

AMENDED IN ASSEMBLY APRIL 7, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 817

Introduced by Assembly Member Gatto

February 17, 2011

An act to ~~amend Section 1936 of~~ *add Chapter 1.5 (commencing with Section 1936) to Title 5 of Part 4 of Division 3 of, and to repeal Sections 1936, 1936.01, 1936.015, 1936.05, and 1936.1 of, the Civil Code, relating to vehicle rental contracts.*

LEGISLATIVE COUNSEL'S DIGEST

AB 817, as amended, Gatto. Vehicle rental contracts.

Existing law governs contracts between rental car companies and their customers. ~~Existing law requires a rental company to disclose certain information in a quote for a passenger vehicle rental. This bill would define "quote" for purposes of those provisions. Those provisions, among other things, require a rental company to disclose specified information to a potential renter, set forth a renter's responsibilities and liabilities, and impose certain requirements on advertising.~~

This bill would revise and recast those provisions to, among other things, recodify and reorganize the provisions, revise the definitions of certain terms, including the definitions for "additional charges" and "membership program" and make the definitions used in those provisions consistent throughout those provisions. The bill would state that its provisions are declaratory of existing law.

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. Chapter 1.5 (commencing with Section 1936) is
2 added to Title 5 of Part 4 of Division 3 of the Civil Code, to read:

3
4 CHAPTER 1.5. RENTAL VEHICLES

5
6 Article 1. Definitions

7
8 1936. The definitions in this article apply to the provisions of
9 this chapter and govern the construction of the chapter.

10 1936.001. “Additional charges” means charges other than a
11 per period base rental rate. Additional charges include additional
12 statutory charges which are airport concession fees, customer
13 facility charges, increased vehicle license recovery fees, and
14 tourism commission assessments.

15 1936.002. “Airport concession fee” means a charge collected
16 by a rental company from a renter that is the renter’s proportionate
17 share of the amount paid by the rental company to the owner or
18 operator of an airport for the right or privilege of conducting a
19 vehicle rental business on the airport’s premises.

20 1936.003. “Authorized driver” means any of the following:

- 21 (a) The renter.
- 22 (b) The renter’s spouse if that person is a licensed driver and
- 23 satisfies the rental company’s minimum age requirement.
- 24 (c) The renter’s employer or coworker if he or she is engaged
- 25 in business activity with the renter, is a licensed driver, and
- 26 satisfies the rental company’s minimum age requirement.
- 27 (d) A person expressly listed by the rental company on the
- 28 renter’s contract as an authorized driver.

29 This chapter, which replaces Sections 1936, 1936.01, 1936.015,
30 1936.05, and 1936.1, is declaratory of existing law.

31 1936.004. “Business program” means either of the following:

- 32 (a) A contract between a rental company and a business
- 33 program sponsor that has established the per period base rental
- 34 rate, and any other material terms relating to additional charges,
- 35 on which the rental company will rent passenger vehicles to
- 36 persons authorized by the sponsor.
- 37 (b) A plan, program, or other arrangement established by a
- 38 rental company at the request of, or with the consent of, a business

1 *program sponsor under which the rental company offers to rent*
2 *passenger vehicles to persons authorized by the sponsor at per*
3 *period base rental rates, and any other material terms relating to*
4 *additional charges, that are not the same as those generally offered*
5 *by the rental company to the public.*

6 1936.005. *“Business program sponsor” means a legal entity,*
7 *other than a natural person, that is a corporation, limited liability*
8 *company, or partnership.*

9 1936.006. (a) *“Business renter” means, for any business*
10 *program sponsor, a person who is authorized by the sponsor,*
11 *through the use of an identifying number or program name or*
12 *code, to enter into a rental contract under the sponsor’s business*
13 *program. In no case shall the term “business renter” include a*
14 *person renting as any of the following:*

15 (1) *A nonemployee member of a not-for-profit organization.*

16 (2) *The purchaser of a voucher or other prepaid rental*
17 *arrangement from a person, including a tour operator, engaged*
18 *in the business of reselling those vouchers or prepaid rental*
19 *arrangements to the general public.*

20 (3) *An individual whose car rental is eligible for reimbursement*
21 *in whole or in part as a result of the person being insured or*
22 *provided coverage under a policy of insurance issued by an*
23 *insurance company.*

24 (4) *An individual whose car rental is eligible for reimbursement*
25 *in whole or in part as a result of the person purchasing passenger*
26 *vehicle repair services from a person licensed to perform such*
27 *services.*

28 (b) *“Qualified business rental” under a business program*
29 *established for a business program sponsor by a rental company*
30 *means the rental of a passenger vehicle under the business program*
31 *if either (A) in the 12-month period ending on the date of the rental*
32 *or in the calendar year immediately preceding the year in which*
33 *the rental occurs, the rentals under all business programs*
34 *established by the rental company for the business program*
35 *sponsor and its affiliates produced gross rental revenues in excess*
36 *of twenty-five thousand dollars (\$25,000) or (B) the rental company*
37 *in good faith estimates that rentals under all the business programs*
38 *established by the rental company for the business program*
39 *sponsor and its affiliates will produce gross rental revenues in*
40 *excess of twenty-five thousand dollars (\$25,000) in the 12-month*

1 *period commencing with the date of the rental or in the calendar*
2 *year in which the rental occurs. The rental company has the burden*
3 *of establishing by objectively verifiable evidence that the rental*
4 *was a qualified business rental.*

5 1936.008. “Customer facility charge” means any fee, including
6 an alternative fee, required by an airport to be collected by a rental
7 company from a renter for any of the following purposes:

8 (a) To finance, design, and construct consolidated airport car
9 rental facilities.

10 (b) To finance, design, construct, and operate common-use
11 transportation systems that move passengers between airport
12 terminals and those consolidated car rental facilities, and acquire
13 vehicles for use in that system.

14 (c) To finance, design, and construct terminal modifications
15 solely to accommodate and provide customer access to
16 common-use transportation systems.

17 1936.009. “Damage waiver” means a rental company’s
18 agreement not to hold a renter liable for all or any portion of any
19 damage or loss related to the rented vehicle, any loss of use of the
20 rented vehicle, or any storage, impound, towing, or administrative
21 charges.

22 1936.010. “Electronic surveillance technology” means a
23 technological method or system used to observe, monitor, or collect
24 information, including telematics, Global Positioning System
25 (GPS), wireless technology, or location-based technologies.
26 “Electronic surveillance technology” does not include event data
27 recorders (EDR), sensing and diagnostic modules (SDM), or other
28 systems that are used either:

29 (a) For the purpose of identifying, diagnosing, or monitoring
30 functions related to the potential need to repair, service, or perform
31 maintenance on the rental vehicle.

32 (b) As part of the vehicle’s airbag sensing and diagnostic system
33 in order to capture safety systems-related data for retrieval after
34 a crash has occurred or in the event that the collision sensors are
35 activated to prepare the decisionmaking computer to make the
36 determination to deploy or not to deploy the airbag.

37 1936.011. “Estimated time for replacement” means the number
38 of hours of labor, or fraction thereof, needed to replace damaged
39 vehicle parts as set forth in collision damage estimating guides

1 generally used in the vehicle repair business and commonly known
2 as “crash books.”

3 1936.012. “Estimated time for repair” means a good faith
4 estimate of the reasonable number of hours of labor, or fraction
5 thereof, needed to repair damaged vehicle parts.

6 1936.013. “15-passenger van” means any van manufactured
7 to accommodate 15 passengers, including the driver, regardless
8 of whether that van has been altered to accommodate fewer than
9 15 passengers. However, a “15-passenger van” does not mean a
10 15-passenger van with dual rear wheels that has a gross weight
11 rating equal to, or greater than, 11,500 pounds.

12 1936.014. “Membership program” means a service offered
13 by a rental company that permits customers to bypass the rental
14 counter and go directly to the car previously reserved.

15 1936.015. “Passenger vehicle” means a passenger vehicle as
16 defined in Section 465 of the Vehicle Code.

17 1936.016. “Quote” means an estimated cost of rental provided
18 by a rental company or a third party to a potential customer by
19 telephone, in-person, computer-transmission, or other means, that
20 is based on information provided by the potential customer and
21 used to generate an estimated cost of rental, including, but not
22 limited to, any of the following: potential dates of rental, locations,
23 or classes of car.

24 1936.017. “Rental company” means a person or entity in the
25 business of renting passenger vehicles to the public.

26 1936.018. “Renter” means any person in a manner obligated
27 under a contract for the lease or hire of a passenger vehicle from
28 a rental company for a period of less than 30 days.

29 1936.019. “Tourism commission assessment” means the charge
30 collected by a rental company from a renter that has been
31 established by the California Travel and Tourism Commission
32 pursuant to Section 13995.65 of the Government Code.

33 1936.020. “Vehicle license fee” has the same meaning as in
34 Sections 10751 and 10752 of the Revenue and Taxation Code, as
35 that fee existed on January 1, 2009.

36 (a) “Increased vehicle license fee” means the amount of the fee
37 increase in the vehicle license fee above 0.65 percent of the value
38 of the vehicle.

39 (b) “Increased vehicle license recovery fee” means a charge
40 that seeks to recover the amount of increased vehicle license fees

1 *actually paid by a rental company for the particular class of vehicle*
2 *being rented.*
3 *1936.03. This chapter, which replaces Sections 1936, 1936.01,*
4 *1936.015, 1936.05. and 1936.1, is declaratory of existing law.*

5
6 *Article 2. Disclosure*
7

8 *1936.10. (a) A rental company shall only advertise a rental*
9 *rate that includes the entire amount a renter will be charged except*
10 *taxes, additional charges, and a mileage charge, if any, that a*
11 *renter must pay to hire or lease the vehicle for the period of time*
12 *to which the rental rate applies.*

13 *(b) If the advertised rental rate includes a mileage charge the*
14 *rental company shall disclose clearly in that advertisement the*
15 *terms of mileage conditions relating to the advertised rental rate,*
16 *including, but not limited to, to the extent applicable, the amount*
17 *of mileage and gas charges, the number of miles for which no*
18 *charges will be imposed, and a description of geographic driving*
19 *limitations within the United States and Canada. For the purposes*
20 *of this chapter, advertisements include radio, television, other*
21 *electronic media, and print advertisements.*

22 *(c) A rental company that disseminates in this state an*
23 *advertisement containing a rental rate shall include in that*
24 *advertisement a clearly readable statement of the charge for a*
25 *damage waiver and a statement that a damage waiver is optional.*

26 *(d) When a rental rate is stated in an advertisement, in*
27 *connection with a car rental at an airport where a customer facility*
28 *charge is imposed, the rental company shall disclose clearly the*
29 *existence and amount of the customer facility charge. If the rate*
30 *advertisement is intended to include transactions at more than one*
31 *airport imposing a customer facility charge, a range of fees may*
32 *be stated in the advertisement, and that advertisement shall also*
33 *clearly and conspicuously include a toll-free telephone number*
34 *whereby a customer can be told the specific amount of the customer*
35 *facility charge to which the customer will be obligated.*

36 *1936.12. If additional statutory charges are imposed, the rental*
37 *company shall do each of the following in any telephonic,*
38 *in-person, or computer-transmitted quotation at the time of making*
39 *an initial quotation of a rental rate and at the time of making a*
40 *reservation of a rental car:*

1 (a) At the time a quote is given, provide the person receiving
2 the quote with a good faith estimate of the rental rate, taxes, and
3 each of the statutory additional charges, as well as the total
4 charges for the entire rental. The total charges, if provided on an
5 Internet Web site, shall be displayed in a typeface at least as large
6 as any rental rate disclosed on that page and shall be provided on
7 a page that the person receiving the quote may reach by following
8 links through no more than two Internet Web site pages, including
9 the page on which the rental rate is first provided. The good faith
10 estimate may exclude mileage charges and charges for optional
11 items that cannot be determined prior to completing the reservation
12 based upon the information provided by the person.

13 (b) At the time and place the rental commences, clearly and
14 conspicuously disclose in the rental contract, or that portion of
15 the contract that is provided to the renter, the total of the rental
16 rate, taxes, and additional statutory charges for the entire rental,
17 exclusive of charges that cannot be determined at the time the
18 rental commences. Charges imposed pursuant to this subparagraph
19 shall be no more than the amount of the quote provided in a
20 confirmed reservation, unless the person changes the terms of the
21 rental contract subsequent to making the reservation.

22 (c) A rental company shall provide each person including a
23 passenger carrier or a seller of travel services that offers quotes
24 to actual or prospective customers access to information about
25 customer facility charges, airport concession fees, tourism
26 commission assessments, and increased vehicle license recovery
27 fees as well as access to information about when those charges
28 apply. If a person or entity other than a rental car company,
29 including a passenger carrier or a seller of travel services,
30 advertises a rate for a car rental at an airport where a customer
31 facility charge is imposed, that person or entity shall, provided
32 that he, she, or it is provided with information about the existence
33 and amount of the fee, to the extent not specifically prohibited by
34 federal law, clearly disclose the existence and amount of the fee.
35 If a rental car company provides the person or entity with rate
36 and customer facility charge information, the rental car company
37 is not responsible for the failure of that person or entity to comply
38 with this paragraph.

1 1936.14. A rental company's disclosure requirements shall be
2 satisfied for renters who are enrolled in the rental company's
3 membership program if all of the following conditions are met:

4 (a) Prior to the enrollee's first rental as a participant in the
5 program:

6 (1) The renter initiates enrollment by completing an application
7 on which the renter can specify a preference for type of vehicle
8 and acceptance or declination of optional services and the renter
9 receives, in writing, all of the disclosures required by Section
10 1936.24 including the terms and conditions of the rental agreement
11 then in effect.

12 (2) The renter shall be given an Internet Web site address, as
13 well as a contact number or address, where the enrollee can learn
14 of changes to the rental agreement or to the laws of this state
15 governing rental agreements since the effective date of the rental
16 company's most recent restatement of the rental agreement and
17 distribution of that restatement to its members.

18 (3) The rental company fully explains to the renter that
19 designated preferences, as well as acceptance or declination of
20 optional services, may be changed by the renter at any time for
21 the next and future rentals.

22 (b) At the commencement of each rental period, the renter is
23 provided:

24 (1) On the rental record or the folder in which it is inserted,
25 with a printed notice stating that he or she had either previously
26 selected or declined an optional damage waiver and that the renter
27 has the right to change preferences.

28 (2) On the rearview mirror, a hanger on which a statement is
29 printed, in a box, in at least 12-point boldface type, notifying the
30 renter that the collision damage waiver offered by the rental
31 company may be duplicative of coverage that the customer
32 maintains under his or her own policy of motor vehicle insurance.
33 If it is not feasible to hang the statement from the rearview mirror,
34 it shall be hung from the steering wheel.

35 The hanger shall provide the renter a box to initial if he or she
36 (not his or her employer) has previously accepted or declined the
37 collision damage waiver and that he or she now wishes to change
38 his or her decision to accept or decline the collision damage
39 waiver, as follows:

1 □ *“If I previously accepted the collision damage waiver, I now*
2 *decline it.*

3 □ *If I previously declined the collision damage waiver, I now*
4 *accept it.”*

5 *The hanger shall also provide a box for the enrollee to indicate*
6 *whether this change applies to this rental transaction only or to*
7 *all future rental transactions. The hanger shall also notify the*
8 *renter that he or she may make that change, prior to leaving the*
9 *lot, by returning the form to an employee designated to receive*
10 *the form who is present at the lot where the renter takes possession*
11 *of the car, to receive any change in the rental agreement from the*
12 *renter. This section is not effective unless an employee of the rental*
13 *company designated to receive the form is actually present on the*
14 *lot where the renter takes possession of the car.*

15 *(c) The renter may terminate enrollment at any time.*

16 *(d) This section does not relieve the rental company from the*
17 *disclosures required to be made within the text of a contract or*
18 *holder in which the contract is placed, in or on an advertisement*
19 *containing a rental rate, or in a telephonic, in-person, or*
20 *computer-transmitted quotation or reservation.*

21

22 *Article 3. Liability and Damage Waiver*

23

24 1936.20. *(a) Except as limited by subdivision (b), a rental*
25 *company and a renter may agree that the renter will be responsible*
26 *for no more than all of the following:*

27 *(1) Physical or mechanical damage to the rented vehicle up to*
28 *its fair market value, as determined in the customary market for*
29 *the sale of that vehicle, resulting from collision regardless of the*
30 *cause of the damage.*

31 *(2) Loss due to theft of the rented vehicle up to its fair market*
32 *value, as determined in the customary market for the sale of that*
33 *vehicle, provided that the rental company establishes by clear and*
34 *convincing evidence that the renter or the authorized driver failed*
35 *to exercise ordinary care while in possession of the vehicle. In*
36 *addition, the renter shall be presumed to have no liability for any*
37 *loss due to theft if both of the following apply:*

38 *(A) An authorized driver has possession of the ignition key*
39 *furnished by the rental company or an authorized driver establishes*

1 *that the ignition key furnished by the rental company was not in*
2 *the vehicle at the time of the theft.*

3 *(B) An authorized driver files an official report of the theft with*
4 *the police or other law enforcement agency within 24 hours of*
5 *learning of the theft and reasonably cooperates with the rental*
6 *company and the police or other law enforcement agency in*
7 *providing information concerning the theft. The presumption set*
8 *forth in this paragraph is a presumption affecting the burden of*
9 *proof which the rental company may rebut by establishing that an*
10 *authorized driver committed, or aided and abetted the commission*
11 *of, the theft.*

12 *(3) Physical damage to the rented vehicle up to its fair market*
13 *value, as determined in the customary market for the sale of that*
14 *vehicle, resulting from vandalism occurring after, or in connection*
15 *with, the theft of the rented vehicle. However, the renter shall have*
16 *no liability for any damage due to vandalism if the renter would*
17 *have no liability for theft pursuant to paragraph (2).*

18 *(4) Physical damage to the rented vehicle up to a total of five*
19 *hundred dollars (\$500) resulting from vandalism unrelated to the*
20 *theft of the rented vehicle.*

21 *(5) Actual charges for towing, storage, and impound fees paid*
22 *by the rental company if the renter is liable for damage or loss.*

23 *(6) An administrative charge, which shall include the cost of*
24 *appraisal and all other costs and expenses incident to the damage,*
25 *loss, repair, or replacement of the rented vehicle.*

26 *(b) The total amount of the renter's liability to the rental*
27 *company resulting from damage to the rented vehicle shall not*
28 *exceed the sum of the following:*

29 *(1) The estimated cost of parts which the rental company would*
30 *have to pay to replace damaged vehicle parts. All discounts and*
31 *price reductions or adjustments that are or will be received by the*
32 *rental company shall be subtracted from the estimate to the extent*
33 *not already incorporated in the estimate, or otherwise promptly*
34 *credited or refunded to the renter.*

35 *(2) The estimated cost of labor to replace damaged vehicle*
36 *parts, which shall not exceed the product of (A) the rate for labor*
37 *usually paid by the rental company to replace vehicle parts of the*
38 *type that were damaged and (B) the estimated time for replacement.*
39 *All discounts and price reductions or adjustments that are or will*
40 *be received by the rental company shall be subtracted from the*

1 estimate to the extent not already incorporated in the estimate, or
2 otherwise promptly credited or refunded to the renter.

