

AMENDED IN SENATE AUGUST 20, 2014

AMENDED IN SENATE JULY 1, 2014

AMENDED IN SENATE JUNE 15, 2014

AMENDED IN ASSEMBLY MAY 13, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 1981**

**Introduced by Assembly Member Brown**

February 19, 2014

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An act to amend Sections 1936, 1936.01, 1936.015, and 1936.05 of the Civil Code, relating to rental vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1981, as amended, Brown. Rental vehicles: contracts: damage waivers.

Existing law governs contracts between vehicle rental companies and their customers and authorizes a rental company to sell a damage waiver for each full or partial 24-hour rental day. Existing law specifies the maximum rate of the damage waiver sold, as \$9 or \$15 per rental day, as determined by criteria that include the rental company designation of the vehicle based upon the manufacturer's suggested retail price and model year. For purposes of these provisions, existing law requires the manufacturer's suggested retail price to be adjusted annually to reflect changes from the previous year in the Consumer Price Index, as defined.

This bill would remove the manufacturer's suggested retail price as one of the criteria for the rate of a damage waiver sold by a rental

company. The bill would increase the maximum rate of the damage waiver to \$11 per rental day for rental vehicles that a rental company designates as an “economy car,” “compact car,” or another term that has a similar meaning to the 2 smallest categories of vehicles described in prescribed standards, as of January 1, 2014. The bill would also increase the maximum rate of the damage waiver to \$17 per rental day for rental vehicles in the next 3 body-size categories of vehicles described in these standards and that are also within a specified model year. For rentals that are older than the previous year’s model, the bill would specify the maximum rate as \$11 per rental day.

*This bill would incorporate additional changes to Section 1936 of the Civil Code made by AB 2747 that would become operative if this bill and AB 2747 are both enacted and this bill is enacted last.*

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

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

1 SECTION 1. Section 1936 of the Civil Code, as amended by  
2 Section 2 of Chapter 549 of the Statutes of 2013, is amended to  
3 read:

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 all of the following:

12 (A) The renter.

13 (B) The renter’s spouse if that person is a licensed driver and  
14 satisfies the rental company’s minimum age requirement.

15 (C) The renter’s employer or coworker if he or she is engaged  
16 in business activity with the renter, is a licensed driver, and satisfies  
17 the rental company’s minimum age requirement.

18 (D) A person expressly listed by the rental company on that  
19 renter’s contract as an authorized driver.

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

1 (i) To finance, design, and construct consolidated airport car  
2 rental facilities.

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

7 (iii) To finance, design, and construct terminal modifications  
8 solely to accommodate and provide customer access to  
9 common-use transportation systems.

10 (B) The aggregate amount to be collected shall not exceed the  
11 reasonable costs, as determined by an audit, by an independent  
12 auditor, paid for by the airport, to finance, design, and construct  
13 those facilities. The auditor shall independently examine and  
14 substantiate the necessity for and the amount of the customer  
15 facility charge, including whether the airport's actual or projected  
16 costs are supported and justified, any steps the airport may take to  
17 limit costs, potential alternatives for meeting the airport's revenue  
18 needs other than the collection of the fee, and whether and to what  
19 extent car rental companies or other businesses or individuals using  
20 the facility or common-use transportation system may pay for the  
21 costs associated with these facilities and systems other than the  
22 fee from rental customers, or whether the airport did not comply  
23 with any provision of this subparagraph. Copies of the audit shall  
24 be provided to the Assembly and Senate Committees on Judiciary,  
25 the Assembly Committee on Transportation, and the Senate  
26 Committee on Transportation and Housing and shall be posted on  
27 the airport's Internet Web site. In the case of a customer facility  
28 charge for a common-use transportation system, the audit also  
29 shall consider the reasonable costs of providing the transit system  
30 or busing network pursuant to clause (ii) of subparagraph (A). Any  
31 audit required by this subparagraph may be included as a part of  
32 an audit of an airport's finances. Notwithstanding clause (iii) of  
33 subparagraph (A), the fees designated as a customer facility charge  
34 shall not be used to pay for terminal expansion, gate expansion,  
35 runway expansion, changes in hours of operation, or changes in  
36 the number of flights arriving or departing from the airport.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (c) The total amount of the renter's liability to the rental  
16 company resulting from damage to the rented vehicle shall not  
17 exceed the sum of the following:

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

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

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

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

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

39 (B) All discounts and price reductions or adjustments that are  
40 or will be received by the rental company shall be subtracted from

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

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

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

8 (6) The administrative charge described in paragraph (6) of  
9 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
10 estimated cost for parts and labor is more than one hundred dollars  
11 (\$100) up to and including five hundred dollars (\$500), (B) one  
12 hundred dollars (\$100) if the total estimated cost for parts and  
13 labor exceeds five hundred dollars (\$500) up to and including one  
14 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
15 dollars (\$150) if the total estimated cost for parts and labor exceeds  
16 one thousand five hundred dollars (\$1,500). An administrative  
17 charge shall not be imposed if the total estimated cost of parts and  
18 labor is one hundred dollars (\$100) or less.

19 (d) (1) The total amount of an authorized driver's liability to  
20 the rental company, if any, for damage occurring during the  
21 authorized driver's operation of the rented vehicle shall not exceed  
22 the amount of the renter's liability under subdivision (c).

23 (2) A rental company shall not recover from the renter or other  
24 authorized driver an amount exceeding the renter's liability under  
25 subdivision (c).

26 (3) A claim against a renter resulting from damage or loss,  
27 excluding loss of use, to a rental vehicle shall be reasonably and  
28 rationally related to the actual loss incurred. A rental company  
29 shall mitigate damages where possible and shall not assert or collect  
30 a claim for physical damage which exceeds the actual costs of the  
31 repairs performed or the estimated cost of repairs, if the rental  
32 company chooses not to repair the vehicle, including all discounts  
33 and price reductions. However, if the vehicle is a total loss vehicle,  
34 the claim shall not exceed the total loss vehicle value established  
35 in accordance with procedures that are customarily used by  
36 insurance companies when paying claims on total loss vehicles,  
37 less the proceeds from salvaging the vehicle, if those proceeds are  
38 retained by the rental company.

