~

4 SEC. 2. Section 24010 of the Vehicle Code is amended to read:

5 24010. (a) A person engaged in the rental of a vehicle, for
6 periods of 30 days or less, shall not rent, lease, or otherwise allow
7 the operation of that vehicle unless all of the following
8 requirements are met:

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

13 (2) The vehicle conforms to all applicable federal motor vehicle
14 safety standards established under the federal National Traffic and
15 Motor Vehicle Safety Act of 1966 (15 U.S.C. Sec. 1381 et seq.)
16 (49 U.S.C. Sec. 30101 et seq.) and the regulations adopted under
17 that act.

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

20 (4) If the vehicle is subject to a federal safety recall notice
21 pursuant to Part 577 (commencing with Section 577.1) of Chapter
22 V of Subtitle B of Title 49 of the Code of Federal Regulations, the
23 repairs necessary to correct the noncompliance or defect have been
24 performed on the vehicle consistent with that part.

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

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

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

8 (2) The vehicle is subject to a *federal* safety recall conducted
9 in stages, including, but not limited to, a recall notice or a series
10 of notices advising owners of vehicles in different model years to
11 take their vehicle to an authorized dealer to have the repair work
12 performed during subsequent time periods, and the lessor has not
13 received a notice advising it in writing that the vehicle should be
14 taken to an authorized dealer to have the ~~recall~~ *repair* work
15 performed.

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

18 (c) In order to ensure compliance with this section, the
19 department may conduct periodic inspections, without prior notice,
20 of the business premises of persons engaged in the rental of
21 vehicles for periods of 30 days or less and of the vehicles
22 themselves, for the purpose of ascertaining that the vehicles are
23 in compliance with this section. Any vehicle which is found not
24 in compliance shall not be rented or leased until proof of full
25 compliance with this section is made to the satisfaction of the
26 department.

27 (d) The contract or rental agreement shall include the name of
28 the person from whom the vehicle is rented, leased, or obtained,
29 the address of that person's place of business in this state where
30 the vehicle is rented, leased, or delivered, and a statement of any
31 required equipment refused by the person to whom the vehicle is
32 rented, leased, or delivered.

33 (e) *For purposes of this section, a notice of a federal safety*
34 *recall received by a parent company of a rental company shall be*
35 *deemed notice to each of its subsidiaries, and notice received by*
36 *a subsidiary of a rental company shall be deemed notice to its*
37 *parent company.*

38 (f) *This section shall apply to a rental company as defined in*
39 *paragraph (1) of subdivision (a) of Section 1936 of the Civil Code.*
40 *This subdivision is declaratory of existing law.*

1 ~~SEC. 2.~~

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

6 ~~SEC. 3.~~

7 *SEC. 4.* 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.