3 (3) (A) The estimated cost of labor to repair damaged vehicle
4 parts, which shall not exceed the lesser of the following:

5 (i) The product of the rate for labor usually paid by the rental
6 company to repair vehicle parts of the type that were damaged
7 and the estimated time for repair.

8 (ii) The sum of the estimated labor and parts costs determined
9 under paragraphs (1) and (2) to replace the same vehicle parts.

10 (B) All discounts and price reductions or adjustments that are
11 or will be received by the rental company shall be subtracted from
12 the estimate to the extent not already incorporated in the estimate,
13 or otherwise promptly credited or refunded to the renter.

14 (4) For the purpose of converting the estimated time for repair
15 into the same units of time in which the rental rate is expressed,
16 a day shall be deemed to consist of eight hours.

17 (5) Actual charges for towing, storage, and impound fees paid
18 by the rental company.

19 (6) The administrative charge described in paragraph (6) of
20 subdivision (a) shall not exceed (A) fifty dollars (\$50) if the total
21 estimated cost for parts and labor is more than one hundred dollars
22 (\$100) up to and including five hundred dollars (\$500), (B) one
23 hundred dollars (\$100) if the total estimated cost for parts and
24 labor exceeds five hundred dollars (\$500) up to and including one
25 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
26 dollars (\$150) if the total estimated cost for parts and labor
27 exceeds one thousand five hundred dollars (\$1,500). An
28 administrative charge shall not be imposed if the total estimated
29 cost of parts and labor is one hundred dollars (\$100) or less.

30 (c) (1) The total amount of an authorized driver's liability to
31 the rental company, if any, for damage occurring during the
32 authorized driver's operation of the rented vehicle shall not exceed
33 the amount of the renter's liability under subdivision (b).

34 (2) A rental company shall not recover from the renter or other
35 authorized driver an amount exceeding the renter's liability under
36 subdivision (b).

37 (3) A claim against a renter resulting from damage or loss,
38 excluding loss of use, to a rental vehicle shall be reasonably and
39 rationally related to the actual loss incurred. A rental company
40 shall mitigate damages where possible and shall not assert or

1 collect a claim for physical damage which exceeds the actual costs
2 of the repairs performed or the estimated cost of repairs, if the
3 rental company chooses not to repair the vehicle, including all
4 discounts and price reductions. However, if the vehicle is a total
5 loss vehicle, the claim shall not exceed the total loss vehicle value
6 established in accordance with procedures that are customarily
7 used by insurance companies when paying claims on total loss
8 vehicles, less the proceeds from salvaging the vehicle, if those
9 proceeds are retained by the rental company.

10 (4) If insurance coverage exists under the renter's applicable
11 personal or business insurance policy and the coverage is
12 confirmed during regular business hours, the renter may require
13 that the rental company submit any claims to the renter's
14 applicable personal or business insurance carrier. The rental
15 company shall not make any written or oral representations that
16 it will not present claims or negotiate with the renter's insurance
17 carrier. For purposes of this paragraph, confirmation of coverage
18 includes telephone confirmation from insurance company
19 representatives during regular business hours. Upon request of
20 the renter and after confirmation of coverage, the amount of claim
21 shall be resolved between the insurance carrier and the rental
22 company. The renter shall remain responsible for payment to the
23 rental car company for any loss sustained that the renter's
24 applicable personal or business insurance policy does not cover.

25 (d) A rental company shall not recover from the renter or other
26 authorized driver for an item described in subdivision (b) to the
27 extent the rental company obtains recovery from another person.

28 (e) This section applies only to the maximum liability of a renter
29 or other authorized driver to the rental company resulting from
30 damage to the rented vehicle and not to the liability of another
31 person.

32 1936.22. (a) (1) Except as provided in subdivision (b), a
33 damage waiver shall provide or, if not expressly stated in writing,
34 shall be deemed to provide that the renter has no liability for
35 damage, loss, loss of use, or a cost or expense incident thereto.

36 (2) Except as provided in subdivision (b), every limitation,
37 exception, or exclusion to a damage waiver is void and
38 unenforceable.

1 (b) A rental company may provide in the rental contract that a
2 damage waiver does not apply under any of the following
3 circumstances:

4 (1) Damage or loss that results from any of the following
5 conduct by an authorized driver:

6 (A) Intentional, willful, wanton, or reckless conduct.

7 (B) Operation of the vehicle under the influence of drugs or
8 alcohol in violation of Section 23152 of the Vehicle Code.

9 (C) Towing or pushing anything.

10 (D) Operation of the vehicle on an unpaved road if the damage
11 or loss is a direct result of the road or driving conditions.

12 (2) Damage or loss occurs while the vehicle is any of the
13 following:

14 (A) Used for commercial hire.

15 (B) Used in connection with conduct that could be properly
16 charged as a felony.

17 (C) Involved in a speed test or contest or in driver training
18 activity.

19 (D) Operated by a person other than an authorized driver.

20 (E) Operated outside the United States.

21 (3) An authorized driver who has done either of the following:

22 (A) Provided fraudulent information to the rental company.

23 (B) Provided false information and the rental company would
24 not have rented the vehicle if it had instead received true
25 information.

26 1936.24. (a) A rental company that offers or provides a
27 damage waiver for any consideration in addition to the rental rate
28 shall clearly and conspicuously disclose the following information
29 in the rental contract or holder in which the contract is placed
30 and, also, in signs posted at the place, such as the counter, where
31 the renter signs the rental contract, and, for renters who are
32 enrolled in the rental company's membership program, in a sign
33 that shall be posted in a location clearly visible to those renters
34 as they enter the location where their reserved rental cars are
35 parked or near the exit of the bus or other conveyance that
36 transports the enrollee to a reserved car:

37 (1) The nature of the renter's liability, such as liability for all
38 collision damage regardless of cause.

39 (2) The extent of the renter's liability, such as liability for
40 damage or loss up to a specified amount.

1 (3) *The renter’s personal insurance policy or the credit card*
 2 *used to pay for the car rental transaction may provide coverage*
 3 *for all or a portion of the renter’s potential liability.*

4 (4) *The renter should consult with his or her insurer to*
 5 *determine the scope of insurance coverage, including the amount*
 6 *of the deductible, if any, for which the renter is obligated.*

7 (5) *The renter may purchase an optional damage waiver to*
 8 *cover all liability, subject to whatever exceptions the rental*
 9 *company expressly lists that are permitted under subdivision (b)*
 10 *of Section 1936.22.*

11 (6) *The range of charges for the damage waiver.*

12 (b) *In addition to the requirements of subdivision (a), a rental*
 13 *company that offers or provides a damage waiver shall orally*
 14 *disclose to all renters, except those who are participants in the*
 15 *rental company’s membership program, that the damage waiver*
 16 *may be duplicative of coverage that the customer maintains under*
 17 *his or her own policy of motor vehicle insurance. The renter’s*
 18 *receipt of the oral disclosure shall be demonstrated through the*
 19 *renter’s acknowledging receipt of the oral disclosure near that*
 20 *part of the contract where the renter indicates, by the renter’s own*
 21 *initials, his or her acceptance or declination of the damage waiver.*
 22 *Adjacent to that same part, the contract also shall state that the*
 23 *damage waiver is optional. Further, the contract for these renters*
 24 *shall include a clear and conspicuous written disclosure that the*
 25 *damage waiver may be duplicative of coverage that the customer*
 26 *maintains under his or her own policy of motor vehicle insurance.*

27 (c) *The following is an example, for purposes of illustration and*
 28 *not limitation, of a notice fulfilling the requirements of subdivision*
 29 *(a) for a rental company that imposes liability on the renter for*
 30 *collision damage to the full value of the vehicle:*

31 **“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND**
 32 **OPTIONAL DAMAGE WAIVER**

33 *You are responsible for all collision damage to the rented vehicle*
 34 *even if someone else caused it or the cause is unknown. You are*
 35 *responsible for the cost of repair up to the value of the vehicle,*
 36 *and towing, storage, and impound fees.*

37 *Your own insurance, or the issuer of the credit card you use to*
 38 *pay for the car rental transaction, may cover all or part of your*
 39 *financial responsibility for the rented vehicle. You should check*
 40 *with your insurance company, or credit card issuer, to find out*

1 *about your coverage and the amount of the deductible, if any, for*
2 *which you may be liable.*

3 *Further, if you use a credit card that provides coverage for your*
4 *potential liability, you should check with the issuer to determine*
5 *if you must first exhaust the coverage limits of your own insurance*
6 *before the credit card coverage applies.*

7 *The rental company will not hold you responsible if you buy a*
8 *damage waiver. But a damage waiver will not protect you if (list*
9 *exceptions)."*

10 *(1) When the above notice is printed in the rental contract or*
11 *holder in which the contract is placed, the following shall be*
12 *printed immediately following the notice:*

13 *"The cost of an optional damage waiver is \$____ for every (day*
14 *or week)."*

15 *(2) When the above notice appears on a sign, the following shall*
16 *appear immediately adjacent to the notice:*

17 *"The cost of an optional damage waiver is \$____ to \$____ for*
18 *every (day or week), depending upon the vehicle rented."*

19 *1936.26. (a) Notwithstanding any other provision of law, a*
20 *rental company may sell a damage waiver subject to the following*
21 *rate limitations for each full or partial 24-hour rental day for the*
22 *damage waiver.*

23 *(1) For rental vehicles that the rental company designates as*
24 *an "economy car," "subcompact car," "compact car," or another*
25 *term having similar meaning when offered for rental, or another*
26 *vehicle having a manufacturer's suggested retail price of nineteen*
27 *thousand dollars (\$19,000) or less, the rate shall not exceed nine*
28 *dollars (\$9).*

29 *(2) For rental vehicles that have a manufacturer's suggested*
30 *retail price from nineteen thousand one dollars (\$19,001) to*
31 *thirty-four thousand nine hundred ninety-nine dollars (\$34,999),*
32 *inclusive, and that are also either vehicles of next year's model,*
33 *or not older than the previous year's model, the rate shall not*
34 *exceed fifteen dollars (\$15). For those rental vehicles older than*
35 *the previous year's model-year, the rate shall not exceed nine*
36 *dollars (\$9).*

37 *(b) The manufacturer's suggested retail prices described in*
38 *subdivision (a) shall be adjusted annually to reflect changes from*
39 *the previous year in the Consumer Price Index. For the purposes*

1 of this section, “Consumer Price Index” means the United States
 2 Consumer Price Index for All Urban Consumers, for all items.

3
 4 Article 4. Airport Concession Fee

5
 6 1936.30. (a) Subject to the following, a rental company may
 7 charge an airport concession fee and collect a tourism commission
 8 assessment.

9 (b) The tourism commission assessment shall be collected only
 10 on each rental transaction that commences at either an airport or
 11 at a hotel or other overnight lodging with respect to which a city,
 12 city and county, or county is authorized to levy a tax as described
 13 in Section 7280 of the Revenue and Taxation Code. A transaction
 14 commencing at an airport or hotel or other overnight lodging
 15 subject to a transient occupancy tax as described in Section 7280
 16 of the Revenue and Taxation Code, including those that commence
 17 at a location that might otherwise by regulation be exempt from
 18 the assessment, shall be subject to the assessment. The assessment
 19 shall always be expressed as a fixed percentage of the amount of
 20 the rental transaction.

21 (c) This section shall only become operative if the Secretary of
 22 Business, Transportation and Housing provides notice to the
 23 Legislature and the Secretary of State and posts notice on its
 24 Internet Web site that the conditions described in Section 13995.92
 25 of the Government Code have been satisfied.

26
 27 Article 5. Customer Facility Charge

28
 29 1936.40. (a) A customer facility charge may be collected by
 30 a rental company under the following circumstances:

31 (1) Collection of the fee by the rental company is required by
 32 an airport operated by a city, a county, a city and county, a joint
 33 powers authority, a special district, or the San Diego County
 34 Regional Airport Authority formed pursuant to Division 17
 35 (commencing with Section 170000) of the Public Utilities Code.

36 (2) The fee is calculated on a per contract basis or as provided
 37 in subdivision (b).

38 (3) The fee is a user fee, not a tax imposed upon real property
 39 or an incidence of property ownership under Article XIII D of the
 40 California Constitution.

1 (4) Except as otherwise provided in subparagraph (5), the fee
2 shall be ten dollars (\$10) per contract or the amount provided in
3 Section 1936.42.

4 (5) The fee for a consolidated rental car facility shall be
5 collected only from customers of on-airport rental car companies.
6 If the fee imposed by the airport is for both a consolidated rental
7 car facility and a common-use transportation system, the fee
8 collected from customers of on-airport rental car companies shall
9 be ten dollars (\$10) or the amount provided in Section 1936.42,
10 but the fee imposed on customers of off-airport rental car
11 companies who are transported on the common-use transportation
12 system is proportionate to the costs of the common-use
13 transportation system only. The fee is uniformly applied to each
14 class of on-airport or off-airport customers, provided that the
15 airport requires off-airport customers to use the common-use
16 transportation system. For purposes of this subparagraph,
17 “on-airport rental car company” means a rental company
18 operating under an airport property lease or an airport concession
19 or license agreement whose customers use or will use the
20 consolidated rental car facility and the collection of the fee as to
21 those customers is consistent with paragraph (3).

22 (6) The aggregate amount to be collected shall not exceed the
23 reasonable costs, as determined by an independent audit paid for
24 by the airport, to fulfill the purposes for which the customer facility
25 charge is authorized. Copies of the audit shall be provided to the
26 Assembly and Senate Committees on Judiciary, the Assembly
27 Committee on Transportation, and the Senate Committee on
28 Transportation and Housing. In the case of a transportation system,
29 the audit also shall consider the reasonable costs of providing the
30 transit system or busing network. Notwithstanding Section
31 1936.008, the fees designated as a customer facility charge shall
32 not be used to pay for terminal expansion, gate expansion, runway
33 expansion, changes in hours of operation, or changes in the number
34 of flights arriving or departing from the airport.

35 (7) The fee is separately identified on the rental agreement.

36 (b) This section does not apply to fees which are governed by
37 Section 50474.1 of the Government Code or Section 57.5 of the
38 San Diego Unified Port District Act.

1 1936.41. For any airport seeking to require rental car
2 companies to collect an alternative customer facility charge
3 pursuant to Section 1936.42, the following provisions apply:

4 (a) Notwithstanding Section 10231.5 of the Government Code,
5 the airport shall provide reports on an annual basis to the Senate
6 and Assembly Committees on Judiciary detailing all of the
7 following:

8 (1) The total amount of the customer facility charge collected.

9 (2) How the funds are being spent.

10 (3) The amount of and reason for any changes in the airport's
11 budget or financial needs for the facility or common-use
12 transportation system.

13 (4) Whether airport concession fees authorized by this article
14 have increased since the prior report, if any.

15 (b) The airport shall complete the independent audit required
16 by paragraph (6) of Section 1936.40 prior to initial collection of
17 the customer facility charge, prior to any increase pursuant to
18 Section 1936.42, and every three years after initial collection and
19 any increase until such time as the fee authorization becomes
20 inoperative pursuant to subdivision (a) of Section 1936.43. The
21 Controller shall review those audits and independently examine
22 and substantiate the necessity for and the amount of the customer
23 facility charge. The Controller's costs shall be reimbursed by the
24 individual airport being audited. Notwithstanding Section 10231.5
25 of the Government Code, the Controller shall report to the
26 Legislature on its conclusions, including whether the airport's
27 actual or projected costs are supported and justified, any steps
28 the airport may take to limit costs, potential alternatives for
29 meeting the airport's revenue needs other than the collection of
30 the fee, and whether and to what extent car rental companies or
31 other businesses or individuals using the facility or common-use
32 transportation system may pay for the costs associated with these
33 facilities and systems other than the fee from rental customers, or
34 whether the airport did not comply with any provision of this
35 subdivision.

36 (c) Use of the bonds shall be limited to construction and design
37 of the consolidated rental car facility, terminal modifications, and
38 operating costs of the common-use transportation system, as
39 specified in Section 1936.008.

1 1936.42. (a) Any airport may require rental car companies
2 to collect an alternative customer facility charge under the
3 following conditions:

4 (1) The airport first conducts a publicly noticed hearing
5 pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with
6 Section 54950) of Part 1 of Division 2 of Title 5 of the Government
7 Code) to review the costs of financing the design and construction
8 of a consolidated rental car facility and the design, construction,
9 and operation of any common-use transportation system in which
10 all of the following occur:

11 (A) The airport establishes the amount of revenue necessary to
12 finance the reasonable cost to design and construct a consolidated
13 rental car facility and to design, construct, and operate any
14 common-use transportation system, or acquire vehicles for use in
15 that system, based on evidence presented during the hearing.

16 (B) The airport finds, based on evidence presented during the
17 hearing, that the fee authorized in Section 1936.40 will not
18 generate sufficient revenue to finance the reasonable costs to
19 design and construct a consolidated rental car facility and to
20 design, construct, and operate any common-use transportation
21 system, or acquire vehicles for use in that system.

22 (C) The airport finds that the reasonable cost of the project
23 requires the additional amount of revenue that would be generated
24 by the proposed daily rate, including any rate increase, authorized
25 pursuant to this paragraph.

26 (D) The airport outlines each of the following:

27 (i) Steps it has taken to limit costs.

28 (ii) Other potential alternatives for meeting its revenue needs
29 other than the collection of the fee.

30 (iii) The extent to which rental car companies or other
31 businesses or individuals using the facility or common-use
32 transportation system will pay for the costs associated with these
33 facilities and systems other than the fee from rental customers.

34 (E) The Controller reviews and substantiates the need for and
35 amount of the fee pursuant to subdivision (b) of Section 1936.41.

36 (2) The airport may not require the fee authorized in this
37 paragraph to be collected at any time that the fee authorized in
38 Sections 1936.40 and 1936.41 is being collected.

1 (3) Pursuant to the procedure set forth in this subdivision, the
2 fee may be collected at a rate charged on a per-day basis subject
3 to the following conditions:

4 (A) Commencing January 1, 2011, the amount of the fee may
5 not exceed six dollars (\$6) per day.