39 (4) If insurance coverage exists under the renter's applicable  
40 personal or business insurance policy and the coverage is confirmed

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

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

17 (6) This section applies only to the maximum liability of a renter  
18 or other authorized driver to the rental company resulting from  
19 damage to the rented vehicle and not to the liability of another  
20 person.

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

25 (2) Except as provided in subdivision (f), every limitation,  
26 exception, or exclusion to a damage waiver is void and  
27 unenforceable.

28 (f) A rental company may provide in the rental contract that a  
29 damage waiver does not apply under any of the following  
30 circumstances:

31 (1) Damage or loss results from an authorized driver's (A)  
32 intentional, willful, wanton, or reckless conduct, (B) operation of  
33 the vehicle under the influence of drugs or alcohol in violation of  
34 Section 23152 of the Vehicle Code, (C) towing or pushing  
35 anything, or (D) operation of the vehicle on an unpaved road if  
36 the damage or loss is a direct result of the road or driving  
37 conditions.

38 (2) Damage or loss occurs while the vehicle is (A) used for  
39 commercial hire, (B) used in connection with conduct that could  
40 be properly charged as a felony, (C) involved in a speed test or

1 contest or in driver training activity, (D) operated by a person other  
2 than an authorized driver, or (E) operated outside the United States.

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

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

30 (2) In addition to the requirements of paragraph (1), a rental  
31 company that offers or provides a damage waiver shall orally  
32 disclose to all renters, except those who are participants in the  
33 rental company's membership program, that the damage waiver  
34 may be duplicative of coverage that the customer maintains under  
35 his or her own policy of motor vehicle insurance. The renter's  
36 receipt of the oral disclosure shall be demonstrated through the  
37 renter's acknowledging receipt of the oral disclosure near that part  
38 of the contract where the renter indicates, by the renter's own  
39 initials, his or her acceptance or declination of the damage waiver.  
40 Adjacent to that same part, the contract also shall state that the

1 damage waiver is optional. Further, the contract for these renters  
2 shall include a clear and conspicuous written disclosure that the  
3 damage waiver may be duplicative of coverage that the customer  
4 maintains under his or her own policy of motor vehicle insurance.

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

9

10 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
11 AND OPTIONAL DAMAGE WAIVER  
12

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

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

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

27 The rental company will not hold you responsible if you buy a  
28 damage waiver. But a damage waiver will not protect you if (list  
29 exceptions).”

30 (A) When the above notice is printed in the rental contract or  
31 holder in which the contract is placed, the following shall be printed  
32 immediately following the notice:

33 “The cost of an optional damage waiver is \$\_\_\_\_ for every (day  
34 or week).”

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

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

39 (h) Notwithstanding any other provision of law, a rental  
40 company may sell a damage waiver subject to the following rate

1 limitations for each full or partial 24-hour rental day for the damage  
2 waiver:

3 (1) For rental vehicles that the rental company designates as an  
4 “economy car,” “compact car,” or another term having similar  
5 meaning to the two smallest body-size categories of vehicles  
6 established by the Association of Car Rental Industry Systems  
7 Standards for North America, as of January 1, 2014, when offered  
8 for rental, the rate shall not exceed eleven dollars (\$11).

9 (2) For rental vehicles, that the rental company designates as  
10 an “intermediate car,” “standard car,” or “fullsize car,” or another  
11 term having similar meaning to the next three body-size categories  
12 of vehicles established by the Association of Car Rental Industry  
13 Systems Standards for North America, as of January 1, 2014, and  
14 that are also either vehicles of the next model year or not older  
15 than the previous year’s model, when offered for rental, the rate  
16 shall not exceed seventeen dollars (\$17). For rental vehicles that  
17 are older than the previous year’s model year, the rate shall not  
18 exceed eleven dollars (\$11).

19 (i) A rental company that disseminates in this state an  
20 advertisement containing a rental rate shall include in that  
21 advertisement a clearly readable statement of the charge for a  
22 damage waiver and a statement that a damage waiver is optional.

23 (j) (1) A rental company shall not require the purchase of a  
24 damage waiver, optional insurance, or another optional good or  
25 service.

26 (2) A rental company shall not engage in any unfair, deceptive,  
27 or coercive conduct to induce a renter to purchase the damage  
28 waiver, optional insurance, or another optional good or service,  
29 including conduct such as, but not limited to, refusing to honor  
30 the renter’s reservation, limiting the availability of vehicles,  
31 requiring a deposit, or debiting or blocking the renter’s credit card  
32 account for a sum equivalent to a deposit if the renter declines to  
33 purchase the damage waiver, optional insurance, or another  
34 optional good or service.

35 (k) (1) In the absence of express permission granted by the  
36 renter subsequent to damage to, or loss of, the vehicle, a rental  
37 company shall not seek to recover any portion of a claim arising  
38 out of damage to, or loss of, the rented vehicle by processing a  
39 credit card charge or causing a debit or block to be placed on the  
40 renter’s credit card account.