6 (B) Commencing January 1, 2014, the amount of the fee may
7 not exceed seven dollars and fifty cents (\$7.50) per day.

8 (C) Commencing January 1, 2017, and thereafter, the amount
9 of the fee may not exceed nine dollars (\$9) per day.

10 (D) At no time shall the fee authorized in this paragraph be
11 collected from any customer for more than five days for each
12 individual rental car contract.

13 (b) An airport subject to this section shall initiate the process
14 for obtaining the authority to require or increase the alternative
15 fee no later than January 1, 2018. Any airport that obtains the
16 authority to require or increase an alternative fee shall be
17 authorized to continue collecting that fee until the fee authorization
18 becomes inoperative pursuant to Section 1936.43.

19 1936.43. (a) Except as provided in subdivision (b), the
20 authorization given pursuant to this section for an airport to impose
21 a customer facility charge shall become inoperative when the
22 bonds used for financing are paid.

23 (b) If a bond or other form of indebtedness is not used for
24 financing, or the bond or other form of indebtedness used for
25 financing has been paid, the Oakland International Airport may
26 require the collection of a customer facility charge for a period
27 of up to 10 years from the imposition of the charge for the purposes
28 allowed by, and subject to the conditions imposed by, this section.

29 1936.44. Notwithstanding any other provision of law, including,
30 but not limited to, Part 1 (commencing with Section 6001) to Part
31 1.7 (commencing with Section 7280), inclusive, of Division 2 of
32 the Revenue and Taxation Code, the fees collected pursuant to this
33 article, or another law whereby a local agency operating an airport
34 requires a rental car company to collect a facility financing fee
35 from its customers, are not subject to sales, use, or transaction
36 taxes.

Article 6. Vehicle License Fee

1
2
3 1936.50. (a) Upon an increase of the vehicle license fee above
4 0.65 percent of the value of the vehicle pursuant to legislation
5 enacted with the Budget Act of 2009, a rental company shall charge
6 an increased vehicle license recovery fee. The following provisions
7 shall apply with respect to the increased vehicle license fee:

8 (1) A rental company shall calculate the amount of the increased
9 vehicle license recovery fee in the following manner:

10 (A) The initial calculation required by this section shall be made
11 as of August 21, 2009, and shall include the three-month period
12 of May 21, 2009, to August 21, 2009, inclusive. Subsequent
13 calculations shall be made every three months thereafter.

14 (B) The rental company shall determine the total amount of the
15 increased vehicle license fee actually paid during the 12 months
16 preceding the calculation date, for each particular class of vehicle
17 being rented.

18 (C) The total amount of increased vehicle license fee actually
19 paid for each class of vehicle shall be divided by the number of
20 vehicles in the class, to determine the average increased vehicle
21 license fee for each class.

22 (D) The average increased vehicle license fee for vehicles in
23 each class shall be prorated at one three-hundred-and-sixty-fifth,
24 to determine the daily increased vehicle license recovery fee for
25 vehicles in each particular class of vehicle, to be charged for each
26 full or partial 24-hour rental day that the vehicle is rented.

27 (2) As of November 21, 2009, and annually as of each November
28 21 thereafter, a rental company shall reconcile the amount of
29 increased vehicle license fees actually paid by the rental company
30 during the preceding 12 months for each class of vehicle and the
31 amount of increased vehicle license recovery fees charged to
32 customers during that same 12-month period for rental of vehicles
33 in those classes. The rental company shall post that information
34 on its Internet Web site by December 31 of each year.

35 (3) The total of all increased vehicle license fees charged to
36 customers by the rental company for each class of vehicle shall
37 not exceed the total of increased vehicle license recovery fees
38 actually paid for vehicles in those classes on an annual basis.

39 (b) This section shall be operative only so long as the vehicle
40 license fee is above 0.65 percent of the value of the vehicle, and

1 shall cease to become operative 12 months after the restoration
2 of the vehicle license fee to no more than 0.65 percent of the value
3 of the vehicle.

4

5

Article 7. Miscellaneous

6

7 1936.60. (a) In addition to the rental rate, taxes, and additional
8 charges authorized by this chapter, a rental company may charge
9 for an item or service provided in connection with a particular
10 rental transaction if the renter could have avoided incurring the
11 charge by choosing not to obtain or utilize the optional item or
12 service. Items and services for which the rental company may
13 impose an additional charge include, but are not limited to, the
14 following:

15 (1) Optional insurance and accessories requested by the renter.

16 (2) Service charges incident to the renter's optional return of
17 the vehicle to a location other than the location where the vehicle
18 was hired or leased.

19 (3) Charges for refueling the vehicle at the conclusion of the
20 rental transaction in the event the renter did not return the vehicle
21 with as much fuel as was in the fuel tank at the beginning of the
22 rental.

23 (b) A rental company also may impose an additional charge
24 based on reasonable age criteria established by the rental
25 company.

26 1936.62. (a) A rental company shall not use, access, or obtain
27 any information relating to the renter's use of the rental vehicle
28 that was obtained using electronic surveillance technology, except
29 in the following circumstances:

30 (1) (A) When the equipment is used by the rental company, only
31 for the purpose of locating a stolen, abandoned, or missing rental
32 vehicle after one of the following:

33 (i) The renter or law enforcement has informed the rental
34 company that the vehicle is missing or has been stolen or
35 abandoned.

36 (ii) The rental vehicle has not been returned following one week
37 after the contracted return date, or by one week following the end
38 of an extension of that return date.

39 (iii) The rental company discovers the rental vehicle has been
40 stolen or abandoned, and, if stolen, it shall report the vehicle stolen

1 to law enforcement by filing a stolen vehicle report, unless law
2 enforcement has already informed the rental company that the
3 vehicle is missing or has been stolen or abandoned.

4 (B) If electronic surveillance technology is activated pursuant
5 to subparagraph (A), a rental company shall maintain a record,
6 in either electronic or written form, of information relevant to the
7 activation of that technology. That information shall include the
8 rental agreement, including the return date, and the date and time
9 the electronic surveillance technology was activated. The record
10 shall also include, if relevant, a record of written or other
11 communication with the renter, including communications
12 regarding extensions of the rental, police reports, or other written
13 communication with law enforcement officials. The record shall
14 be maintained for a period of at least 12 months from the time the
15 record is created and shall be made available upon the renter's
16 request. The rental company shall maintain and furnish
17 explanatory codes necessary to read the record. A rental company
18 shall not be required to maintain a record if electronic surveillance
19 technology is activated to recover a rental vehicle that is stolen
20 or missing at a time other than during a rental period.

21 (2) In response to a specific request from law enforcement
22 pursuant to a subpoena or search warrant.

23 (b) This section does not prohibit a rental company from
24 equipping rental vehicles with GPS-based technology that provides
25 navigation assistance to the occupants of the rental vehicle, if the
26 rental company does not use, access, or obtain information relating
27 to the renter's use of the rental vehicle that was obtained using
28 that technology, except for the purposes of discovering or repairing
29 a defect in the technology and the information may then be used
30 only for that purpose.

31 (c) This section does not prohibit a rental company from
32 equipping rental vehicles with electronic surveillance technology
33 that allows for the remote locking or unlocking of the vehicle at
34 the request of the renter, if the rental company does not use, access,
35 or obtain information relating to the renter's use of the rental
36 vehicle that was obtained using that technology, except as
37 necessary to lock or unlock the vehicle.

38 (d) This section does not prohibit a rental company from
39 equipping rental vehicles with electronic surveillance technology
40 that allows the company to provide roadside assistance, such as

1 towing, flat tire, or fuel services, at the request of the renter, if the
2 rental company does not use, access, or obtain information relating
3 to the renter's use of the rental vehicle that was obtained using
4 that technology except as necessary to provide the requested
5 roadside assistance.

6 (e) This section does not prohibit a rental company from
7 obtaining, accessing, or using information from electronic
8 surveillance technology for the sole purpose of determining the
9 date and time the vehicle is returned to the rental company, and
10 the total mileage driven and the vehicle fuel level of the returned
11 vehicle. This subdivision, however, shall apply only after the renter
12 has returned the vehicle to the rental company, and the information
13 shall only be used for the purpose described in this subdivision.

14 (f) A rental company shall not use electronic surveillance
15 technology to track a renter in order to impose fines or surcharges
16 relating to the renter's use of the rental vehicle.

17 1936.64. (a) A rental company shall provide a renter of a
18 15-passenger van with a copy of the United States Department of
19 Transportation, National Highway Traffic Safety Administration's
20 consumer advisory for 15-passenger vans titled "Reducing the
21 Risk of Rollover Crashes" or, if that advisory is updated, a copy
22 of the updated advisory. The renter shall acknowledge receipt of
23 that copy by signing an acknowledgment of receipt on the rental
24 agreement or on an attached form.

25 (b) If the rental of that 15-passenger van is for a business
26 purpose or use, the rental company shall also provide on the
27 document described in subdivision (a) that only an employee with
28 the proper licensing may drive that vehicle. The renter shall
29 acknowledge the receipt thereof in the same manner as described
30 in subdivision (a).

31

32 Article 8. Prohibitions and Remedies

33

34 1936.70. (a) A rental company shall not require the purchase
35 of a damage waiver, optional insurance, or another optional good
36 or service.

37 (b) A rental company shall not engage in any unfair, deceptive,
38 or coercive conduct to induce a renter to purchase the damage
39 waiver, optional insurance, or another optional good or service,
40 including conduct such as, but not limited to, refusing to honor

1 *the renter's reservation, limiting the availability of vehicles,*
2 *requiring a deposit, or debiting or blocking the renter's credit*
3 *card account for a sum equivalent to a deposit if the renter declines*
4 *to purchase the damage waiver, optional insurance, or another*
5 *optional good or service.*

6 *1936.72. (a) A rental company may not charge any fee for*
7 *authorized drivers in addition to the rental charge for an individual*
8 *renter.*

9 *(b) If a rental company delivers a vehicle to a renter at a*
10 *location other than the location where the rental company normally*
11 *carries on its business, the rental company shall not charge the*
12 *renter an amount for the rental for the period before the delivery*
13 *of the vehicle. If a rental company picks up a rented vehicle from*
14 *a renter at a location other than the location where the rental*
15 *company normally carries on its business, the rental company*
16 *shall not charge the renter an amount for the rental for the period*
17 *after the renter notifies the rental company to pick up the vehicle.*

18 *1936.74. (a) In the absence of express permission granted by*
19 *the renter subsequent to damage to, or loss of, the vehicle, a rental*
20 *company shall not seek to recover any portion of a claim arising*
21 *out of damage to, or loss of, the rented vehicle by processing a*
22 *credit card charge or causing a debit or block to be placed on the*
23 *renter's credit card account.*

24 *(b) A rental company shall not engage in any unfair, deceptive,*
25 *or coercive tactics in attempting to recover or in recovering on*
26 *any claim arising out of damage to, or loss of, the rented vehicle.*

27 *1936.76. A renter may bring an action against a rental*
28 *company for the recovery of damages and appropriate equitable*
29 *relief for a violation of this chapter. The prevailing party shall be*
30 *entitled to recover reasonable attorney's fees and costs.*

31 *1936.78. A rental company that brings an action against a*
32 *renter for loss due to theft of the vehicle shall bring the action in*
33 *the county in which the renter resides or, if the renter is not a*
34 *resident of this state, in the jurisdiction in which the renter resides.*

35 *1936.80. The amendments made to Section 1936 during the*
36 *2001–02 Regular Session of the Legislature do not affect litigation*
37 *pending on or before January 1, 2003, alleging a violation of*
38 *Section 22325 of the Business and Professions Code as it read at*
39 *the time the action was commenced.*

1 1936.82. Any waiver of any of the provisions of this chapter
2 shall be void and unenforceable as contrary to public policy.

3 SEC. 2. Section 1936 of the Civil Code is repealed.

4 1936. (a) For the purpose of this section, the following
5 definitions shall apply:

6 (1) “Rental company” means a person or entity in the business
7 of renting passenger vehicles to the public.

8 (2) “Renter” means any person in a manner obligated under a
9 contract for the lease or hire of a passenger vehicle from a rental
10 company for a period of less than 30 days.

11 (3) “Authorized driver” means (A) the renter, (B) the renter’s
12 spouse if that person is a licensed driver and satisfies the rental
13 company’s minimum age requirement, (C) the renter’s employer
14 or coworker if he or she is engaged in business activity with the
15 renter, is a licensed driver, and satisfies the rental company’s
16 minimum age requirement, and (D) a person expressly listed by
17 the rental company on the renter’s contract as an authorized driver.

18 (4) (A) “Customer facility charge” means any fee, including
19 an alternative fee, required by an airport to be collected by a rental
20 company from a renter for any of the following purposes:

21 (i) To finance, design, and construct consolidated airport car
22 rental facilities.

23 (ii) To finance, design, construct, and operate common-use
24 transportation systems that move passengers between airport
25 terminals and those consolidated car rental facilities, and acquire
26 vehicles for use in that system.

27 (iii) To finance, design, and construct terminal modifications
28 solely to accommodate and provide customer access to
29 common-use transportation systems.

30 (B) The aggregate amount to be collected shall not exceed the
31 reasonable costs, as determined by an independent audit paid for
32 by the airport, to finance, design, and construct those facilities.
33 Copies of the audit shall be provided to the Assembly and Senate
34 Committees on Judiciary, the Assembly Committee on
35 Transportation, and the Senate Committee on Transportation and
36 Housing. In the case of a transportation system, the audit also shall
37 consider the reasonable costs of providing the transit system or
38 busing network. Notwithstanding clause (iii) of subparagraph (A),
39 the fees designated as a customer facility charge shall not be used
40 to pay for terminal expansion, gate expansion, runway expansion,

1 changes in hours of operation, or changes in the number of flights
2 arriving or departing from the airport.

3 (C) Except as provided in subparagraph (D), the authorization
4 given pursuant to this section for an airport to impose a customer
5 facility charge shall become inoperative when the bonds used for
6 financing are paid.

7 (D) If a bond or other form of indebtedness is not used for
8 financing, or the bond or other form of indebtedness used for
9 financing has been paid, the Oakland International Airport may
10 require the collection of a customer facility charge for a period of
11 up to 10 years from the imposition of the charge for the purposes
12 allowed by, and subject to the conditions imposed by, this section.

13 (5) “Damage waiver” means a rental company’s agreement not
14 to hold a renter liable for all or any portion of any damage or loss
15 related to the rented vehicle, any loss of use of the rented vehicle,
16 or any storage, impound, towing, or administrative charges.

17 (6) “Electronic surveillance technology” means a technological
18 method or system used to observe, monitor, or collect information,
19 including telematics, Global Positioning System (GPS), wireless
20 technology, or location-based technologies. “Electronic
21 surveillance technology” does not include event data recorders
22 (EDR), sensing and diagnostic modules (SDM), or other systems
23 that are used either:

24 (A) For the purpose of identifying, diagnosing, or monitoring
25 functions related to the potential need to repair, service, or perform
26 maintenance on the rental vehicle.

27 (B) As part of the vehicle’s airbag sensing and diagnostic system
28 in order to capture safety systems-related data for retrieval after a
29 crash has occurred or in the event that the collision sensors are
30 activated to prepare the decisionmaking computer to make the
31 determination to deploy or not to deploy the airbag.

32 (7) “Estimated time for replacement” means the number of hours
33 of labor, or fraction thereof, needed to replace damaged vehicle
34 parts as set forth in collision damage estimating guides generally
35 used in the vehicle repair business and commonly known as “crash
36 books.”

37 (8) “Estimated time for repair” means a good faith estimate of
38 the reasonable number of hours of labor, or fraction thereof, needed
39 to repair damaged vehicle parts.

1 (9) “Membership program” means a service offered by a rental
2 company that permits customers to bypass the rental counter and
3 go directly to the car previously reserved. A membership program
4 shall meet all of the following requirements:

5 (A) The renter initiates enrollment by completing an application
6 on which the renter can specify a preference for type of vehicle
7 and acceptance or declination of optional services.

8 (B) The rental company fully discloses, prior to the enrollee’s
9 first rental as a participant in the program, all terms and conditions
10 of the rental agreement as well as all required disclosures.

11 (C) The renter may terminate enrollment at any time.

12 (D) The rental company fully explains to the renter that
13 designated preferences, as well as acceptance or declination of
14 optional services, may be changed by the renter at any time for
15 the next and future rentals.

16 (E) An employee designated to receive the form specified in
17 subparagraph (C) of paragraph (1) of subdivision (t) is present at
18 the lot where the renter takes possession of the car, to receive any
19 change in the rental agreement from the renter.

20 (10) “Passenger vehicle” means a passenger vehicle as defined
21 in Section 465 of the Vehicle Code.

22 (b) Except as limited by subdivision (c), a rental company and
23 a renter may agree that the renter will be responsible for no more
24 than all of the following:

25 (1) Physical or mechanical damage to the rented vehicle up to
26 its fair market value, as determined in the customary market for
27 the sale of that vehicle, resulting from collision regardless of the
28 cause of the damage.

29 (2) Loss due to theft of the rented vehicle up to its fair market
30 value, as determined in the customary market for the sale of that
31 vehicle, provided that the rental company establishes by clear and
32 convincing evidence that the renter or the authorized driver failed
33 to exercise ordinary care while in possession of the vehicle. In
34 addition, the renter shall be presumed to have no liability for any
35 loss due to theft if (A) an authorized driver has possession of the
36 ignition key furnished by the rental company or an authorized
37 driver establishes that the ignition key furnished by the rental
38 company was not in the vehicle at the time of the theft, and (B) an
39 authorized driver files an official report of the theft with the police
40 or other law enforcement agency within 24 hours of learning of

1 the theft and reasonably cooperates with the rental company and
2 the police or other law enforcement agency in providing
3 information concerning the theft. The presumption set forth in this
4 paragraph is a presumption affecting the burden of proof which
5 the rental company may rebut by establishing that an authorized
6 driver committed, or aided and abetted the commission of, the
7 theft.

8 (3) Physical damage to the rented vehicle up to its fair market
9 value, as determined in the customary market for the sale of that
10 vehicle, resulting from vandalism occurring after, or in connection
11 with, the theft of the rented vehicle. However, the renter shall have
12 no liability for any damage due to vandalism if the renter would
13 have no liability for theft pursuant to paragraph (2).

14 (4) Physical damage to the rented vehicle up to a total of five
15 hundred dollars (\$500) resulting from vandalism unrelated to the
16 theft of the rented vehicle.

17 (5) Actual charges for towing, storage, and impound fees paid
18 by the rental company if the renter is liable for damage or loss.

19 (6) An administrative charge, which shall include the cost of
20 appraisal and all other costs and expenses incident to the damage,
21 loss, repair, or replacement of the rented vehicle.

22 (e) The total amount of the renter's liability to the rental
23 company resulting from damage to the rented vehicle shall not
24 exceed the sum of the following:

25 (1) The estimated cost of parts which the rental company would
26 have to pay to replace damaged vehicle parts. All discounts and
27 price reductions or adjustments that are or will be received by the
28 rental company shall be subtracted from the estimate to the extent
29 not already incorporated in the estimate, or otherwise promptly
30 credited or refunded to the renter.

31 (2) The estimated cost of labor to replace damaged vehicle parts,
32 which shall not exceed the product of (A) the rate for labor usually
33 paid by the rental company to replace vehicle parts of the type that
34 were damaged and (B) the estimated time for replacement. All
35 discounts and price reductions or adjustments that are or will be
36 received by the rental company shall be subtracted from the
37 estimate to the extent not already incorporated in the estimate, or
38 otherwise promptly credited or refunded to the renter.

39 (3) (A) The estimated cost of labor to repair damaged vehicle
40 parts, which shall not exceed the lesser of the following:

1 (i) ~~The product of the rate for labor usually paid by the rental~~
2 ~~company to repair vehicle parts of the type that were damaged and~~
3 ~~the estimated time for repair.~~

4 (ii) ~~The sum of the estimated labor and parts costs determined~~
5 ~~under paragraphs (1) and (2) to replace the same vehicle parts.~~

6 (B) ~~All discounts and price reductions or adjustments that are~~
7 ~~or will be received by the rental company shall be subtracted from~~
8 ~~the estimate to the extent not already incorporated in the estimate,~~
9 ~~or otherwise promptly credited or refunded to the renter.~~

10 (4) ~~For the purpose of converting the estimated time for repair~~
11 ~~into the same units of time in which the rental rate is expressed, a~~
12 ~~day shall be deemed to consist of eight hours.~~

13 (5) ~~Actual charges for towing, storage, and impound fees paid~~
14 ~~by the rental company.~~

15 (6) ~~The administrative charge described in paragraph (6) of~~
16 ~~subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total~~
17 ~~estimated cost for parts and labor is more than one hundred dollars~~
18 ~~(\$100) up to and including five hundred dollars (\$500), (B) one~~
19 ~~hundred dollars (\$100) if the total estimated cost for parts and~~
20 ~~labor exceeds five hundred dollars (\$500) up to and including one~~
21 ~~thousand five hundred dollars (\$1,500), and (C) one hundred fifty~~
22 ~~dollars (\$150) if the total estimated cost for parts and labor exceeds~~
23 ~~one thousand five hundred dollars (\$1,500). An administrative~~
24 ~~charge shall not be imposed if the total estimated cost of parts and~~
25 ~~labor is one hundred dollars (\$100) or less.~~

26 (d) (1) ~~The total amount of an authorized driver's liability to~~
27 ~~the rental company, if any, for damage occurring during the~~
28 ~~authorized driver's operation of the rented vehicle shall not exceed~~
29 ~~the amount of the renter's liability under subdivision (e).~~

30 (2) ~~A rental company shall not recover from the renter or other~~
31 ~~authorized driver an amount exceeding the renter's liability under~~
32 ~~subdivision (e).~~

33 (3) ~~A claim against a renter resulting from damage or loss,~~
34 ~~excluding loss of use, to a rental vehicle shall be reasonably and~~
35 ~~rationaly related to the actual loss incurred. A rental company~~
36 ~~shall mitigate damages where possible and shall not assert or collect~~
37 ~~a claim for physical damage which exceeds the actual costs of the~~
38 ~~repairs performed or the estimated cost of repairs, if the rental~~
39 ~~company chooses not to repair the vehicle, including all discounts~~
40 ~~and price reductions. However, if the vehicle is a total loss vehicle,~~

1 the claim shall not exceed the total loss vehicle value established
2 in accordance with procedures that are customarily used by
3 insurance companies when paying claims on total loss vehicles,
4 less the proceeds from salvaging the vehicle, if those proceeds are
5 retained by the rental company.

6 ~~(4) If insurance coverage exists under the renter's applicable~~
7 ~~personal or business insurance policy and the coverage is confirmed~~
8 ~~during regular business hours, the renter may require that the rental~~
9 ~~company submit any claims to the renter's applicable personal or~~
10 ~~business insurance carrier. The rental company shall not make any~~
11 ~~written or oral representations that it will not present claims or~~
12 ~~negotiate with the renter's insurance carrier. For purposes of this~~
13 ~~paragraph, confirmation of coverage includes telephone~~
14 ~~confirmation from insurance company representatives during~~
15 ~~regular business hours. Upon request of the renter and after~~
16 ~~confirmation of coverage, the amount of claim shall be resolved~~
17 ~~between the insurance carrier and the rental company. The renter~~
18 ~~shall remain responsible for payment to the rental car company~~
19 ~~for any loss sustained that the renter's applicable personal or~~
20 ~~business insurance policy does not cover.~~

21 ~~(5) A rental company shall not recover from the renter or other~~
22 ~~authorized driver for an item described in subdivision (b) to the~~
23 ~~extent the rental company obtains recovery from another person.~~

24 ~~(6) This section applies only to the maximum liability of a renter~~
25 ~~or other authorized driver to the rental company resulting from~~
26 ~~damage to the rented vehicle and not to the liability of another~~
27 ~~person.~~

28 ~~(e) (1) Except as provided in subdivision (f), a damage waiver~~
29 ~~shall provide or, if not expressly stated in writing, shall be deemed~~
30 ~~to provide that the renter has no liability for a damage, loss, loss~~
31 ~~of use, or a cost or expense incident thereto.~~

32 ~~(2) Except as provided in subdivision (f), every limitation,~~
33 ~~exception, or exclusion to a damage waiver is void and~~
34 ~~unenforceable.~~

35 ~~(f) A rental company may provide in the rental contract that a~~
36 ~~damage waiver does not apply under any of the following~~
37 ~~circumstances:~~

38 ~~(1) Damage or loss results from an authorized driver's (A)~~
39 ~~intentional, willful, wanton, or reckless conduct, (B) operation of~~
40 ~~the vehicle under the influence of drugs or alcohol in violation of~~

1 Section 23152 of the Vehicle Code, (C) towing or pushing
2 anything, or (D) operation of the vehicle on an unpaved road if
3 the damage or loss is a direct result of the road or driving
4 conditions.

5 (2) Damage or loss occurs while the vehicle is (A) used for
6 commercial hire, (B) used in connection with conduct that could
7 be properly charged as a felony, (C) involved in a speed test or
8 contest or in driver training activity, (D) operated by a person other
9 than an authorized driver, or (E) operated outside the United States.

10 (3) An authorized driver who has (A) provided fraudulent
11 information to the rental company, or (B) provided false
12 information and the rental company would not have rented the
13 vehicle if it had instead received true information.

14 (g) (1) A rental company that offers or provides a damage
15 waiver for any consideration in addition to the rental rate shall
16 clearly and conspicuously disclose the following information in
17 the rental contract or holder in which the contract is placed and,
18 also, in signs posted at the place, such as the counter, where the
19 renter signs the rental contract, and, for renters who are enrolled
20 in the rental company's membership program, in a sign that shall
21 be posted in a location clearly visible to those renters as they enter
22 the location where their reserved rental cars are parked or near the
23 exit of the bus or other conveyance that transports the enrollee to
24 a reserved car: (A) the nature of the renter's liability, such as
25 liability for all collision damage regardless of cause, (B) the extent
26 of the renter's liability, such as liability for damage or loss up to
27 a specified amount, (C) the renter's personal insurance policy or
28 the credit card used to pay for the car rental transaction may
29 provide coverage for all or a portion of the renter's potential
30 liability, (D) the renter should consult with his or her insurer to
31 determine the scope of insurance coverage, including the amount
32 of the deductible, if any, for which the renter is obligated, (E) the
33 renter may purchase an optional damage waiver to cover all
34 liability, subject to whatever exceptions the rental company
35 expressly lists that are permitted under subdivision (f), and (F) the
36 range of charges for the damage waiver.

37 (2) In addition to the requirements of paragraph (1), a rental
38 company that offers or provides a damage waiver shall orally
39 disclose to all renters, except those who are participants in the
40 rental company's membership program, that the damage waiver

1 may be duplicative of coverage that the customer maintains under
2 his or her own policy of motor vehicle insurance. The renter's
3 receipt of the oral disclosure shall be demonstrated through the
4 renter's acknowledging receipt of the oral disclosure near that part
5 of the contract where the renter indicates, by the renter's own
6 initials, his or her acceptance or declination of the damage waiver.
7 Adjacent to that same part, the contract also shall state that the
8 damage waiver is optional. Further, the contract for these renters
9 shall include a clear and conspicuous written disclosure that the
10 damage waiver may be duplicative of coverage that the customer
11 maintains under his or her own policy of motor vehicle insurance.

12 (3) The following is an example, for purposes of illustration
13 and not limitation, of a notice fulfilling the requirements of
14 paragraph (1) for a rental company that imposes liability on the
15 renter for collision damage to the full value of the vehicle:

16

17 ~~“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY~~
18 ~~AND OPTIONAL DAMAGE WAIVER~~

19

20 You are responsible for all collision damage to the rented vehicle
21 even if someone else caused it or the cause is unknown. You are
22 responsible for the cost of repair up to the value of the vehicle,
23 and towing, storage, and impound fees.

24 Your own insurance, or the issuer of the credit card you use to
25 pay for the car rental transaction, may cover all or part of your
26 financial responsibility for the rented vehicle. You should check
27 with your insurance company, or credit card issuer, to find out
28 about your coverage and the amount of the deductible, if any, for
29 which you may be liable.

30 Further, if you use a credit card that provides coverage for your
31 potential liability, you should check with the issuer to determine
32 if you must first exhaust the coverage limits of your own insurance
33 before the credit card coverage applies.

34 The rental company will not hold you responsible if you buy a
35 damage waiver. But a damage waiver will not protect you if (list
36 exceptions).”

37 (A) When the above notice is printed in the rental contract or
38 holder in which the contract is placed, the following shall be printed
39 immediately following the notice:

1 “The cost of an optional damage waiver is \$_____ for every (day
2 or week).”

3 (B) When the above notice appears on a sign, the following
4 shall appear immediately adjacent to the notice:

5 “The cost of an optional damage waiver is \$_____ to \$_____ for
6 every (day or week), depending upon the vehicle rented.”

7 (h) ~~Notwithstanding any other provision of law, a rental
8 company may sell a damage waiver subject to the following rate
9 limitations for each full or partial 24-hour rental day for the damage
10 waiver:~~

11 (1) ~~For rental vehicles that the rental company designates as an
12 “economy car,” “subcompact car,” “compact car,” or another term
13 having similar meaning when offered for rental, or another vehicle
14 having a manufacturer’s suggested retail price of nineteen thousand
15 dollars (\$19,000) or less, the rate shall not exceed nine dollars
16 (\$9):~~

17 (2) ~~For rental vehicles that have a manufacturer’s suggested
18 retail price from nineteen thousand one dollars (\$19,001) to
19 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),
20 inclusive, and that are also either vehicles of next year’s model,
21 or not older than the previous year’s model, the rate shall not
22 exceed fifteen dollars (\$15). For those rental vehicles older than
23 the previous year’s model-year, the rate shall not exceed nine
24 dollars (\$9):~~

25 (i) ~~The manufacturer’s suggested retail prices described in
26 subdivision (h) shall be adjusted annually to reflect changes from
27 the previous year in the Consumer Price Index. For the purposes
28 of this section, “Consumer Price Index” means the United States
29 Consumer Price Index for All Urban Consumers, for all items:~~

30 (j) ~~A rental company that disseminates in this state an
31 advertisement containing a rental rate shall include in that
32 advertisement a clearly readable statement of the charge for a
33 damage waiver and a statement that a damage waiver is optional:~~

34 (k) (1) ~~A rental company shall not require the purchase of a
35 damage waiver, optional insurance, or another optional good or
36 service:~~

37 (2) ~~A rental company shall not engage in any unfair, deceptive,
38 or coercive conduct to induce a renter to purchase the damage
39 waiver, optional insurance, or another optional good or service,
40 including conduct such as, but not limited to, refusing to honor~~

1 the renter's reservation, limiting the availability of vehicles,
2 requiring a deposit, or debiting or blocking the renter's credit card
3 account for a sum equivalent to a deposit if the renter declines to
4 purchase the damage waiver, optional insurance, or another
5 optional good or service.

6 ~~(l) (1) In the absence of express permission granted by the~~
7 ~~renter subsequent to damage to, or loss of, the vehicle, a rental~~
8 ~~company shall not seek to recover any portion of a claim arising~~
9 ~~out of damage to, or loss of, the rented vehicle by processing a~~
10 ~~credit card charge or causing a debit or block to be placed on the~~
11 ~~renter's credit card account.~~

12 ~~(2) A rental company shall not engage in any unfair, deceptive,~~
13 ~~or coercive tactics in attempting to recover or in recovering on any~~
14 ~~claim arising out of damage to, or loss of, the rented vehicle.~~

15 ~~(m) (1) A customer facility charge may be collected by a rental~~
16 ~~company under the following circumstances:~~

17 ~~(A) Collection of the fee by the rental company is required by~~
18 ~~an airport operated by a city, a county, a city and county, a joint~~
19 ~~powers authority, a special district, or the San Diego County~~
20 ~~Regional Airport Authority formed pursuant to Division 17~~
21 ~~(commencing with Section 170000) of the Public Utilities Code.~~

22 ~~(B) The fee is calculated on a per contract basis or as provided~~
23 ~~in paragraph (2).~~

24 ~~(C) The fee is a user fee, not a tax imposed upon real property~~
25 ~~or an incidence of property ownership under Article XIII D of the~~
26 ~~California Constitution.~~

27 ~~(D) Except as otherwise provided in subparagraph (E), the fee~~
28 ~~shall be ten dollars (\$10) per contract or the amount provided in~~
29 ~~paragraph (2).~~

30 ~~(E) The fee for a consolidated rental car facility shall be~~
31 ~~collected only from customers of on-airport rental car companies.~~
32 ~~If the fee imposed by the airport is for both a consolidated rental~~
33 ~~car facility and a common-use transportation system, the fee~~
34 ~~collected from customers of on-airport rental car companies shall~~
35 ~~be ten dollars (\$10) or the amount provided in paragraph (2), but~~
36 ~~the fee imposed on customers of off-airport rental car companies~~
37 ~~who are transported on the common-use transportation system is~~
38 ~~proportionate to the costs of the common-use transportation system~~
39 ~~only. The fee is uniformly applied to each class of on-airport or~~
40 ~~off-airport customers, provided that the airport requires off-airport~~

~~1 customers to use the common-use transportation system. For
2 purposes of this subparagraph, “on-airport rental car company”
3 means a rental company operating under an airport property lease
4 or an airport concession or license agreement whose customers
5 use or will use the consolidated rental car facility and the collection
6 of the fee as to those customers is consistent with subparagraph
7 (C).~~

~~8 (F) Revenues collected from the fee do not exceed the reasonable
9 costs of financing, designing, and constructing the facility and
10 financing, designing, constructing, and operating any common-use
11 transportation system, or acquiring vehicles for use in that system,
12 and shall not be used for any other purpose.~~

~~13 (G) The fee is separately identified on the rental agreement.~~

~~14 (H) This paragraph does not apply to fees which are governed
15 by Section 50474.1 of the Government Code or Section 57.5 of
16 the San Diego Unified Port District Act.~~

~~17 (I) For any airport seeking to require rental car companies to
18 collect an alternative customer facility charge pursuant to paragraph
19 (2), the following provisions apply:~~

~~20 (i) Notwithstanding Section 10231.5 of the Government Code,
21 the airport shall provide reports on an annual basis to the Senate
22 and Assembly Committees on Judiciary detailing all of the
23 following:~~

~~24 (I) The total amount of the customer facility charge collected.~~

~~25 (II) How the funds are being spent.~~

~~26 (III) The amount of and reason for any changes in the airport’s
27 budget or financial needs for the facility or common-use
28 transportation system.~~

~~29 (IV) Whether airport concession fees authorized by Section
30 1936.01 have increased since the prior report, if any.~~

~~31 (ii) The airport shall complete the independent audit required
32 by subparagraph (B) of paragraph (4) of subdivision (a) prior to
33 initial collection of the customer facility charge, prior to any
34 increase pursuant to paragraph (2), and every three years after
35 initial collection and any increase until such time as the fee
36 authorization becomes inoperative pursuant to subparagraph (C)
37 of paragraph (4) of subdivision (a). The Controller shall review
38 those audits and independently examine and substantiate the
39 necessity for and the amount of the customer facility charge. The
40 Controller’s costs shall be reimbursed by the individual airport~~

1 being audited. Notwithstanding Section 10231.5 of the Government
2 Code, the Controller shall report to the Legislature on its
3 conclusions, including whether the airport's actual or projected
4 costs are supported and justified, any steps the airport may take to
5 limit costs, potential alternatives for meeting the airport's revenue
6 needs other than the collection of the fee, and whether and to what
7 extent car rental companies or other businesses or individuals using
8 the facility or common-use transportation system may pay for the
9 costs associated with these facilities and systems other than the
10 fee from rental customers, or whether the airport did not comply
11 with any provision of this subparagraph.

12 (iii) Use of the bonds shall be limited to construction and design
13 of the consolidated rental car facility, terminal modifications, and
14 operating costs of the common-use transportation system, as
15 specified in paragraph (4) of subdivision (a).

16 (2) Any airport may require rental car companies to collect an
17 alternative customer facility charge under the following conditions:

18 (A) The airport first conducts a publicly noticed hearing pursuant
19 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
20 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
21 to review the costs of financing the design and construction of a
22 consolidated rental car facility and the design, construction, and
23 operation of any common-use transportation system in which all
24 of the following occur:

25 (i) The airport establishes the amount of revenue necessary to
26 finance the reasonable cost to design and construct a consolidated
27 rental car facility and to design, construct, and operate any
28 common-use transportation system, or acquire vehicles for use in
29 that system, based on evidence presented during the hearing.

30 (ii) The airport finds, based on evidence presented during the
31 hearing, that the fee authorized in paragraph (1) will not generate
32 sufficient revenue to finance the reasonable costs to design and
33 construct a consolidated rental car facility and to design, construct,
34 and operate any common-use transportation system, or acquire
35 vehicles for use in that system.