1 (2) A rental company shall not engage in any unfair, deceptive,  
2 or coercive tactics in attempting to recover or in recovering on any  
3 claim arising out of damage to, or loss of, the rented vehicle.  
4 (I) (1) A customer facility charge may be collected by a rental  
5 company under the following circumstances:  
6 (A) Collection of the fee by the rental company is required by  
7 an airport operated by a city, a county, a city and county, a joint  
8 powers authority, a special district, or the San Diego County  
9 Regional Airport Authority formed pursuant to Division 17  
10 (commencing with Section 170000) of the Public Utilities Code.  
11 (B) The fee is calculated on a per contract basis or as provided  
12 in paragraph (2).  
13 (C) The fee is a user fee, not a tax imposed upon real property  
14 or an incident of property ownership under Article XIII D of the  
15 California Constitution.  
16 (D) Except as otherwise provided in subparagraph (E), the fee  
17 shall be ten dollars (\$10) per contract or the amount provided in  
18 paragraph (2).  
19 (E) The fee for a consolidated rental car facility shall be  
20 collected only from customers of on-airport rental car companies.  
21 If the fee imposed by the airport is for both a consolidated rental  
22 car facility and a common-use transportation system, the fee  
23 collected from customers of on-airport rental car companies shall  
24 be ten dollars (\$10) or the amount provided in paragraph (2), but  
25 the fee imposed on customers of off-airport rental car companies  
26 who are transported on the common-use transportation system is  
27 proportionate to the costs of the common-use transportation system  
28 only. The fee is uniformly applied to each class of on-airport or  
29 off-airport customers, provided that the airport requires off-airport  
30 customers to use the common-use transportation system. For  
31 purposes of this subparagraph, “on-airport rental car company”  
32 means a rental company operating under an airport property lease  
33 or an airport concession or license agreement whose customers  
34 use or will use the consolidated rental car facility and the collection  
35 of the fee as to those customers is consistent with subparagraph  
36 (C).  
37 (F) Revenues collected from the fee do not exceed the reasonable  
38 costs of financing, designing, and constructing the facility and  
39 financing, designing, constructing, and operating any common-use

1 transportation system, or acquiring vehicles for use in that system,  
2 and shall not be used for any other purpose.

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

4 (H) This paragraph does not apply to fees which are governed  
5 by Section 50474.1 of the Government Code or Section 57.5 of  
6 the San Diego Unified Port District Act (Chapter 67 of the First  
7 Extraordinary Session of the Statutes of 1962).

8 (I) For any airport seeking to require rental car companies to  
9 collect an alternative customer facility charge pursuant to paragraph  
10 (2), the following provisions apply:

11 (i) Notwithstanding Section 10231.5 of the Government Code,  
12 the airport shall provide reports on an annual basis to the Senate  
13 and Assembly Committees on Judiciary detailing all of the  
14 following:

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

16 (II) How the funds are being spent.

17 (III) The amount of and reason for any changes in the airport's  
18 budget or financial needs for the facility or common-use  
19 transportation system.

20 (IV) Whether airport concession fees authorized by Section  
21 1936.01 have increased since the prior report, if any.

22 (ii) (I) The airport shall complete the audit required by  
23 subparagraph (B) of paragraph (4) of subdivision (a) prior to the  
24 initial collection of the customer facility charge. Notwithstanding  
25 Section 10231.5 of the Government Code, copies of the audit shall  
26 be provided to the Assembly and Senate Committees on Judiciary,  
27 the Assembly Committee on Transportation, and the Senate  
28 Committee on Transportation and Housing and shall be posted on  
29 the airport's Internet Web site.

30 (II) Prior to any increase pursuant to paragraph (2), the airport  
31 shall update the information provided in the initial collection audit  
32 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
33 Government Code, copies of the updated audit shall be provided  
34 to the Assembly and Senate Committees on Judiciary, the  
35 Assembly Committee on Transportation, and the Senate Committee  
36 on Transportation and Housing, and shall be posted on the airport's  
37 Internet Web site.

38 (III) An audit shall be completed every three years after initial  
39 collection only if the customer facility charge is collected for the  
40 purpose of operating a common-use transportation system or to

1 acquire vehicles for use in the system pursuant to clause (ii) of  
2 subparagraph (A) of paragraph (4) of subdivision (a). A regularly  
3 conducted audit of airport finances that includes the customer  
4 facility charge information, that satisfies the requirements of  
5 subparagraph (B) of paragraph (4) of subdivision (a), and is  
6 produced in accordance with the generally accepted accounting  
7 principles of the Government Accounting Standards Board, shall  
8 satisfy the requirements of this subclause. This obligation shall  
9 continue until the fee authorization becomes inoperative pursuant  
10 to subparagraph (C) of paragraph (4) of subdivision (a).  
11 Notwithstanding Section 10231.5 of the Government Code, the  
12 information reported pursuant to this subclause shall be compiled  
13 into one document, shall be provided to the Assembly and Senate  
14 Committees on Judiciary, the Assembly Committee on  
15 Transportation, and the Senate Committee on Transportation and  
16 Housing and shall be posted on the airport's Internet Web site  
17 accessible to the public. The information reported shall be  
18 contained within one easily accessible page contained within the  
19 airport's Internet Web site.

20 (IV) This section shall not be construed to require an airport to  
21 audit a common-use transportation system not financed by a  
22 customer facility charge and used for the purposes permitted  
23 pursuant to clause (ii) of subparagraph (A) of paragraph (4) of  
24 subdivision (a).

25 (V) The airport shall post on the airport's Internet Web site  
26 copies of the completed audits required by this clause for a period  
27 of six years following the audit's completion.

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

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

34 (A) The airport first conducts a publicly noticed hearing pursuant  
35 to the Ralph M. Brown Act (Chapter 9 (commencing with Section  
36 54950) of Part 1 of Division 2 of Title 5 of the Government Code)  
37 to review the costs of financing the design and construction of a  
38 consolidated rental car facility and the design, construction, and  
39 operation of any common-use transportation system in which all  
40 of the following occur:

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

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

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

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

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

18 (II) Other potential alternatives for meeting its revenue needs  
19 other than the collection of the fee.

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

24 (B) The airport may not require the fee authorized in this  
25 paragraph to be collected at any time that the fee authorized in  
26 paragraph (1) of this subdivision is being collected.

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

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

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

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

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

39 (v) An airport subject to this paragraph shall initiate the process  
40 for obtaining the authority to require or increase the alternative

1 fee no later than January 1, 2018. Any airport that obtains the  
2 authority to require or increase an alternative fee shall be authorized  
3 to continue collecting that fee until the fee authorization becomes  
4 inoperative pursuant to subparagraph (C) of paragraph (4) of  
5 subdivision (a).