36 (iii) The airport finds that the reasonable cost of the project
37 requires the additional amount of revenue that would be generated
38 by the proposed daily rate, including any rate increase, authorized
39 pursuant to this paragraph.

40 (iv) The airport outlines each of the following:

1 ~~(I) Steps it has taken to limit costs.~~

2 ~~(II) Other potential alternatives for meeting its revenue needs~~
3 ~~other than the collection of the fee.~~

4 ~~(III) The extent to which rental car companies or other~~
5 ~~businesses or individuals using the facility or common-use~~
6 ~~transportation system will pay for the costs associated with these~~
7 ~~facilities and systems other than the fee from rental customers.~~

8 ~~(v) The Controller reviews and substantiates the need for and~~
9 ~~amount of the fee pursuant to clause (ii) of subparagraph (I) of~~
10 ~~paragraph (1).~~

11 ~~(B) The airport may not require the fee authorized in this~~
12 ~~paragraph to be collected at any time that the fee authorized in~~
13 ~~paragraph (1) of this subdivision is being collected.~~

14 ~~(C) Pursuant to the procedure set forth in this subdivision, the~~
15 ~~fee may be collected at a rate charged on a per-day basis subject~~
16 ~~to the following conditions:~~

17 ~~(i) Commencing January 1, 2011, the amount of the fee may~~
18 ~~not exceed six dollars (\$6) per day.~~

19 ~~(ii) Commencing January 1, 2014, the amount of the fee may~~
20 ~~not exceed seven dollars and fifty cents (\$7.50) per day.~~

21 ~~(iii) Commencing January 1, 2017, and thereafter, the amount~~
22 ~~of the fee may not exceed nine dollars (\$9) per day.~~

23 ~~(iv) At no time shall the fee authorized in this paragraph be~~
24 ~~collected from any customer for more than five days for each~~
25 ~~individual rental car contract.~~

26 ~~(v) An airport subject to this paragraph shall initiate the process~~
27 ~~for obtaining the authority to require or increase the alternative~~
28 ~~fee no later than January 1, 2018. Any airport that obtains the~~
29 ~~authority to require or increase an alternative fee shall be authorized~~
30 ~~to continue collecting that fee until the fee authorization becomes~~
31 ~~inoperative pursuant to subparagraph (C) of paragraph (4) of~~
32 ~~subdivision (a).~~

33 ~~(3) Notwithstanding any other provision of law, including, but~~
34 ~~not limited to, Part 1 (commencing with Section 6001) to Part 1.7~~
35 ~~(commencing with Section 7280), inclusive, of Division 2 of the~~
36 ~~Revenue and Taxation Code, the fees collected pursuant to this~~
37 ~~section, or another law whereby a local agency operating an airport~~
38 ~~requires a rental car company to collect a facility financing fee~~
39 ~~from its customers, are not subject to sales, use, or transaction~~
40 ~~taxes.~~

1 ~~(n) (1) A rental company shall only advertise, quote, and charge~~
2 ~~a rental rate that includes the entire amount except taxes, a~~
3 ~~customer facility charge, if any, and a mileage charge, if any, that~~
4 ~~a renter must pay to hire or lease the vehicle for the period of time~~
5 ~~to which the rental rate applies. A rental company shall not charge~~
6 ~~in addition to the rental rate, taxes, a customer facility charge, if~~
7 ~~any, and a mileage charge, if any, any fee that is required to be~~
8 ~~paid by the renter as a condition of hiring or leasing the vehicle,~~
9 ~~including, but not limited to, required fuel or airport surcharges~~
10 ~~other than customer facility charges, nor a fee for transporting the~~
11 ~~renter to the location where the rented vehicle will be delivered to~~
12 ~~the renter.~~

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

28 ~~(3) A rental company shall not charge a fee for authorized~~
29 ~~drivers in addition to the rental charge for an individual renter.~~

30 ~~(4) If a rental company states a rental rate in print advertisement~~
31 ~~or in a telephonic, in-person, or computer-transmitted quotation,~~
32 ~~the rental company shall disclose clearly in that advertisement or~~
33 ~~quotation the terms of mileage conditions relating to the advertised~~
34 ~~or quoted rental rate, including, but not limited to, to the extent~~
35 ~~applicable, the amount of mileage and gas charges, the number of~~
36 ~~miles for which no charges will be imposed, and a description of~~
37 ~~geographic driving limitations within the United States and Canada.~~

38 ~~(5) (A) When a rental rate is stated in an advertisement,~~
39 ~~quotation, or reservation in connection with a car rental at an airport~~
40 ~~where a customer facility charge is imposed, the rental company~~

1 shall disclose clearly the existence and amount of the customer
2 facility charge. For purposes of this subparagraph, advertisements
3 include radio, television, other electronic media, and print
4 advertisements. For purposes of this subparagraph, quotations and
5 reservations include those that are telephonic, in-person, and
6 computer-transmitted. If the rate advertisement is intended to
7 include transactions at more than one airport imposing a customer
8 facility charge, a range of fees may be stated in the advertisement.
9 However, all rate advertisements that include car rentals at airport
10 destinations shall clearly and conspicuously include a toll-free
11 telephone number whereby a customer can be told the specific
12 amount of the customer facility charge to which the customer will
13 be obligated.

14 (B) If a person or entity other than a rental car company,
15 including a passenger carrier or a seller of travel services, advertises
16 or quotes a rate for a car rental at an airport where a customer
17 facility charge is imposed, that person or entity shall, provided
18 that he, she, or it is provided with information about the existence
19 and amount of the fee, to the extent not specifically prohibited by
20 federal law, clearly disclose the existence and amount of the fee
21 in any telephonic, in-person, or computer-transmitted quotation at
22 the time of making an initial quotation of a rental rate and at the
23 time of making a reservation of a rental car. If a rental car company
24 provides the person or entity with rate and customer facility charge
25 information, the rental car company is not responsible for the
26 failure of that person or entity to comply with this subparagraph
27 when quoting or confirming a rate to a third person or entity.

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

37 (o) A rental company shall not use, access, or obtain any
38 information relating to the renter's use of the rental vehicle that
39 was obtained using electronic surveillance technology, except in
40 the following circumstances:

1 ~~(1) (A) When the equipment is used by the rental company~~
2 ~~only for the purpose of locating a stolen, abandoned, or missing~~
3 ~~rental vehicle after one of the following:~~

4 ~~(i) The renter or law enforcement has informed the rental~~
5 ~~company that the vehicle is missing or has been stolen or~~
6 ~~abandoned.~~

7 ~~(ii) The rental vehicle has not been returned following one week~~
8 ~~after the contracted return date, or by one week following the end~~
9 ~~of an extension of that return date.~~

10 ~~(iii) The rental company discovers the rental vehicle has been~~
11 ~~stolen or abandoned, and, if stolen, it shall report the vehicle stolen~~
12 ~~to law enforcement by filing a stolen vehicle report, unless law~~
13 ~~enforcement has already informed the rental company that the~~
14 ~~vehicle is missing or has been stolen or abandoned.~~

15 ~~(B) If electronic surveillance technology is activated pursuant~~
16 ~~to subparagraph (A), a rental company shall maintain a record, in~~
17 ~~either electronic or written form, of information relevant to the~~
18 ~~activation of that technology. That information shall include the~~
19 ~~rental agreement, including the return date, and the date and time~~
20 ~~the electronic surveillance technology was activated. The record~~
21 ~~shall also include, if relevant, a record of written or other~~
22 ~~communication with the renter, including communications~~
23 ~~regarding extensions of the rental, police reports, or other written~~
24 ~~communication with law enforcement officials. The record shall~~
25 ~~be maintained for a period of at least 12 months from the time the~~
26 ~~record is created and shall be made available upon the renter's~~
27 ~~request. The rental company shall maintain and furnish explanatory~~
28 ~~codes necessary to read the record. A rental company shall not be~~
29 ~~required to maintain a record if electronic surveillance technology~~
30 ~~is activated to recover a rental vehicle that is stolen or missing at~~
31 ~~a time other than during a rental period.~~

32 ~~(2) In response to a specific request from law enforcement~~
33 ~~pursuant to a subpoena or search warrant.~~

34 ~~(3) This subdivision does not prohibit a rental company from~~
35 ~~equipping rental vehicles with GPS-based technology that provides~~
36 ~~navigation assistance to the occupants of the rental vehicle, if the~~
37 ~~rental company does not use, access, or obtain information relating~~
38 ~~to the renter's use of the rental vehicle that was obtained using~~
39 ~~that technology, except for the purposes of discovering or repairing~~

1 a defect in the technology and the information may then be used
2 only for that purpose.

3 ~~(4) This subdivision does not prohibit a rental company from
4 equipping rental vehicles with electronic surveillance technology
5 that allows for the remote locking or unlocking of the vehicle at
6 the request of the renter, if the rental company does not use, access,
7 or obtain information relating to the renter's use of the rental
8 vehicle that was obtained using that technology, except as
9 necessary to lock or unlock the vehicle.~~

10 ~~(5) This subdivision does not prohibit a rental company from
11 equipping rental vehicles with electronic surveillance technology
12 that allows the company to provide roadside assistance, such as
13 towing, flat tire, or fuel services, at the request of the renter, if the
14 rental company does not use, access, or obtain information relating
15 to the renter's use of the rental vehicle that was obtained using
16 that technology except as necessary to provide the requested
17 roadside assistance.~~

18 ~~(6) This subdivision does not prohibit a rental company from
19 obtaining, accessing, or using information from electronic
20 surveillance technology for the sole purpose of determining the
21 date and time the vehicle is returned to the rental company, and
22 the total mileage driven and the vehicle fuel level of the returned
23 vehicle. This paragraph, however, shall apply only after the renter
24 has returned the vehicle to the rental company, and the information
25 shall only be used for the purpose described in this paragraph.~~

26 ~~(p) A rental company shall not use electronic surveillance
27 technology to track a renter in order to impose fines or surcharges
28 relating to the renter's use of the rental vehicle.~~

29 ~~(q) A renter may bring an action against a rental company for
30 the recovery of damages and appropriate equitable relief for a
31 violation of this section. The prevailing party shall be entitled to
32 recover reasonable attorney's fees and costs.~~

33 ~~(r) A rental company that brings an action against a renter for
34 loss due to theft of the vehicle shall bring the action in the county
35 in which the renter resides or, if the renter is not a resident of this
36 state, in the jurisdiction in which the renter resides.~~

37 ~~(s) A waiver of any of the provisions of this section shall be
38 void and unenforceable as contrary to public policy.~~

1 ~~(t) (1) A rental company's disclosure requirements shall be~~
2 ~~satisfied for renters who are enrolled in the rental company's~~
3 ~~membership program if all of the following conditions are met:~~

4 ~~(A) Prior to the enrollee's first rental as a participant in the~~
5 ~~program, the renter receives, in writing, the following:~~

6 ~~(i) All of the disclosures required by paragraph (1) of subdivision~~
7 ~~(g), including the terms and conditions of the rental agreement~~
8 ~~then in effect.~~

9 ~~(ii) An Internet Web site address, as well as a contact number~~
10 ~~or address, where the enrollee can learn of changes to the rental~~
11 ~~agreement or to the laws of this state governing rental agreements~~
12 ~~since the effective date of the rental company's most recent~~
13 ~~restatement of the rental agreement and distribution of that~~
14 ~~restatement to its members.~~

15 ~~(B) At the commencement of each rental period, the renter is~~
16 ~~provided, on the rental record or the folder in which it is inserted,~~
17 ~~with a printed notice stating that he or she had either previously~~
18 ~~selected or declined an optional damage waiver and that the renter~~
19 ~~has the right to change preferences.~~

20 ~~(C) At the commencement of each rental period, the rental~~
21 ~~company provides, on the rearview mirror, a hanger on which a~~
22 ~~statement is printed, in a box, in at least 12-point boldface type,~~
23 ~~notifying the renter that the collision damage waiver offered by~~
24 ~~the rental company may be duplicative of coverage that the~~
25 ~~customer maintains under his or her own policy of motor vehicle~~
26 ~~insurance. If it is not feasible to hang the statement from the~~
27 ~~rearview mirror, it shall be hung from the steering wheel.~~

28 ~~The hanger shall provide the renter a box to initial if he or she~~
29 ~~(not his or her employer) has previously accepted or declined the~~
30 ~~collision damage waiver and that he or she now wishes to change~~
31 ~~his or her decision to accept or decline the collision damage waiver,~~
32 ~~as follows:~~

33 ~~– If I previously accepted the collision damage waiver, I~~
34 ~~now decline it.~~

35 ~~– If I previously declined the collision damage waiver, I now~~
36 ~~accept it.”~~

37 ~~The hanger shall also provide a box for the enrollee to indicate~~
38 ~~whether this change applies to this rental transaction only or to all~~
39 ~~future rental transactions. The hanger shall also notify the renter~~
40 ~~that he or she may make that change, prior to leaving the lot, by~~

1 returning the form to an employee designated to receive the form
2 who is present at the lot where the renter takes possession of the
3 car, to receive any change in the rental agreement from the renter.

4 ~~(2) (A) This subdivision is not effective unless the employee~~
5 ~~designated pursuant to subparagraph (E) of paragraph (8) of~~
6 ~~subdivision (a) is actually present at the required location.~~

7 ~~(B) This subdivision does not relieve the rental company from~~
8 ~~the disclosures required to be made within the text of a contract~~
9 ~~or holder in which the contract is placed; in or on an advertisement~~
10 ~~containing a rental rate; or in a telephonic, in-person, or~~
11 ~~computer-transmitted quotation or reservation.~~

12 ~~(u) The amendments made to this section during the 2001–02~~
13 ~~Regular Session of the Legislature do not affect litigation pending~~
14 ~~on or before January 1, 2003, alleging a violation of Section 22325~~
15 ~~of the Business and Professions Code as it read at the time the~~
16 ~~action was commenced.~~

17 *SEC. 3. Section 1936.01 of the Civil Code is repealed.*

18 ~~1936.01. (a) For the purpose of this section, the following~~
19 ~~definitions shall apply:~~

20 ~~(1) “Airport concession fee” means a charge collected by a~~
21 ~~rental company from a renter that is the renter’s proportionate~~
22 ~~share of the amount paid by the rental company to the owner or~~
23 ~~operator of an airport for the right or privilege of conducting a~~
24 ~~vehicle rental business on the airport’s premises.~~

25 ~~(2) “Quote” means an estimated cost of rental provided by a~~
26 ~~rental company or a third party to a potential customer by~~
27 ~~telephone, in-person, computer-transmission, or other means, that~~
28 ~~is based on information provided by the potential customer and~~
29 ~~used to generate an estimated cost of rental, including, but not~~
30 ~~limited to, any of the following: potential dates of rental, locations,~~
31 ~~or classes of car.~~

32 ~~(3) “Tourism commission assessment” means the charge~~
33 ~~collected by a rental company from a renter that has been~~
34 ~~established by the California Travel and Tourism Commission~~
35 ~~pursuant to Section 13995.65 of the Government Code.~~

36 ~~(b) Notwithstanding subdivision (n) of Section 1936, the~~
37 ~~following provisions shall apply:~~

38 ~~(1) A rental company shall only advertise a rental rate that~~
39 ~~includes the entire amount, except taxes, a customer facility charge,~~
40 ~~if any, and a mileage charge, if any, that a renter must pay to hire~~

1 or lease the vehicle for the period of time to which the rental rate
2 applies.

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

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

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

31 ~~(B) At the time and place the rental commences, clearly and~~
32 ~~conspicuously disclose in the rental contract, or that portion of the~~
33 ~~contract that is provided to the renter, the total of the rental rate,~~
34 ~~taxes, customer facility charge, if any, airport concession fee, if~~
35 ~~any, and tourism commission assessment, if any, for the entire~~
36 ~~rental, exclusive of charges that cannot be determined at the time~~
37 ~~the rental commences. Charges imposed pursuant to this~~
38 ~~subparagraph shall be no more than the amount of the quote~~
39 ~~provided in a confirmed reservation, unless the person changes~~

1 the terms of the rental contract subsequent to making the
2 reservation.

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

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

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

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

39 (7) (A) When a rental rate is stated in an advertisement, in
40 connection with a car rental at an airport where a customer facility

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

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

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

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

37 (e) A renter may bring an action against a rental company for
38 the recovery of damages and appropriate equitable relief for a
39 violation of this section. The prevailing party shall be entitled to
40 recover reasonable attorney's fees and costs.

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

3 ~~(e) This section shall become operative only if the Secretary of~~
4 ~~Business, Transportation and Housing provides notice to the~~
5 ~~Legislature and the Secretary of State and posts notice on its~~
6 ~~Internet Web site that the conditions described in Section 13995.92~~
7 ~~of the Government Code have been satisfied.~~

8 *SEC. 4. Section 1936.015 of the Civil Code is repealed.*

9 ~~1936.015.~~ (a) For the purposes of this section, the following
10 definitions shall apply:

11 (1) ~~“Vehicle license fee” has the same meaning as in Sections~~
12 ~~10751 and 10752 of the Revenue and Taxation Code, as that fee~~
13 ~~existed on January 1, 2009.~~

14 (2) ~~“Increased vehicle license fee” means the amount of the fee~~
15 ~~increase in the vehicle license fee above 0.65 percent of the value~~
16 ~~of the vehicle.~~

17 (3) ~~“Increased vehicle license recovery fee” means a charge~~
18 ~~that seeks to recover the amount of increased vehicle license fees~~
19 ~~actually paid by a rental company for the particular class of vehicle~~
20 ~~being rented. The increased vehicle license recovery fee shall be~~
21 ~~calculated as provided in paragraph (1) of subdivision (b).~~

22 (b) ~~Notwithstanding subdivision (n) of Section 1936 or~~
23 ~~subdivision (b) of Section 1936.01, upon an increase of the vehicle~~
24 ~~license fee above 0.65 percent of the value of the vehicle pursuant~~
25 ~~to legislation enacted with the Budget Act of 2009, the following~~
26 ~~provisions shall apply with respect to the increased vehicle license~~
27 ~~fee:~~

28 (1) ~~A rental company shall calculate the amount of the increased~~
29 ~~vehicle license recovery fee in the following manner:~~

30 (A) ~~The initial calculation required by this section shall be made~~
31 ~~as of August 21, 2009, and shall include the three-month period~~
32 ~~of May 21, 2009, to August 21, 2009, inclusive. Subsequent~~
33 ~~calculations shall be made every three months thereafter.~~

34 (B) ~~The rental company shall determine the total amount of the~~
35 ~~increased vehicle license fee actually paid during the twelve months~~
36 ~~preceding the calculation date, for each particular class of vehicle~~
37 ~~being rented.~~

38 (C) ~~The total amount of increased vehicle license fee actually~~
39 ~~paid for each class of vehicle shall be divided by the number of~~

1 vehicles in the class, to determine the average increased vehicle
2 license fee for each class.

3 ~~(D) The average increased vehicle license fee for vehicles in~~
4 ~~each class shall be prorated at one three-hundred-and-sixty-fifth,~~
5 ~~to determine the daily increased vehicle license recovery fee for~~
6 ~~vehicles in each particular class of vehicle, to be charged for each~~
7 ~~full or partial 24-hour rental day that the vehicle is rented.~~

8 ~~(2) As of November 21, 2009, and annually as of each~~
9 ~~November 21 thereafter, a rental company shall reconcile the~~
10 ~~amount of increased vehicle license fees actually paid by the rental~~
11 ~~company during the preceding 12 months for each class of vehicle~~
12 ~~and the amount of increased vehicle license recovery fees charged~~
13 ~~to customers during that same 12-month period for rental of~~
14 ~~vehicles in those classes. The rental company shall post that~~
15 ~~information on its Internet Web site by December 31 of each year.~~

16 ~~(3) The total of all increased vehicle license fees charged to~~
17 ~~customers by the rental company for each class of vehicle shall~~
18 ~~not exceed the total of increased vehicle license recovery fees~~
19 ~~actually paid for vehicles in those classes on an annual basis.~~

20 ~~(4) A rental company shall only advertise a rental rate that~~
21 ~~includes the entire amount, except taxes, the increased vehicle~~
22 ~~license recovery fee, a customer facility charge, if any, and a~~
23 ~~mileage charge, if any, that a renter must pay to hire or lease the~~
24 ~~vehicle for the period of time to which the rental rate applies.~~

25 ~~(5) When providing a quote, or imposing charges for a rental,~~
26 ~~the rental company may separately state the rental rate, taxes, the~~
27 ~~increased vehicle license recovery fee, customer facility charge,~~
28 ~~if any, airport concession fee, if any, tourism commission~~
29 ~~assessment, if any, and a mileage charge, if any, that a renter must~~
30 ~~pay to hire or lease the vehicle for the period of time to which the~~
31 ~~rental rate applies. A rental company may not charge in addition~~
32 ~~to the rental rate, taxes, the increased vehicle license recovery fee,~~
33 ~~a customer facility charge, if any, airport concession fee, if any,~~
34 ~~tourism commission assessment, if any, and a mileage charge, if~~
35 ~~any, any fee that must be paid by the renter as a condition of hiring~~
36 ~~or leasing the vehicle, such as, but not limited to, required fuel or~~
37 ~~airport surcharges other than customer facility charges and airport~~
38 ~~concession fees.~~

1 ~~(6) If customer facility charges, airport concession fees, or~~
2 ~~tourism commission assessments are imposed, the rental company~~
3 ~~shall do each of the following:~~

4 ~~(A) At the time the quote is given, provide the person receiving~~
5 ~~the quote with a good faith estimate of the rental rate, taxes, the~~
6 ~~increased vehicle license recovery fee, customer facility charge,~~
7 ~~if any, airport concession fee, if any, and tourism commission~~
8 ~~assessment, if any, as well as the total charges for the entire rental.~~
9 ~~The total charges, if provided on an Internet Web site, shall be~~
10 ~~displayed in a typeface at least as large as any rental rate disclosed~~
11 ~~on that page and shall be provided on a page that the person~~
12 ~~receiving the quote may reach by following links through no more~~
13 ~~than two Internet Web site pages, including the page on which the~~
14 ~~rental rate is first provided. The good faith estimate may exclude~~
15 ~~mileage charges and charges for optional items that cannot be~~
16 ~~determined prior to completing the reservation based upon the~~
17 ~~information provided by the person.~~

18 ~~(B) At the time and place the rental commences, clearly and~~
19 ~~conspicuously disclose in the rental contract, or that portion of the~~
20 ~~contract that is provided to the renter, the total of the rental rate,~~
21 ~~taxes, the increased vehicle license recovery fee, customer facility~~
22 ~~charge, if any, airport concession fee, if any, and tourism~~
23 ~~commission assessment, if any, for the entire rental, exclusive of~~
24 ~~charges that cannot be determined at the time the rental~~
25 ~~commences. Charges imposed pursuant to this subparagraph shall~~
26 ~~be no more than the amount of the quote provided in a confirmed~~
27 ~~reservation, unless the person changes the terms of the rental~~
28 ~~contract subsequent to making the reservation.~~

29 ~~(C) Provide each person, other than those persons within the~~
30 ~~rental company, offering quotes to actual or prospective customers~~
31 ~~access to information about the increased vehicle license recovery~~
32 ~~fee, customer facility charges, airport concession fees, and tourism~~
33 ~~commission assessments as well as access to information about~~
34 ~~when those charges apply. Any person providing quotes to actual~~
35 ~~or prospective customers for the hire or lease of a vehicle from a~~
36 ~~rental company shall provide the quotes in the manner described~~
37 ~~in subparagraph (A).~~

38 ~~(7) In addition to the rental rate, taxes, the increased vehicle~~
39 ~~license recovery fee, customer facility charges, if any, airport~~
40 ~~concession fees, if any, tourism commission assessments, if any,~~

1 and mileage charges, if any, a rental company may charge for an
2 item or service provided in connection with a particular rental
3 transaction if the renter could have avoided incurring the charge
4 by choosing not to obtain or utilize the optional item or service.
5 Items and services for which the rental company may impose an
6 additional charge, include, but are not limited to, optional insurance
7 and accessories requested by the renter, service charges incident
8 to the renter's optional return of the vehicle to a location other
9 than the location where the vehicle was hired or leased, and charges
10 for refueling the vehicle at the conclusion of the rental transaction
11 in the event the renter did not return the vehicle with as much fuel
12 as was in the fuel tank at the beginning of the rental. A rental
13 company also may impose an additional charge based on
14 reasonable age criteria established by the rental company.

15 (8) A rental company may not charge any fee for authorized
16 drivers in addition to the rental charge for an individual renter.

17 (9) If a rental company states a rental rate in print advertisement
18 or in a telephonic, in-person, or computer-transmitted quote, the
19 rental company shall clearly disclose in that advertisement or quote
20 the terms of any mileage conditions relating to the rental rate
21 disclosed in the advertisement or quote, including, but not limited
22 to, to the extent applicable, the amount of mileage and gas charges,
23 the number of miles for which no charges will be imposed, and a
24 description of geographic driving limitations within the United
25 States and Canada.

26 (10) (A) When a rental rate is stated in an advertisement, in
27 connection with a car rental at an airport where a customer facility
28 charge is imposed, the rental company shall clearly disclose the
29 existence and amount of the customer facility charge. For the
30 purposes of this subparagraph, advertisements include radio,
31 television, other electronic media, and print advertisements. If the
32 rental rate advertisement is intended to include transactions at more
33 than one airport imposing a customer facility charge, a range of
34 charges may be stated in the advertisement. However, all rental
35 rate advertisements that include car rentals at airport destinations
36 shall clearly and conspicuously include a toll-free telephone
37 number whereby a customer can be told the specific amount of
38 the customer facility charge to which the customer will be
39 obligated.

1 (B) If any person or entity other than a rental company, including
2 a passenger carrier or a seller of travel services, advertises a rental
3 rate for a car rental at an airport where a customer facility charge
4 is imposed, that person or entity shall, provided they are provided
5 with information about the existence and amount of the charge, to
6 the extent not specifically prohibited by federal law, clearly
7 disclose the existence and amount of the charge. If a rental
8 company provides the person or entity with rental rate and customer
9 facility charge information, the rental company is not responsible
10 for the failure of that person or entity to comply with this
11 subparagraph.

12 (11) If a rental company delivers a vehicle to a renter at a
13 location other than the location where the rental company normally
14 carries on its business, the rental company may not charge the
15 renter any amount for the rental for the period before the delivery
16 of the vehicle. If a rental company picks up a rented vehicle from
17 a renter at a location other than the location where the rental
18 company normally carries on its business, the rental company may
19 not charge the renter any amount for the rental for the period after
20 the renter notifies the rental company to pick up the vehicle.

21 (12) Except as otherwise permitted pursuant to the customer
22 facility charge, a rental company may not separately charge, in
23 addition to the rental rate, a fee for transporting the renter to the
24 location where the rented vehicle will be delivered to the renter.

25 (e) A renter may bring an action against a rental company for
26 the recovery of damages and appropriate equitable relief for a
27 violation of this section. The prevailing party shall be entitled to
28 recover reasonable attorney's fees and costs.

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

31 (e) (1) This section shall become operative only if Senate Bill
32 3 or Assembly Bill 3 of the 2009-10 Third Extraordinary Session
33 of the Legislature is enacted and increases the vehicle license fee
34 above 0.65 percent of the value of the vehicle and shall cease to
35 become operative 12 months after the restoration of the vehicle
36 license fee to no more than 0.65 percent of the value of the vehicle.

37 (2) Provisions of this section relating to the disclosure and
38 separately stated charges for a customer facility charge or an airport
39 concession fee shall remain operative so long as the Secretary of
40 Business, Transportation and Housing provides notice to the

1 ~~Legislature and the Secretary of State and posts notice on its~~
2 ~~Internet Web site that the conditions described in Section 13995.92~~
3 ~~of the Government Code have been satisfied.~~

4 ~~SEC. 5. Section 1936.05 of the Civil Code is repealed.~~

5 ~~1936.05. (a) For purposes of this section:~~

6 ~~(1) “Additional charges” means charges other than a per period~~
7 ~~base rental rate established by the business program.~~

8 ~~(2) “Business program” means (A) a contract between a rental~~
9 ~~company and a business program sponsor that has established the~~
10 ~~per period base rental rate, and any other material terms relating~~
11 ~~to additional charges, on which the rental company will rent~~
12 ~~passenger vehicles to persons authorized by the sponsor, or (B) a~~
13 ~~plan, program, or other arrangement established by a rental~~
14 ~~company at the request of, or with the consent of, a business~~
15 ~~program sponsor under which the rental company offers to rent~~
16 ~~passenger vehicles to persons authorized by the sponsor at per~~
17 ~~period base rental rates, and any other material terms relating to~~
18 ~~additional charges, that are not the same as those generally offered~~
19 ~~by the rental company to the public.~~

20 ~~(3) “Business program sponsor” means a legal entity, other than~~
21 ~~a natural person, that is a corporation, limited liability company,~~
22 ~~or partnership.~~

23 ~~(4) “Business renter” means, for any business program sponsor,~~
24 ~~a person who is authorized by the sponsor, through the use of an~~
25 ~~identifying number or program name or code, to enter into a rental~~
26 ~~contract under the sponsor’s business program. In no case shall~~
27 ~~the term “business renter” include a person renting as: (A) a~~
28 ~~nonemployee member of a not-for-profit organization, (B) the~~
29 ~~purchaser of a voucher or other prepaid rental arrangement from~~
30 ~~a person, including a tour operator, engaged in the business of~~
31 ~~reselling those vouchers or prepaid rental arrangements to the~~
32 ~~general public, (C) an individual whose car rental is eligible for~~
33 ~~reimbursement in whole or in part as a result of the person being~~
34 ~~insured or provided coverage under a policy of insurance issued~~
35 ~~by an insurance company, or (D) an individual whose car rental~~
36 ~~is eligible for reimbursement in whole or in part as a result of the~~
37 ~~person purchasing passenger vehicle repair services from a person~~
38 ~~licensed to perform such services.~~

39 ~~(5) “Qualified business rental” under a business program~~
40 ~~established for a business program sponsor by a rental company~~

1 means the rental of a passenger vehicle under the business program
2 if either (A) in the 12-month period ending on the date of the rental
3 or in the calendar year immediately preceding the year in which
4 the rental occurs, the rentals under all business programs
5 established by the rental company for the business program sponsor
6 and its affiliates produced gross rental revenues in excess of
7 twenty-five thousand dollars (\$25,000) or (B) the rental company
8 in good faith estimates that rentals under all the business programs
9 established by the rental company for the business program sponsor
10 and its affiliates will produce gross rental revenues in excess of
11 twenty-five thousand dollars (\$25,000) in the 12-month period
12 commencing with the date of the rental or in the calendar year in
13 which the rental occurs. The rental company has the burden of
14 establishing by objectively verifiable evidence that the rental was
15 a qualified business rental.

16 (6) “Quote” means telephonic, in-person, and
17 computer-transmitted quotations.

18 (b) Notwithstanding any provision to the contrary contained in
19 paragraph (1) of subdivision (n) of Section 1936, a rental car
20 company may, in connection with the qualified business rental of
21 a passenger vehicle to a business renter of a business program
22 sponsor under the sponsor’s business program, do both of the
23 following:

24 (1) Separately quote additional charges for the rental if, at the
25 time the quote is provided, the person receiving the quote is also
26 provided a good faith estimate of the total of all the charges for
27 the entire rental. The estimate may exclude mileage charges and
28 charges for optional items and services that cannot be determined
29 prior to completing the reservation based upon the information
30 provided by the renter.

31 (2) Separately impose additional charges for the rental, if the
32 rental contract, or another document provided to the business renter
33 at the time and place the rental commences, clearly and
34 conspicuously discloses the total of all the charges for the entire
35 rental, exclusive of charges that cannot be determined at the time
36 the rental commences.

37 (e) A renter may bring an action against a rental company for
38 the recovery of damages and appropriate equitable relief for a
39 violation of this section. The prevailing party shall be entitled to
40 recover reasonable attorney’s fees and costs.

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

3 ~~(e) Nothing in this section shall be interpreted to mean that a~~
4 ~~rental company is not required to comply with the requirements~~
5 ~~of paragraphs (2) to (6), inclusive, of subdivision (n) of Section~~
6 ~~1936.~~

7 *SEC. 6. Section 1936.1 of the Civil Code is repealed.*

8 ~~1936.1. (a) (1) A rental company shall provide a renter of a~~
9 ~~15-passenger van with a copy of the United States Department of~~
10 ~~Transportation, National Highway Traffic Safety Administration's~~
11 ~~consumer advisory for 15-passenger vans titled "Reducing the~~
12 ~~Risk of Rollover Crashes" or, if that advisory is updated, a copy~~
13 ~~of the updated advisory. The renter shall acknowledge receipt of~~
14 ~~that copy by signing an acknowledgment of receipt on the rental~~
15 ~~agreement or on an attached form.~~

16 ~~(2) If the rental of that 15-passenger van is for a business~~
17 ~~purpose or use, the rental company shall also provide on the~~
18 ~~document described in paragraph (1) that only an employee with~~
19 ~~the proper licensing may drive that vehicle. The renter shall~~
20 ~~acknowledge the receipt thereof in the same manner as described~~
21 ~~in paragraph (1).~~

22 ~~(b) (1) Except as provided in paragraph (2), for purposes of~~
23 ~~this section, a "15-passenger van" means any van manufactured~~
24 ~~to accommodate 15 passengers, including the driver, regardless~~
25 ~~of whether that van has been altered to accommodate fewer than~~
26 ~~15 passengers.~~

27 ~~(2) For purposes of this section, a "15-passenger van" does not~~
28 ~~mean a 15-passenger van with dual rear wheels that has a gross~~
29 ~~weight rating equal to, or greater than, 11,500 pounds.~~

30 ~~SECTION 1. Section 1936 of the Civil Code is amended to~~
31 ~~read:~~

32 ~~1936. (a) For the purpose of this section, the following~~
33 ~~definitions shall apply:~~

34 ~~(1) "Rental company" means a person or entity in the business~~
35 ~~of renting passenger vehicles to the public.~~

36 ~~(2) "Renter" means any person in a manner obligated under a~~
37 ~~contract for the lease or hire of a passenger vehicle from a rental~~
38 ~~company for a period of less than 30 days.~~

39 ~~(3) "Authorized driver" means (A) the renter, (B) the renter's~~
40 ~~spouse if that person is a licensed driver and satisfies the rental~~

1 company's minimum age requirement, (C) the renter's employer
2 or coworker if he or she is engaged in business activity with the
3 renter, is a licensed driver, and satisfies the rental company's
4 minimum age requirement, and (D) a person expressly listed by
5 the rental company on the renter's contract as an authorized driver.

6 (4) (A) "Customer facility charge" means any fee, including
7 an alternative fee, required by an airport to be collected by a rental
8 company from a renter for any of the following purposes:

9 (i) To finance, design, and construct consolidated airport car
10 rental facilities.

11 (ii) To finance, design, construct, and operate common-use
12 transportation systems that move passengers between airport
13 terminals and those consolidated car rental facilities, and acquire
14 vehicles for use in that system.

15 (iii) To finance, design, and construct terminal modifications
16 solely to accommodate and provide customer access to
17 common-use transportation systems.

18 (B) The aggregate amount to be collected shall not exceed the
19 reasonable costs, as determined by an independent audit paid for
20 by the airport, to finance, design, and construct those facilities.
21 Copies of the audit shall be provided to the Assembly and Senate
22 Committees on Judiciary, the Assembly Committee on
23 Transportation, and the Senate Committee on Transportation and
24 Housing. In the case of a transportation system, the audit also shall
25 consider the reasonable costs of providing the transit system or
26 busing network. Notwithstanding clause (iii) of subparagraph (A),
27 the fees designated as a customer facility charge shall not be used
28 to pay for terminal expansion, gate expansion, runway expansion,
29 changes in hours of operation, or changes in the number of flights
30 arriving or departing from the airport.

31 (C) Except as provided in subparagraph (D), the authorization
32 given pursuant to this section for an airport to impose a customer
33 facility charge shall become inoperative when the bonds used for
34 financing are paid.

35 (D) If a bond or other form of indebtedness is not used for
36 financing, or the bond or other form of indebtedness used for
37 financing has been paid, the Oakland International Airport may
38 require the collection of a customer facility charge for a period of
39 up to 10 years from the imposition of the charge for the purposes
40 allowed by, and subject to the conditions imposed by, this section.

1 (5) “Damage waiver” means a rental company’s agreement not
2 to hold a renter liable for all or any portion of any damage or loss
3 related to the rented vehicle, any loss of use of the rented vehicle,
4 or any storage, impound, towing, or administrative charges.

5 (6) “Electronic surveillance technology” means a technological
6 method or system used to observe, monitor, or collect information,
7 including telematics, Global Positioning System (GPS), wireless
8 technology, or location-based technologies. “Electronic
9 surveillance technology” does not include event data recorders
10 (EDR), sensing and diagnostic modules (SDM), or other systems
11 that are used either:

12 (A) For the purpose of identifying, diagnosing, or monitoring
13 functions related to the potential need to repair, service, or perform
14 maintenance on the rental vehicle.