6 (3) Notwithstanding any other provision of law, including, but  
7 not limited to, Part 1 (commencing with Section 6001) to Part 1.7  
8 (commencing with Section 7280), inclusive, of Division 2 of the  
9 Revenue and Taxation Code, the fees collected pursuant to this  
10 section, or another law whereby a local agency operating an airport  
11 requires a rental car company to collect a facility financing fee  
12 from its customers, are not subject to sales, use, or transaction  
13 taxes.

14 (m) (1) A rental company shall only advertise, quote, and charge  
15 a rental rate that includes the entire amount except taxes, a  
16 customer facility charge, if any, and a mileage charge, if any, that  
17 a renter must pay to hire or lease the vehicle for the period of time  
18 to which the rental rate applies. A rental company shall not charge  
19 in addition to the rental rate, taxes, a customer facility charge, if  
20 any, and a mileage charge, if any, any fee that is required to be  
21 paid by the renter as a condition of hiring or leasing the vehicle,  
22 including, but not limited to, required fuel or airport surcharges  
23 other than customer facility charges, nor a fee for transporting the  
24 renter to the location where the rented vehicle will be delivered to  
25 the renter.

26 (2) In addition to the rental rate, taxes, customer facility charges,  
27 if any, and mileage charges, if any, a rental company may charge  
28 for an item or service provided in connection with a particular  
29 rental transaction if the renter could have avoided incurring the  
30 charge by choosing not to obtain or utilize the optional item or  
31 service. Items and services for which the rental company may  
32 impose an additional charge include, but are not limited to, optional  
33 insurance and accessories requested by the renter, service charges  
34 incident to the renter's optional return of the vehicle to a location  
35 other than the location where the vehicle was hired or leased, and  
36 charges for refueling the vehicle at the conclusion of the rental  
37 transaction in the event the renter did not return the vehicle with  
38 as much fuel as was in the fuel tank at the beginning of the rental.  
39 A rental company also may impose an additional charge based on  
40 reasonable age criteria established by the rental company.

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

3 (4) If a rental company states a rental rate in print advertisement  
4 or in a telephonic, in-person, or computer-transmitted quotation,  
5 the rental company shall disclose clearly in that advertisement or  
6 quotation the terms of mileage conditions relating to the advertised  
7 or quoted rental rate, including, but not limited to, to the extent  
8 applicable, the amount of mileage and gas charges, the number of  
9 miles for which no charges will be imposed, and a description of  
10 geographic driving limitations within the United States and Canada.

11 (5) (A) When a rental rate is stated in an advertisement,  
12 quotation, or reservation in connection with a car rental at an airport  
13 where a customer facility charge is imposed, the rental company  
14 shall disclose clearly the existence and amount of the customer  
15 facility charge. For purposes of this subparagraph, advertisements  
16 include radio, television, other electronic media, and print  
17 advertisements. For purposes of this subparagraph, quotations and  
18 reservations include those that are telephonic, in-person, and  
19 computer-transmitted. If the rate advertisement is intended to  
20 include transactions at more than one airport imposing a customer  
21 facility charge, a range of fees may be stated in the advertisement.  
22 However, all rate advertisements that include car rentals at airport  
23 destinations shall clearly and conspicuously include a toll-free  
24 telephone number whereby a customer can be told the specific  
25 amount of the customer facility charge to which the customer will  
26 be obligated.

27 (B) If a person or entity other than a rental car company,  
28 including a passenger carrier or a seller of travel services, advertises  
29 or quotes a rate for a car rental at an airport where a customer  
30 facility charge is imposed, that person or entity shall, provided  
31 that he, she, or it is provided with information about the existence  
32 and amount of the fee, to the extent not specifically prohibited by  
33 federal law, clearly disclose the existence and amount of the fee  
34 in any telephonic, in-person, or computer-transmitted quotation at  
35 the time of making an initial quotation of a rental rate and at the  
36 time of making a reservation of a rental car. If a rental car company  
37 provides the person or entity with rate and customer facility charge  
38 information, the rental car company is not responsible for the  
39 failure of that person or entity to comply with this subparagraph  
40 when quoting or confirming a rate to a third person or entity.

1 (6) If a rental company delivers a vehicle to a renter at a location  
2 other than the location where the rental company normally carries  
3 on its business, the rental company shall not charge the renter an  
4 amount for the rental for the period before the delivery of the  
5 vehicle. If a rental company picks up a rented vehicle from a renter  
6 at a location other than the location where the rental company  
7 normally carries on its business, the rental company shall not  
8 charge the renter an amount for the rental for the period after the  
9 renter notifies the rental company to pick up the vehicle.

10 (n) A rental company shall not use, access, or obtain any  
11 information relating to the renter's use of the rental vehicle that  
12 was obtained using electronic surveillance technology, except in  
13 the following circumstances:

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

17 (i) The renter or law enforcement has informed the rental  
18 company that the vehicle is missing or has been stolen or  
19 abandoned.

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

23 (iii) The rental company discovers the rental vehicle has been  
24 stolen or abandoned, and, if stolen, it shall report the vehicle stolen  
25 to law enforcement by filing a stolen vehicle report, unless law  
26 enforcement has already informed the rental company that the  
27 vehicle is missing or has been stolen or abandoned.

28 (B) If electronic surveillance technology is activated pursuant  
29 to subparagraph (A), a rental company shall maintain a record, in  
30 either electronic or written form, of information relevant to the  
31 activation of that technology. That information shall include the  
32 rental agreement, including the return date, and the date and time  
33 the electronic surveillance technology was activated. The record  
34 shall also include, if relevant, a record of written or other  
35 communication with the renter, including communications  
36 regarding extensions of the rental, police reports, or other written  
37 communication with law enforcement officials. The record shall  
38 be maintained for a period of at least 12 months from the time the  
39 record is created and shall be made available upon the renter's  
40 request. The rental company shall maintain and furnish explanatory

1 codes necessary to read the record. A rental company shall not be  
2 required to maintain a record if electronic surveillance technology  
3 is activated to recover a rental vehicle that is stolen or missing at  
4 a time other than during a rental period.