15 (B) As part of the vehicle’s airbag sensing and diagnostic system
16 in order to capture safety systems-related data for retrieval after a
17 crash has occurred or in the event that the collision sensors are
18 activated to prepare the decisionmaking computer to make the
19 determination to deploy or not to deploy the airbag.

20 (7) “Estimated time for replacement” means the number of hours
21 of labor, or fraction thereof, needed to replace damaged vehicle
22 parts as set forth in collision damage estimating guides generally
23 used in the vehicle repair business and commonly known as “crash
24 books.”

25 (8) “Estimated time for repair” means a good faith estimate of
26 the reasonable number of hours of labor, or fraction thereof, needed
27 to repair damaged vehicle parts.

28 (9) “Membership program” means a service offered by a rental
29 company that permits customers to bypass the rental counter and
30 go directly to the car previously reserved. A membership program
31 shall meet all of the following requirements:

32 (A) The renter initiates enrollment by completing an application
33 on which the renter can specify a preference for type of vehicle
34 and acceptance or declination of optional services.

35 (B) The rental company fully discloses, prior to the enrollee’s
36 first rental as a participant in the program, all terms and conditions
37 of the rental agreement as well as all required disclosures.

38 (C) The renter may terminate enrollment at any time.

39 (D) The rental company fully explains to the renter that
40 designated preferences, as well as acceptance or declination of

1 optional services, may be changed by the renter at any time for
2 the next and future rentals.

3 (E) An employee designated to receive the form specified in
4 subparagraph (C) of paragraph (1) of subdivision (t) is present at
5 the lot where the renter takes possession of the car, to receive any
6 change in the rental agreement from the renter.

7 (10) “Passenger vehicle” means a passenger vehicle as defined
8 in Section 465 of the Vehicle Code.

9 (11) “Quote” means an estimated cost of rental provided by a
10 rental company or third party to a potential customer by telephone,
11 in-person, computer-transmission, or other means, that is based
12 on information provided by the potential customer and used to
13 generate an estimated cost of rental, including, but not limited to,
14 the following:

15 (A) Potential dates of rental.

16 (B) Locations.

17 (C) Classes of cars.

18 (b) Except as limited by subdivision (c), a rental company and
19 a renter may agree that the renter will be responsible for no more
20 than all of the following:

21 (1) Physical or mechanical damage to the rented vehicle up to
22 its fair market value, as determined in the customary market for
23 the sale of that vehicle, resulting from collision regardless of the
24 cause of the damage.

25 (2) Loss due to theft of the rented vehicle up to its fair market
26 value, as determined in the customary market for the sale of that
27 vehicle, provided that the rental company establishes by clear and
28 convincing evidence that the renter or the authorized driver failed
29 to exercise ordinary care while in possession of the vehicle. In
30 addition, the renter shall be presumed to have no liability for any
31 loss due to theft if (A) an authorized driver has possession of the
32 ignition key furnished by the rental company or an authorized
33 driver establishes that the ignition key furnished by the rental
34 company was not in the vehicle at the time of the theft, and (B) an
35 authorized driver files an official report of the theft with the police
36 or other law enforcement agency within 24 hours of learning of
37 the theft and reasonably cooperates with the rental company and
38 the police or other law enforcement agency in providing
39 information concerning the theft. The presumption set forth in this
40 paragraph is a presumption affecting the burden of proof which

1 the rental company may rebut by establishing that an authorized
2 driver committed, or aided and abetted the commission of, the
3 theft.

4 (3) Physical damage to the rented vehicle up to its fair market
5 value, as determined in the customary market for the sale of that
6 vehicle, resulting from vandalism occurring after, or in connection
7 with, the theft of the rented vehicle. However, the renter shall have
8 no liability for any damage due to vandalism if the renter would
9 have no liability for theft pursuant to paragraph (2).

10 (4) Physical damage to the rented vehicle up to a total of five
11 hundred dollars (\$500) resulting from vandalism unrelated to the
12 theft of the rented vehicle.

13 (5) Actual charges for towing, storage, and impound fees paid
14 by the rental company if the renter is liable for damage or loss.

15 (6) An administrative charge, which shall include the cost of
16 appraisal and all other costs and expenses incident to the damage,
17 loss, repair, or replacement of the rented vehicle.

18 (e) The total amount of the renter's liability to the rental
19 company resulting from damage to the rented vehicle shall not
20 exceed the sum of the following:

21 (1) The estimated cost of parts which the rental company would
22 have to pay to replace damaged vehicle parts. All discounts and
23 price reductions or adjustments that are or will be received by the
24 rental company shall be subtracted from the estimate to the extent
25 not already incorporated in the estimate, or otherwise promptly
26 credited or refunded to the renter.

27 (2) The estimated cost of labor to replace damaged vehicle parts,
28 which shall not exceed the product of (A) the rate for labor usually
29 paid by the rental company to replace vehicle parts of the type that
30 were damaged and (B) the estimated time for replacement. All
31 discounts and price reductions or adjustments that are or will be
32 received by the rental company shall be subtracted from the
33 estimate to the extent not already incorporated in the estimate, or
34 otherwise promptly credited or refunded to the renter.

35 (3) (A) The estimated cost of labor to repair damaged vehicle
36 parts, which shall not exceed the lesser of the following:

37 (i) The product of the rate for labor usually paid by the rental
38 company to repair vehicle parts of the type that were damaged and
39 the estimated time for repair.

1 ~~(ii) The sum of the estimated labor and parts costs determined~~
2 ~~under paragraphs (1) and (2) to replace the same vehicle parts.~~
3 ~~(B) All discounts and price reductions or adjustments that are~~
4 ~~or will be received by the rental company shall be subtracted from~~
5 ~~the estimate to the extent not already incorporated in the estimate,~~
6 ~~or otherwise promptly credited or refunded to the renter.~~
7 ~~(4) For the purpose of converting the estimated time for repair~~
8 ~~into the same units of time in which the rental rate is expressed, a~~
9 ~~day shall be deemed to consist of eight hours.~~
10 ~~(5) Actual charges for towing, storage, and impound fees paid~~
11 ~~by the rental company.~~
12 ~~(6) The administrative charge described in paragraph (6) of~~
13 ~~subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total~~
14 ~~estimated cost for parts and labor is more than one hundred dollars~~
15 ~~(\$100) up to and including five hundred dollars (\$500), (B) one~~
16 ~~hundred dollars (\$100) if the total estimated cost for parts and~~
17 ~~labor exceeds five hundred dollars (\$500) up to and including one~~
18 ~~thousand five hundred dollars (\$1,500), and (C) one hundred fifty~~
19 ~~dollars (\$150) if the total estimated cost for parts and labor exceeds~~
20 ~~one thousand five hundred dollars (\$1,500). An administrative~~
21 ~~charge shall not be imposed if the total estimated cost of parts and~~
22 ~~labor is one hundred dollars (\$100) or less.~~
23 ~~(d) (1) The total amount of an authorized driver's liability to~~
24 ~~the rental company, if any, for damage occurring during the~~
25 ~~authorized driver's operation of the rented vehicle shall not exceed~~
26 ~~the amount of the renter's liability under subdivision (c).~~
27 ~~(2) A rental company shall not recover from the renter or other~~
28 ~~authorized driver an amount exceeding the renter's liability under~~
29 ~~subdivision (c).~~
30 ~~(3) A claim against a renter resulting from damage or loss,~~
31 ~~excluding loss of use, to a rental vehicle shall be reasonably and~~
32 ~~rationaly related to the actual loss incurred. A rental company~~
33 ~~shall mitigate damages where possible and shall not assert or collect~~
34 ~~a claim for physical damage which exceeds the actual costs of the~~
35 ~~repairs performed or the estimated cost of repairs, if the rental~~
36 ~~company chooses not to repair the vehicle, including all discounts~~
37 ~~and price reductions. However, if the vehicle is a total loss vehicle,~~
38 ~~the claim shall not exceed the total loss vehicle value established~~
39 ~~in accordance with procedures that are customarily used by~~
40 ~~insurance companies when paying claims on total loss vehicles,~~

1 less the proceeds from salvaging the vehicle, if those proceeds are
2 retained by the rental company.

3 ~~(4) If insurance coverage exists under the renter's applicable~~
4 ~~personal or business insurance policy and the coverage is confirmed~~
5 ~~during regular business hours, the renter may require that the rental~~
6 ~~company submit any claims to the renter's applicable personal or~~
7 ~~business insurance carrier. The rental company shall not make any~~
8 ~~written or oral representations that it will not present claims or~~
9 ~~negotiate with the renter's insurance carrier. For purposes of this~~
10 ~~paragraph, confirmation of coverage includes telephone~~
11 ~~confirmation from insurance company representatives during~~
12 ~~regular business hours. Upon request of the renter and after~~
13 ~~confirmation of coverage, the amount of claim shall be resolved~~
14 ~~between the insurance carrier and the rental company. The renter~~
15 ~~shall remain responsible for payment to the rental car company~~
16 ~~for any loss sustained that the renter's applicable personal or~~
17 ~~business insurance policy does not cover.~~

18 ~~(5) A rental company shall not recover from the renter or other~~
19 ~~authorized driver for an item described in subdivision (b) to the~~
20 ~~extent the rental company obtains recovery from another person.~~

21 ~~(6) This section applies only to the maximum liability of a renter~~
22 ~~or other authorized driver to the rental company resulting from~~
23 ~~damage to the rented vehicle and not to the liability of another~~
24 ~~person.~~

25 ~~(e) (1) Except as provided in subdivision (f), a damage waiver~~
26 ~~shall provide or, if not expressly stated in writing, shall be deemed~~
27 ~~to provide that the renter has no liability for a damage, loss, loss~~
28 ~~of use, or a cost or expense incident thereto.~~

29 ~~(2) Except as provided in subdivision (f), every limitation,~~
30 ~~exception, or exclusion to a damage waiver is void and~~
31 ~~unenforceable.~~

32 ~~(f) A rental company may provide in the rental contract that a~~
33 ~~damage waiver does not apply under any of the following~~
34 ~~circumstances:~~

35 ~~(1) Damage or loss results from an authorized driver's (A)~~
36 ~~intentional, willful, wanton, or reckless conduct, (B) operation of~~
37 ~~the vehicle under the influence of drugs or alcohol in violation of~~
38 ~~Section 23152 of the Vehicle Code, (C) towing or pushing~~
39 ~~anything, or (D) operation of the vehicle on an unpaved road if~~

1 the damage or loss is a direct result of the road or driving
2 conditions.

3 (2) ~~Damage or loss occurs while the vehicle is (A) used for~~
4 ~~commercial hire, (B) used in connection with conduct that could~~
5 ~~be properly charged as a felony, (C) involved in a speed test or~~
6 ~~contest or in driver training activity, (D) operated by a person other~~
7 ~~than an authorized driver, or (E) operated outside the United States.~~

8 (3) ~~An authorized driver who has (A) provided fraudulent~~
9 ~~information to the rental company, or (B) provided false~~
10 ~~information and the rental company would not have rented the~~
11 ~~vehicle if it had instead received true information.~~

12 (g) ~~(1) A rental company that offers or provides a damage~~
13 ~~waiver for any consideration in addition to the rental rate shall~~
14 ~~clearly and conspicuously disclose the following information in~~
15 ~~the rental contract or holder in which the contract is placed and,~~
16 ~~also, in signs posted at the place, such as the counter, where the~~
17 ~~renter signs the rental contract, and, for renters who are enrolled~~
18 ~~in the rental company's membership program, in a sign that shall~~
19 ~~be posted in a location clearly visible to those renters as they enter~~
20 ~~the location where their reserved rental cars are parked or near the~~
21 ~~exit of the bus or other conveyance that transports the enrollee to~~
22 ~~a reserved car: (A) the nature of the renter's liability, such as~~
23 ~~liability for all collision damage regardless of cause, (B) the extent~~
24 ~~of the renter's liability, such as liability for damage or loss up to~~
25 ~~a specified amount, (C) the renter's personal insurance policy or~~
26 ~~the credit card used to pay for the car rental transaction may~~
27 ~~provide coverage for all or a portion of the renter's potential~~
28 ~~liability, (D) the renter should consult with his or her insurer to~~
29 ~~determine the scope of insurance coverage, including the amount~~
30 ~~of the deductible, if any, for which the renter is obligated, (E) the~~
31 ~~renter may purchase an optional damage waiver to cover all~~
32 ~~liability, subject to whatever exceptions the rental company~~
33 ~~expressly lists that are permitted under subdivision (f), and (F) the~~
34 ~~range of charges for the damage waiver.~~

35 (2) ~~In addition to the requirements of paragraph (1), a rental~~
36 ~~company that offers or provides a damage waiver shall orally~~
37 ~~disclose to all renters, except those who are participants in the~~
38 ~~rental company's membership program, that the damage waiver~~
39 ~~may be duplicative of coverage that the customer maintains under~~
40 ~~his or her own policy of motor vehicle insurance. The renter's~~

1 receipt of the oral disclosure shall be demonstrated through the
2 renter's acknowledging receipt of the oral disclosure near that part
3 of the contract where the renter indicates, by the renter's own
4 initials, his or her acceptance or declination of the damage waiver.
5 Adjacent to that same part, the contract also shall state that the
6 damage waiver is optional. Further, the contract for these renters
7 shall include a clear and conspicuous written disclosure that the
8 damage waiver may be duplicative of coverage that the customer
9 maintains under his or her own policy of motor vehicle insurance.

10 (3) The following is an example, for purposes of illustration
11 and not limitation, of a notice fulfilling the requirements of
12 paragraph (1) for a rental company that imposes liability on the
13 renter for collision damage to the full value of the vehicle:

14
15 **“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY**
16 **AND OPTIONAL DAMAGE WAIVER**

17
18 You are responsible for all collision damage to the rented vehicle
19 even if someone else caused it or the cause is unknown. You are
20 responsible for the cost of repair up to the value of the vehicle,
21 and towing, storage, and impound fees.

22 Your own insurance, or the issuer of the credit card you use to
23 pay for the car rental transaction, may cover all or part of your
24 financial responsibility for the rented vehicle. You should check
25 with your insurance company, or credit card issuer, to find out
26 about your coverage and the amount of the deductible, if any, for
27 which you may be liable.

28 Further, if you use a credit card that provides coverage for your
29 potential liability, you should check with the issuer to determine
30 if you must first exhaust the coverage limits of your own insurance
31 before the credit card coverage applies.

32 The rental company will not hold you responsible if you buy a
33 damage waiver. But a damage waiver will not protect you if (list
34 exceptions).”

35 (A) When the above notice is printed in the rental contract or
36 holder in which the contract is placed, the following shall be printed
37 immediately following the notice:

38 “The cost of an optional damage waiver is \$_____ for every (day
39 or week).”

1 ~~(B) When the above notice appears on a sign, the following~~
2 ~~shall appear immediately adjacent to the notice:~~

3 ~~“The cost of an optional damage waiver is \$_____ to \$_____ for~~
4 ~~every (day or week), depending upon the vehicle rented.”~~

5 ~~(h) Notwithstanding any other provision of law, a rental~~
6 ~~company may sell a damage waiver subject to the following rate~~
7 ~~limitations for each full or partial 24-hour rental day for the damage~~
8 ~~waiver:~~

9 ~~(1) For rental vehicles that the rental company designates as an~~
10 ~~“economy car,” “subcompact car,” “compact car,” or another term~~
11 ~~having similar meaning when offered for rental, or another vehicle~~
12 ~~having a manufacturer’s suggested retail price of nineteen thousand~~
13 ~~dollars (\$19,000) or less, the rate shall not exceed nine dollars~~
14 ~~(\$9):~~

15 ~~(2) For rental vehicles that have a manufacturer’s suggested~~
16 ~~retail price from nineteen thousand one dollars (\$19,001) to~~
17 ~~thirty-four thousand nine hundred ninety-nine dollars (\$34,999),~~
18 ~~inclusive, and that are also either vehicles of next year’s model,~~
19 ~~or not older than the previous year’s model, the rate shall not~~
20 ~~exceed fifteen dollars (\$15). For those rental vehicles older than~~
21 ~~the previous year’s model-year, the rate shall not exceed nine~~
22 ~~dollars (\$9):~~

23 ~~(i) The manufacturer’s suggested retail prices described in~~
24 ~~subdivision (h) shall be adjusted annually to reflect changes from~~
25 ~~the previous year in the Consumer Price Index. For the purposes~~
26 ~~of this section, “Consumer Price Index” means the United States~~
27 ~~Consumer Price Index for All Urban Consumers, for all items:~~

28 ~~(j) A rental company that disseminates in this state an~~
29 ~~advertisement containing a rental rate shall include in that~~
30 ~~advertisement a clearly readable statement of the charge for a~~
31 ~~damage waiver and a statement that a damage waiver is optional:~~

32 ~~(k) (1) A rental company shall not require the purchase of a~~
33 ~~damage waiver, optional insurance, or another optional good or~~
34 ~~service:~~

35 ~~(2) A rental company shall not engage in any unfair, deceptive,~~
36 ~~or coercive conduct to induce a renter to purchase the damage~~
37 ~~waiver, optional insurance, or another optional good or service,~~
38 ~~including conduct such as, but not limited to, refusing to honor~~
39 ~~the renter’s reservation, limiting the availability of vehicles,~~
40 ~~requiring a deposit, or debiting or blocking the renter’s credit card~~

1 account for a sum equivalent to a deposit if the renter declines to
2 purchase the damage waiver, optional insurance, or another
3 optional good or service.

4 (l) (1) In the absence of express permission granted by the
5 renter subsequent to damage to, or loss of, the vehicle, a rental
6 company shall not seek to recover any portion of a claim arising
7 out of damage to, or loss of, the rented vehicle by processing a
8 credit card charge or causing a debit or block to be placed on the
9 renter's credit card account.

10 (2) A rental company shall not engage in any unfair, deceptive,
11 or coercive tactics in attempting to recover or in recovering on any
12 claim arising out of damage to, or loss of, the rented vehicle.

13 (m) (1) A customer facility charge may be collected by a rental
14 company under the following circumstances:

15 (A) Collection of the fee by the rental company is required by
16 an airport operated by a city, a county, a city and county, a joint
17 powers authority, a special district, or the San Diego County
18 Regional Airport Authority formed pursuant to Division 17
19 (commencing with Section 170000) of the Public Utilities Code.

20 (B) The fee is calculated on a per contract basis or as provided
21 in paragraph (2).

22 (C) The fee is a user fee, not a tax imposed upon real property
23 or an incidence of property ownership under Article XIII D of the
24 California Constitution.