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

7 (3) This subdivision does not prohibit a rental company from  
8 equipping rental vehicles with GPS-based technology that provides  
9 navigation assistance to the occupants of the rental vehicle, if the  
10 rental company does not use, access, or obtain information relating  
11 to the renter's use of the rental vehicle that was obtained using  
12 that technology, except for the purposes of discovering or repairing  
13 a defect in the technology and the information may then be used  
14 only for that purpose.

15 (4) This subdivision does not prohibit a rental company from  
16 equipping rental vehicles with electronic surveillance technology  
17 that allows for the remote locking or unlocking of the vehicle at  
18 the request of the renter, if the rental company does not use, access,  
19 or obtain information relating to the renter's use of the rental  
20 vehicle that was obtained using that technology, except as  
21 necessary to lock or unlock the vehicle.

22 (5) This subdivision does not prohibit a rental company from  
23 equipping rental vehicles with electronic surveillance technology  
24 that allows the company to provide roadside assistance, such as  
25 towing, flat tire, or fuel services, at the request of the renter, 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 as necessary to provide the requested  
29 roadside assistance.

30 (6) This subdivision does not prohibit a rental company from  
31 obtaining, accessing, or using information from electronic  
32 surveillance technology for the sole purpose of determining the  
33 date and time the vehicle is returned to the rental company, and  
34 the total mileage driven and the vehicle fuel level of the returned  
35 vehicle. This paragraph, however, shall apply only after the renter  
36 has returned the vehicle to the rental company, and the information  
37 shall only be used for the purpose described in this paragraph.

38 (o) A rental company shall not use electronic surveillance  
39 technology to track a renter in order to impose fines or surcharges  
40 relating to the renter's use of the rental vehicle.

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

5 (q) A rental company that brings an action against a renter for  
 6 loss due to theft of the vehicle shall bring the action in the county  
 7 in which the renter resides or, if the renter is not a resident of this  
 8 state, in the jurisdiction in which the renter resides.

9 (r) A waiver of any of the provisions of this section shall be  
 10 void and unenforceable as contrary to public policy.

11 (s) (1) A rental company’s disclosure requirements shall be  
 12 satisfied for renters who are enrolled in the rental company’s  
 13 membership program if all of the following conditions are met:

14 (A) Prior to the enrollee’s first rental as a participant in the  
 15 program, the renter receives, in writing, the following:

16 (i) All of the disclosures required by paragraph (1) of subdivision  
 17 (g), including the terms and conditions of the rental agreement  
 18 then in effect.

19 (ii) An Internet Web site address, as well as a contact number  
 20 or address, where the enrollee can learn of changes to the rental  
 21 agreement or to the laws of this state governing rental agreements  
 22 since the effective date of the rental company’s most recent  
 23 restatement of the rental agreement and distribution of that  
 24 restatement to its members.

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

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

38 The hanger shall provide the renter a box to initial if he or she  
 39 (not his or her employer) has previously accepted or declined the  
 40 collision damage waiver and that he or she now wishes to change

1 his or her decision to accept or decline the collision damage waiver,  
2 as follows:

3 “If I previously accepted the collision damage waiver, I now  
4 decline it.

5 If I previously declined the collision damage waiver, I now  
6 accept it.”

7 The hanger shall also provide a box for the enrollee to indicate  
8 whether this change applies to this rental transaction only or to all  
9 future rental transactions. The hanger shall also notify the renter  
10 that he or she may make that change, prior to leaving the lot, by  
11 returning the form to an employee designated to receive the form  
12 who is present at the lot where the renter takes possession of the  
13 car, to receive any change in the rental agreement from the renter.

14 (2) (A) This subdivision is not effective unless the employee  
15 designated pursuant to subparagraph (E) of paragraph (8) of  
16 subdivision (a) is actually present at the required location.

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

22 (t) The amendments made to this section during the 2001–02  
23 Regular Session of the Legislature do not affect litigation pending  
24 on or before January 1, 2003, alleging a violation of Section 22325  
25 of the Business and Professions Code as it read at the time the  
26 action was commenced.

27 *SEC. 1.3. Section 1936 of the Civil Code, as amended by*  
28 *Section 1 of Chapter 549 of the Statutes of 2013, is amended to*  
29 *read:*

30 1936. (a) For the purpose of this section, the following  
31 definitions shall apply:

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

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

37 (3) “Authorized driver” means all of the following:

38 (A) The renter.

39 (B) The renter’s spouse if that person is a licensed driver and  
40 satisfies the rental company’s minimum age requirement.