25 (D) Except as otherwise provided in subparagraph (E), the fee
26 shall be ten dollars (\$10) per contract or the amount provided in
27 paragraph (2).

28 (E) The fee for a consolidated rental car facility shall be
29 collected only from customers of on-airport rental car companies.
30 If the fee imposed by the airport is for both a consolidated rental
31 car facility and a common-use transportation system, the fee
32 collected from customers of on-airport rental car companies shall
33 be ten dollars (\$10) or the amount provided in paragraph (2), but
34 the fee imposed on customers of off-airport rental car companies
35 who are transported on the common-use transportation system is
36 proportionate to the costs of the common-use transportation system
37 only. The fee is uniformly applied to each class of on-airport or
38 off-airport customers, provided that the airport requires off-airport
39 customers to use the common-use transportation system. For
40 purposes of this subparagraph, "on-airport rental car company"

1 means a rental company operating under an airport property lease
 2 or an airport concession or license agreement whose customers
 3 use or will use the consolidated rental car facility and the collection
 4 of the fee as to those customers is consistent with subparagraph
 5 (C).

6 ~~(F) Revenues collected from the fee do not exceed the reasonable~~
 7 ~~costs of financing, designing, and constructing the facility and~~
 8 ~~financing, designing, constructing, and operating any common-use~~
 9 ~~transportation system, or acquiring vehicles for use in that system,~~
 10 ~~and shall not be used for any other purpose.~~

11 ~~(G) The fee is separately identified on the rental agreement.~~

12 ~~(H) This paragraph does not apply to fees which are governed~~
 13 ~~by Section 50474.1 of the Government Code or Section 57.5 of~~
 14 ~~the San Diego Unified Port District Act.~~

15 ~~(I) For any airport seeking to require rental car companies to~~
 16 ~~collect an alternative customer facility charge pursuant to paragraph~~
 17 ~~(2), the following provisions apply:~~

18 ~~(i) Notwithstanding Section 10231.5 of the Government Code,~~
 19 ~~the airport shall provide reports on an annual basis to the Senate~~
 20 ~~and Assembly Committees on Judiciary detailing all of the~~
 21 ~~following:~~

22 ~~(I) The total amount of the customer facility charge collected.~~

23 ~~(II) How the funds are being spent.~~

24 ~~(III) The amount of and reason for any changes in the airport's~~
 25 ~~budget or financial needs for the facility or common-use~~
 26 ~~transportation system.~~

27 ~~(IV) Whether airport concession fees authorized by Section~~
 28 ~~1936.01 have increased since the prior report, if any.~~

29 ~~(ii) The airport shall complete the independent audit required~~
 30 ~~by subparagraph (B) of paragraph (4) of subdivision (a) prior to~~
 31 ~~initial collection of the customer facility charge, prior to any~~
 32 ~~increase pursuant to paragraph (2), and every three years after~~
 33 ~~initial collection and any increase until such time as the fee~~
 34 ~~authorization becomes inoperative pursuant to subparagraph (C)~~
 35 ~~of paragraph (4) of subdivision (a). The Controller shall review~~
 36 ~~those audits and independently examine and substantiate the~~
 37 ~~necessity for and the amount of the customer facility charge. The~~
 38 ~~Controller's costs shall be reimbursed by the individual airport~~
 39 ~~being audited. Notwithstanding Section 10231.5 of the Government~~
 40 ~~Code, the Controller shall report to the Legislature on its~~

1 conclusions, including whether the airport's actual or projected
2 costs are supported and justified, any steps the airport may take to
3 limit costs, potential alternatives for meeting the airport's revenue
4 needs other than the collection of the fee, and whether and to what
5 extent car rental companies or other businesses or individuals using
6 the facility or common-use transportation system may pay for the
7 costs associated with these facilities and systems other than the
8 fee from rental customers, or whether the airport did not comply
9 with any provision of this subparagraph.

10 (iii) Use of the bonds shall be limited to construction and design
11 of the consolidated rental car facility, terminal modifications, and
12 operating costs of the common-use transportation system, as
13 specified in paragraph (4) of subdivision (a).

14 (2) Any airport may require rental car companies to collect an
15 alternative customer facility charge under the following conditions:

16 (A) The airport first conducts a publicly noticed hearing pursuant
17 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
18 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
19 to review the costs of financing the design and construction of a
20 consolidated rental car facility and the design, construction, and
21 operation of any common-use transportation system in which all
22 of the following occur:

23 (i) The airport establishes the amount of revenue necessary to
24 finance the reasonable cost to design and construct a consolidated
25 rental car facility and to design, construct, and operate any
26 common-use transportation system, or acquire vehicles for use in
27 that system, based on evidence presented during the hearing.

28 (ii) The airport finds, based on evidence presented during the
29 hearing, that the fee authorized in paragraph (1) will not generate
30 sufficient revenue to finance the reasonable costs to design and
31 construct a consolidated rental car facility and to design, construct,
32 and operate any common-use transportation system, or acquire
33 vehicles for use in that system.

34 (iii) The airport finds that the reasonable cost of the project
35 requires the additional amount of revenue that would be generated
36 by the proposed daily rate, including any rate increase, authorized
37 pursuant to this paragraph.

38 (iv) The airport outlines each of the following:

39 (I) Steps it has taken to limit costs.

1 ~~(H) Other potential alternatives for meeting its revenue needs~~
2 ~~other than the collection of the fee.~~
3 ~~(III) The extent to which rental car companies or other~~
4 ~~businesses or individuals using the facility or common-use~~
5 ~~transportation system will pay for the costs associated with these~~
6 ~~facilities and systems other than the fee from rental customers.~~
7 ~~(v) The Controller reviews and substantiates the need for and~~
8 ~~amount of the fee pursuant to clause (ii) of subparagraph (I) of~~
9 ~~paragraph (1).~~
10 ~~(B) The airport may not require the fee authorized in this~~
11 ~~paragraph to be collected at any time that the fee authorized in~~
12 ~~paragraph (1) of this subdivision is being collected.~~
13 ~~(C) Pursuant to the procedure set forth in this subdivision, the~~
14 ~~fee may be collected at a rate charged on a per-day basis subject~~
15 ~~to the following conditions:~~
16 ~~(i) Commencing January 1, 2011, the amount of the fee may~~
17 ~~not exceed six dollars (\$6) per day.~~
18 ~~(ii) Commencing January 1, 2014, the amount of the fee may~~
19 ~~not exceed seven dollars and fifty cents (\$7.50) per day.~~
20 ~~(iii) Commencing January 1, 2017, and thereafter, the amount~~
21 ~~of the fee may not exceed nine dollars (\$9) per day.~~
22 ~~(iv) At no time shall the fee authorized in this paragraph be~~
23 ~~collected from any customer for more than five days for each~~
24 ~~individual rental car contract.~~
25 ~~(v) An airport subject to this paragraph shall initiate the process~~
26 ~~for obtaining the authority to require or increase the alternative~~
27 ~~fee no later than January 1, 2018. Any airport that obtains the~~
28 ~~authority to require or increase an alternative fee shall be authorized~~
29 ~~to continue collecting that fee until the fee authorization becomes~~
30 ~~inoperative pursuant to subparagraph (C) of paragraph (4) of~~
31 ~~subdivision (a).~~
32 ~~(3) Notwithstanding any other provision of law, including, but~~
33 ~~not limited to, Part 1 (commencing with Section 6001) to Part 1.7~~
34 ~~(commencing with Section 7280), inclusive, of Division 2 of the~~
35 ~~Revenue and Taxation Code, the fees collected pursuant to this~~
36 ~~section, or another law whereby a local agency operating an airport~~
37 ~~requires a rental car company to collect a facility financing fee~~
38 ~~from its customers, are not subject to sales, use, or transaction~~
39 ~~taxes.~~

1 ~~(n) (1) A rental company shall only advertise, quote, and charge~~
2 ~~a rental rate that includes the entire amount except taxes, a~~
3 ~~customer facility charge, if any, and a mileage charge, if any, that~~
4 ~~a renter must pay to hire or lease the vehicle for the period of time~~
5 ~~to which the rental rate applies. A rental company shall not charge~~
6 ~~in addition to the rental rate, taxes, a customer facility charge, if~~
7 ~~any, and a mileage charge, if any, any fee that is required to be~~
8 ~~paid by the renter as a condition of hiring or leasing the vehicle,~~
9 ~~including, but not limited to, required fuel or airport surcharges~~
10 ~~other than customer facility charges, nor a fee for transporting the~~
11 ~~renter to the location where the rented vehicle will be delivered to~~
12 ~~the renter.~~

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

28 ~~(3) A rental company shall not charge a fee for authorized~~
29 ~~drivers in addition to the rental charge for an individual renter.~~

30 ~~(4) If a rental company states a rental rate in print advertisement~~
31 ~~or in a telephonic, in-person, or computer-transmitted quote, the~~
32 ~~rental company shall disclose clearly in that advertisement or quote~~
33 ~~the terms of mileage conditions relating to the advertised or quoted~~
34 ~~rental rate, including, but not limited to, to the extent applicable,~~
35 ~~the amount of mileage and gas charges, the number of miles for~~
36 ~~which no charges will be imposed, and a description of geographic~~
37 ~~driving limitations within the United States and Canada.~~

38 ~~(5) (A) When a rental rate is stated in an advertisement,~~
39 ~~quotation, or reservation in connection with a car rental at an airport~~
40 ~~where a customer facility charge is imposed, the rental company~~

1 shall disclose clearly the existence and amount of the customer
2 facility charge. For purposes of this subparagraph, advertisements
3 include radio, television, other electronic media, and print
4 advertisements. For purposes of this subparagraph, quotes and
5 reservations include those that are telephonic, in-person, and
6 computer-transmitted. If the rate advertisement is intended to
7 include transactions at more than one airport imposing a customer
8 facility charge, a range of fees may be stated in the advertisement.
9 However, all rate advertisements that include car rentals at airport
10 destinations shall clearly and conspicuously include a toll-free
11 telephone number whereby a customer can be told the specific
12 amount of the customer facility charge to which the customer will
13 be obligated.

14 (B) If a person or entity other than a rental car company,
15 including a passenger carrier or a seller of travel services, advertises
16 or quotes a rate for a car rental at an airport where a customer
17 facility charge is imposed, that person or entity shall, provided
18 that he, she, or it is provided with information about the existence
19 and amount of the fee, to the extent not specifically prohibited by
20 federal law, clearly disclose the existence and amount of the fee
21 in any telephonic, in-person, or computer-transmitted quotation at
22 the time of making an initial quotation of a rental rate and at the
23 time of making a reservation of a rental car. If a rental car company
24 provides the person or entity with rate and customer facility charge
25 information, the rental car company is not responsible for the
26 failure of that person or entity to comply with this subparagraph
27 when quoting or confirming a rate to a third person or entity.

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

37 (o) A rental company shall not use, access, or obtain any
38 information relating to the renter's use of the rental vehicle that
39 was obtained using electronic surveillance technology, except in
40 the following circumstances:

1 ~~(1) (A) When the equipment is used by the rental company~~
2 ~~only for the purpose of locating a stolen, abandoned, or missing~~
3 ~~rental vehicle after one of the following:~~

4 ~~(i) The renter or law enforcement has informed the rental~~
5 ~~company that the vehicle is missing or has been stolen or~~
6 ~~abandoned.~~

7 ~~(ii) The rental vehicle has not been returned following one week~~
8 ~~after the contracted return date, or by one week following the end~~
9 ~~of an extension of that return date.~~

10 ~~(iii) The rental company discovers the rental vehicle has been~~
11 ~~stolen or abandoned, and, if stolen, it shall report the vehicle stolen~~
12 ~~to law enforcement by filing a stolen vehicle report, unless law~~
13 ~~enforcement has already informed the rental company that the~~
14 ~~vehicle is missing or has been stolen or abandoned.~~

15 ~~(B) If electronic surveillance technology is activated pursuant~~
16 ~~to subparagraph (A), a rental company shall maintain a record, in~~
17 ~~either electronic or written form, of information relevant to the~~
18 ~~activation of that technology. That information shall include the~~
19 ~~rental agreement, including the return date, and the date and time~~
20 ~~the electronic surveillance technology was activated. The record~~
21 ~~shall also include, if relevant, a record of written or other~~
22 ~~communication with the renter, including communications~~
23 ~~regarding extensions of the rental, police reports, or other written~~
24 ~~communication with law enforcement officials. The record shall~~
25 ~~be maintained for a period of at least 12 months from the time the~~
26 ~~record is created and shall be made available upon the renter's~~
27 ~~request. The rental company shall maintain and furnish explanatory~~
28 ~~codes necessary to read the record. A rental company shall not be~~
29 ~~required to maintain a record if electronic surveillance technology~~
30 ~~is activated to recover a rental vehicle that is stolen or missing at~~
31 ~~a time other than during a rental period.~~

32 ~~(2) In response to a specific request from law enforcement~~
33 ~~pursuant to a subpoena or search warrant.~~

34 ~~(3) This subdivision does not prohibit a rental company from~~
35 ~~equipping rental vehicles with GPS-based technology that provides~~
36 ~~navigation assistance to the occupants of the rental vehicle, if the~~
37 ~~rental company does not use, access, or obtain information relating~~
38 ~~to the renter's use of the rental vehicle that was obtained using~~
39 ~~that technology, except for the purposes of discovering or repairing~~

1 a defect in the technology and the information may then be used
2 only for that purpose.

3 ~~(4) This subdivision does not prohibit a rental company from
4 equipping rental vehicles with electronic surveillance technology
5 that allows for the remote locking or unlocking of the vehicle at
6 the request of the renter, if the rental company does not use, access,
7 or obtain information relating to the renter's use of the rental
8 vehicle that was obtained using that technology, except as
9 necessary to lock or unlock the vehicle.~~

10 ~~(5) This subdivision does not prohibit a rental company from
11 equipping rental vehicles with electronic surveillance technology
12 that allows the company to provide roadside assistance, such as
13 towing, flat tire, or fuel services, at the request of the renter, if the
14 rental company does not use, access, or obtain information relating
15 to the renter's use of the rental vehicle that was obtained using
16 that technology except as necessary to provide the requested
17 roadside assistance.~~

18 ~~(6) This subdivision does not prohibit a rental company from
19 obtaining, accessing, or using information from electronic
20 surveillance technology for the sole purpose of determining the
21 date and time the vehicle is returned to the rental company, and
22 the total mileage driven and the vehicle fuel level of the returned
23 vehicle. This paragraph, however, shall apply only after the renter
24 has returned the vehicle to the rental company, and the information
25 shall only be used for the purpose described in this paragraph.~~

26 ~~(p) A rental company shall not use electronic surveillance
27 technology to track a renter in order to impose fines or surcharges
28 relating to the renter's use of the rental vehicle.~~

29 ~~(q) A renter may bring an action against a rental company for
30 the recovery of damages and appropriate equitable relief for a
31 violation of this section. The prevailing party shall be entitled to
32 recover reasonable attorney's fees and costs.~~

33 ~~(r) A rental company that brings an action against a renter for
34 loss due to theft of the vehicle shall bring the action in the county
35 in which the renter resides or, if the renter is not a resident of this
36 state, in the jurisdiction in which the renter resides.~~

37 ~~(s) A waiver of any of the provisions of this section shall be
38 void and unenforceable as contrary to public policy.~~

1 ~~(t) (1) A rental company's disclosure requirements shall be~~
2 ~~satisfied for renters who are enrolled in the rental company's~~
3 ~~membership program if all of the following conditions are met:~~

4 ~~(A) Prior to the enrollee's first rental as a participant in the~~
5 ~~program, the renter receives, in writing, the following:~~

6 ~~(i) All of the disclosures required by paragraph (1) of subdivision~~
7 ~~(g), including the terms and conditions of the rental agreement~~
8 ~~then in effect.~~

9 ~~(ii) An Internet Web site address, as well as a contact number~~
10 ~~or address, where the enrollee can learn of changes to the rental~~
11 ~~agreement or to the laws of this state governing rental agreements~~
12 ~~since the effective date of the rental company's most recent~~
13 ~~restatement of the rental agreement and distribution of that~~
14 ~~restatement to its members.~~

15 ~~(B) At the commencement of each rental period, the renter is~~
16 ~~provided, on the rental record or the folder in which it is inserted,~~
17 ~~with a printed notice stating that he or she had either previously~~
18 ~~selected or declined an optional damage waiver and that the renter~~
19 ~~has the right to change preferences.~~

20 ~~(C) At the commencement of each rental period, the rental~~
21 ~~company provides, on the rearview mirror, a hanger on which a~~
22 ~~statement is printed, in a box, in at least 12-point boldface type,~~
23 ~~notifying the renter that the collision damage waiver offered by~~
24 ~~the rental company may be duplicative of coverage that the~~
25 ~~customer maintains under his or her own policy of motor vehicle~~
26 ~~insurance. If it is not feasible to hang the statement from the~~
27 ~~rearview mirror, it shall be hung from the steering wheel.~~

28 ~~The hanger shall provide the renter a box to initial if he or she~~
29 ~~(not his or her employer) has previously accepted or declined the~~
30 ~~collision damage waiver and that he or she now wishes to change~~
31 ~~his or her decision to accept or decline the collision damage waiver,~~
32 ~~as follows:~~

33 ~~– If I previously accepted the collision damage waiver, I~~
34 ~~now decline it.~~

35 ~~– If I previously declined the collision damage waiver, I now~~
36 ~~accept it.”~~

37 ~~The hanger shall also provide a box for the enrollee to indicate~~
38 ~~whether this change applies to this rental transaction only or to all~~
39 ~~future rental transactions. The hanger shall also notify the renter~~
40 ~~that he or she may make that change, prior to leaving the lot, by~~

1 returning the form to an employee designated to receive the form
2 who is present at the lot where the renter takes possession of the
3 car, to receive any change in the rental agreement from the renter.
4 ~~(2) (A) This subdivision is not effective unless the employee~~
5 ~~designated pursuant to subparagraph (E) of paragraph (8) of~~
6 ~~subdivision (a) is actually present at the required location.~~
7 ~~(B) This subdivision does not relieve the rental company from~~
8 ~~the disclosures required to be made within the text of a contract~~
9 ~~or holder in which the contract is placed; in or on an advertisement~~
10 ~~containing a rental rate; or in a telephonic, in-person, or~~
11 ~~computer-transmitted quotation or reservation.~~
12 ~~(u) The amendments made to this section during the 2001-02~~
13 ~~Regular Session of the Legislature do not affect litigation pending~~
14 ~~on or before January 1, 2003, alleging a violation of Section 22325~~
15 ~~of the Business and Professions Code as it read at the time the~~
16 ~~action was commenced.~~