1     ~~(3) “Authorized driver” means (A) the renter, (B) the renter’s~~  
2 ~~spouse if that person is a licensed driver and satisfies the rental~~  
3 ~~company’s minimum age requirement, (C) the~~  
4     ~~(C) The renter’s employer or coworker if he or she is engaged~~  
5 ~~in business activity with the renter, is a licensed driver, and satisfies~~  
6 ~~the rental company’s minimum age requirement, and (D) a person~~  
7 ~~expressly listed by the rental company on the renter’s contract as~~  
8 ~~an authorized driver. requirement.~~  
9     ~~(D) A person expressly listed by the rental company on that~~  
10 ~~renter’s contract as an authorized driver.~~  
11     (4) (A) “Customer facility charge” means any fee, including  
12 an alternative fee, required by an airport to be collected by a rental  
13 company from a renter for any of the following purposes:  
14     (i) To finance, design, and construct consolidated airport car  
15 rental facilities.  
16     (ii) To finance, design, construct, and operate common-use  
17 transportation systems that move passengers between airport  
18 terminals and those consolidated car rental facilities, and acquire  
19 vehicles for use in that system.  
20     (iii) To finance, design, and construct terminal modifications  
21 solely to accommodate and provide customer access to  
22 common-use transportation systems.  
23     (B) The aggregate amount to be collected shall not exceed the  
24 reasonable costs, as determined by an audit, by an independent  
25 auditor, paid for by the airport, to finance, design, and construct  
26 those facilities. The auditor shall independently examine and  
27 substantiate the necessity for and the amount of the customer  
28 facility charge, including whether the airport’s actual or projected  
29 costs are supported and justified, any steps the airport may take to  
30 limit costs, potential alternatives for meeting the airport’s revenue  
31 needs other than the collection of the fee, and whether and to what  
32 extent car rental companies or other businesses or individuals using  
33 the facility or common-use transportation system may pay for the  
34 costs associated with these facilities and systems other than the  
35 fee from rental customers, or whether the airport did not comply  
36 with any provision of this subparagraph. Copies of the audit shall  
37 be provided to the Assembly and Senate Committees on Judiciary,  
38 the Assembly Committee on Transportation, and the Senate  
39 Committee on Transportation and Housing and shall be posted on  
40 the airport’s Internet Web site. In the case of a customer facility

1 charge for a common-use transportation system, the audit also  
2 shall consider the reasonable costs of providing the transit system  
3 or busing network pursuant to clause (ii) of subparagraph (A). Any  
4 audit required by this subparagraph may be included as a part of  
5 an audit of an airport’s finances. Notwithstanding clause (iii) of  
6 subparagraph (A), the fees designated as a customer facility charge  
7 shall not be used to pay for terminal expansion, gate expansion,  
8 runway expansion, changes in hours of operation, or changes in  
9 the number of flights arriving or departing from the airport.

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

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

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

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

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

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

39 (7) “Estimated time for replacement” means the number of hours  
40 of labor, or fraction thereof, needed to replace damaged vehicle

1 parts as set forth in collision damage estimating guides generally  
2 used in the vehicle repair business and commonly known as “crash  
3 books.”

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

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

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

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

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

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

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

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

31 (1) Physical or mechanical damage to the rented vehicle up to  
32 its fair market value, as determined in the customary market for  
33 the sale of that vehicle, resulting from collision regardless of the  
34 cause of the damage.

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

1 loss due to theft if (A) an authorized driver has possession of the  
2 ignition key furnished by the rental company or an authorized  
3 driver establishes that the ignition key furnished by the rental  
4 company was not in the vehicle at the time of the theft, and (B) an  
5 authorized driver files an official report of the theft with the police  
6 or other law enforcement agency within 24 hours of learning of  
7 the theft and reasonably cooperates with the rental company and  
8 the police or other law enforcement agency in providing  
9 information concerning the theft. The presumption set forth in this  
10 paragraph is a presumption affecting the burden of proof which  
11 the rental company may rebut by establishing that an authorized  
12 driver committed, or aided and abetted the commission of, the  
13 theft.

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

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

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

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

28 (c) The total amount of the renter's liability to the rental  
29 company resulting from damage to the rented vehicle shall not  
30 exceed the sum of the following:

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

37 (2) The estimated cost of labor to replace damaged vehicle parts,  
38 which shall not exceed the product of (A) the rate for labor usually  
39 paid by the rental company to replace vehicle parts of the type that  
40 were damaged and (B) the estimated time for replacement. All

1 discounts and price reductions or adjustments that are or will be  
2 received by the rental company shall be subtracted from the  
3 estimate to the extent not already incorporated in the estimate, or  
4 otherwise promptly credited or refunded to the renter.

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

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

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

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

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

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

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

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

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

39 (3) A claim against a renter resulting from damage or loss,  
40 excluding loss of use, to a rental vehicle shall be reasonably and

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

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

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

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

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

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

1 (f) 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 results from an authorized driver's (A)  
5 intentional, willful, wanton, or reckless conduct, (B) operation of  
6 the vehicle under the influence of drugs or alcohol in violation of  
7 Section 23152 of the Vehicle Code, (C) towing or pushing  
8 anything, or (D) operation of the vehicle on an unpaved road if  
9 the damage or loss is a direct result of the road or driving  
10 conditions.

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

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

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

1 expressly lists that are permitted under subdivision (f), and (F) the  
2 range of charges for the damage waiver.

3 (2) In addition to the requirements of paragraph (1), a rental  
4 company that offers or provides a damage waiver shall orally  
5 disclose to all renters, except those who are participants in the  
6 rental company's membership program, that the damage waiver  
7 may be duplicative of coverage that the customer maintains under  
8 his or her own policy of motor vehicle insurance. The renter's  
9 receipt of the oral disclosure shall be demonstrated through the  
10 renter's acknowledging receipt of the oral disclosure near that part  
11 of the contract where the renter indicates, by the renter's own  
12 initials, his or her acceptance or declination of the damage waiver.  
13 Adjacent to that same part, the contract also shall state that the  
14 damage waiver is optional. Further, the contract for these renters  
15 shall include a clear and conspicuous written disclosure that the  
16 damage waiver may be duplicative of coverage that the customer  
17 maintains under his or her own policy of motor vehicle insurance.

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

22

23 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
24 AND OPTIONAL DAMAGE WAIVER  
25

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

30 Your own insurance, or the issuer of the credit card you use to  
31 pay for the car rental transaction, may cover all or part of your  
32 financial responsibility for the rented vehicle. You should check  
33 with your insurance company, or credit card issuer, to find out  
34 about your coverage and the amount of the deductible, if any, for  
35 which you may be liable.

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

1 The rental company will not hold you responsible if you buy a  
 2 damage waiver. But a damage waiver will not protect you if (list  
 3 exceptions).”

4  
 5 (A) When the above notice is printed in the rental contract or  
 6 holder in which the contract is placed, the following shall be printed  
 7 immediately following the notice:

8  
 9 “The cost of an optional damage waiver is \$\_\_\_\_ for every (day  
 10 or week).”

11  
 12 (B) When the above notice appears on a sign, the following  
 13 shall appear immediately adjacent to the notice:

14  
 15 “The cost of an optional damage waiver is \$\_\_\_\_ to \$\_\_\_\_ for  
 16 every (day or week), depending upon the vehicle rented.”

17  
 18 (h) Notwithstanding any other provision of law, a rental  
 19 company may sell a damage waiver subject to the following rate  
 20 limitations for each full or partial 24-hour rental day for the damage  
 21 ~~waiver.~~ *waiver:*

22 (1) For rental vehicles that the rental company designates as an  
 23 “economy car,” ~~“subcompact car,”~~ “compact car,” or another term  
 24 having similar meaning ~~when offered for rental, or another vehicle~~  
 25 ~~having a manufacturer’s suggested retail price of nineteen thousand~~  
 26 ~~dollars (\$19,000) or less, to the two smallest body-size categories~~  
 27 ~~of vehicles established by the Association of Car Rental Industry~~  
 28 ~~Systems Standards for North America, as of January 1, 2014, when~~  
 29 ~~offered for rental, the rate shall not exceed nine dollars (\$9).~~ *eleven*  
 30 *dollars (\$11).*

31 (2) For rental ~~vehicles that have a manufacturer’s suggested~~  
 32 ~~retail price from nineteen thousand one dollars (\$19,001) to~~  
 33 ~~thirty-four thousand nine hundred ninety-nine dollars (\$34,999),~~  
 34 ~~inclusive, vehicles that the rental company designates as an~~  
 35 ~~“intermediate car,” “standard car,” or “full-size car,” or another~~  
 36 ~~term having similar meaning to the next three body-size categories~~  
 37 ~~of vehicles established by the Association of Car Rental Industry~~  
 38 ~~Systems Standards for North America, as of January 1, 2014, and~~  
 39 ~~that are also either vehicles of the next year’s model, model year,~~  
 40 ~~or not older than the previous year’s model, when offered for rental,~~

1 the rate shall not exceed ~~fifteen dollars (\$15)~~. *seventeen dollars*  
2 *(\$17)*. For ~~those~~ rental vehicles *that are* older than the previous  
3 year's model-year, the rate shall not exceed ~~nine dollars (\$9)~~.  
4 *eleven dollars (\$11)*.

5 ~~(i) The manufacturer's suggested retail prices described in~~  
6 ~~subdivision (h) shall be adjusted annually to reflect changes from~~  
7 ~~the previous year in the Consumer Price Index. For the purposes~~  
8 ~~of this section, "Consumer Price Index" means the United States~~  
9 ~~Consumer Price Index for All Urban Consumers, for all items.~~

10 ~~(j)~~

11 *(i)* A rental company that disseminates in this state an  
12 advertisement containing a rental rate shall include in that  
13 advertisement a clearly readable statement of the charge for a  
14 damage waiver and a statement that a damage waiver is optional.

15 ~~(k)~~

16 *(j)* (1) A rental company shall not require the purchase of a  
17 damage waiver, optional insurance, or another optional good or  
18 service.

19 (2) A rental company shall not engage in any unfair, deceptive,  
20 or coercive conduct to induce a renter to purchase the damage  
21 waiver, optional insurance, or another optional good or service,  
22 including conduct such as, but not limited to, refusing to honor  
23 the renter's reservation, limiting the availability of vehicles,  
24 requiring a deposit, or debiting or blocking the renter's credit card  
25 account for a sum equivalent to a deposit if the renter declines to  
26 purchase the damage waiver, optional insurance, or another  
27 optional good or service.

28 ~~(l)~~

29 *(k)* (1) In the absence of express permission granted by the  
30 renter subsequent to damage to, or loss of, the vehicle, a rental  
31 company shall not seek to recover any portion of a claim arising  
32 out of damage to, or loss of, the rented vehicle by processing a  
33 credit card charge or causing a debit or block to be placed on the  
34 renter's credit card account.

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

38 ~~(m)~~

39 *(l)* (1) A customer facility charge may be collected by a rental  
40 company under the following circumstances:

- 1 (A) Collection of the fee by the rental company is required by  
 2 an airport operated by a city, a county, a city and county, a joint  
 3 powers authority, a special district, or the San Diego County  
 4 Regional Airport Authority formed pursuant to Division 17  
 5 (commencing with Section 170000) of the Public Utilities Code.
- 6 (B) The fee is calculated on a per contract basis or as provided  
 7 in paragraph (2).
- 8 (C) The fee is a user fee, not a tax imposed upon real property  
 9 or an ~~incidence~~ *incident* of property ownership under Article XIII D  
 10 of the California Constitution.
- 11 (D) Except as otherwise provided in subparagraph (E), the fee  
 12 shall be ten dollars (\$10) per contract or the amount provided in  
 13 paragraph (2).
- 14 (E) The fee for a consolidated rental car facility shall be  
 15 collected only from customers of on-airport rental car companies.  
 16 If the fee imposed by the airport is for both a consolidated rental  
 17 car facility and a common-use transportation system, the fee  
 18 collected from customers of on-airport rental car companies shall  
 19 be ten dollars (\$10) or the amount provided in paragraph (2), but  
 20 the fee imposed on customers of off-airport rental car companies  
 21 who are transported on the common-use transportation system is  
 22 proportionate to the costs of the common-use transportation system  
 23 only. The fee is uniformly applied to each class of on-airport or  
 24 off-airport customers, provided that the airport requires off-airport  
 25 customers to use the common-use transportation system. For  
 26 purposes of this subparagraph, “on-airport rental car company”  
 27 means a rental company operating under an airport property lease  
 28 or an airport concession or license agreement whose customers  
 29 use or will use the consolidated rental car facility and the collection  
 30 of the fee as to those customers is consistent with subparagraph  
 31 (C).
- 32 (F) Revenues collected from the fee do not exceed the reasonable  
 33 costs of financing, designing, and constructing the facility and  
 34 financing, designing, constructing, and operating any common-use  
 35 transportation system, or acquiring vehicles for use in that system,  
 36 and shall not be used for any other purpose.
- 37 (G) The fee is separately identified on the rental agreement.
- 38 (H) This paragraph does not apply to fees which are governed  
 39 by Section 50474.1 of the Government Code or Section 57.5 of

1 the San Diego Unified Port District ~~Act~~. *Act (Chapter 67 of the*  
2 *First Extraordinary Session of the Statutes of 1962).*

3 (I) For any airport seeking to require rental car companies to  
4 collect an alternative customer facility charge pursuant to paragraph  
5 (2), the following provisions apply:

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

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

11 (II) How the funds are being spent.

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

15 (IV) Whether airport concession fees authorized by Section  
16 1936.01 have increased since the prior report, if any.

17 (ii) (I) The airport shall complete the audit required by  
18 subparagraph (B) of paragraph (4) of subdivision (a) prior to *the*  
19 initial collection of the customer facility charge. Notwithstanding  
20 Section 10231.5 of the Government Code, copies of the audit shall  
21 be provided to the Assembly and Senate Committees on Judiciary,  
22 the Assembly Committee on Transportation, and the Senate  
23 Committee on Transportation and Housing and shall be posted on  
24 the airport's Internet Web site.

25 (II) Prior to any increase pursuant to paragraph (2), the airport  
26 shall update the information provided in the initial collection audit  
27 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
28 Government Code, copies of the updated audit shall be provided  
29 to the Assembly and Senate Committees on Judiciary, the  
30 Assembly Committee on Transportation, and the Senate Committee  
31 on Transportation and ~~Housing~~ *Housing*, and shall be posted on  
32 the airport's Internet Web site.

33 (III) An audit shall be completed every three years after initial  
34 collection only if the customer facility charge is collected for the  
35 purpose of operating a common-use transportation system or to  
36 acquire vehicles for use in ~~such a~~ *the* system pursuant to clause  
37 (ii) of subparagraph (A) of paragraph (4) of subdivision (a). A  
38 regularly conducted audit of airport finances that includes the  
39 customer facility charge information, that satisfies the requirements  
40 of subparagraph (B) of paragraph (4) of subdivision (a), and is

1 produced in accordance with the generally accepted accounting  
2 principles of the Government Accounting Standards Board, shall  
3 satisfy the requirements of this subclause. This obligation shall  
4 continue until the fee authorization becomes inoperative pursuant  
5 to subparagraph (C) of paragraph (4) of subdivision (a).  
6 Notwithstanding Section 10231.5 of the Government Code, the  
7 information reported pursuant to this subclause shall be compiled  
8 into one document, shall be provided to the Assembly and Senate  
9 Committees on Judiciary, the Assembly Committee on  
10 Transportation, and the Senate Committee on Transportation and  
11 Housing and shall be posted on the airport's Internet Web site  
12 accessible to the public. The information reported shall be  
13 contained within one easily accessible page contained within the  
14 airport's Internet Web site.

15 (IV) This section shall not be construed to require an airport to  
16 audit a common-use transportation system not financed by a  
17 customer facility charge and used for the purposes permitted  
18 pursuant to clause (ii) of subparagraph (A) of paragraph (4) of  
19 subdivision (a).

20 (V) The airport shall post on the airport's Internet Web site  
21 copies of the completed audits required by this clause for a period  
22 of six years following the audit's completion.

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

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

29 (A) The airport first conducts a publicly noticed hearing pursuant  
30 to the Ralph M. Brown Act (Chapter 9 (commencing with Section  
31 54950) of Part 1 of Division 2 of Title 5 of the Government Code)  
32 to review the costs of financing the design and construction of a  
33 consolidated rental car facility and the design, construction, and  
34 operation of any common-use transportation system in which all  
35 of the following occur:

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

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

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

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

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

13 (II) Other potential alternatives for meeting its revenue needs  
14 other than the collection of the fee.

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

19 (B) The airport may not require the fee authorized in this  
20 paragraph to be collected at any time that the fee authorized in  
21 paragraph (1) of this subdivision is being collected.

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

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

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

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

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

34 (v) An airport subject to this paragraph shall initiate the process  
35 for obtaining the authority to require or increase the alternative  
36 fee no later than January 1, 2018. Any airport that obtains the  
37 authority to require or increase an alternative fee shall be authorized  
38 to continue collecting that fee until the fee authorization becomes  
39 inoperative pursuant to subparagraph (C) of paragraph (4) of  
40 subdivision (a).

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

9 ~~(n)~~

10 (m) (1) A rental company shall only advertise, quote, and charge  
 11 a rental rate that includes the entire amount except taxes, a  
 12 customer facility charge, if any, and a mileage charge, if any, that  
 13 a renter must pay to hire or lease the vehicle for the period of time  
 14 to which the rental rate applies. A rental company shall not charge  
 15 in addition to the rental rate, taxes, a customer facility charge, if  
 16 any, and a mileage charge, if any, any fee that is required to be  
 17 paid by the renter as a condition of hiring or leasing the vehicle,  
 18 including, but not limited to, required fuel or airport surcharges  
 19 other than customer facility charges, nor a fee for transporting the  
 20 renter to the location where the rented vehicle will be delivered to  
 21 the renter.

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

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

39 (4) If a rental company states a rental rate in print advertisement  
 40 or in a telephonic, in-person, or computer-transmitted quotation,

1 the rental company shall disclose clearly in that advertisement or  
2 quotation the terms of mileage conditions relating to the advertised  
3 or quoted rental rate, including, but not limited to, to the extent  
4 applicable, the amount of mileage and gas charges, the number of  
5 miles for which no charges will be imposed, and a description of  
6 geographic driving limitations within the United States and Canada.

7 (5) (A) When a rental rate is stated in an advertisement,  
8 quotation, or reservation in connection with a car rental at an airport  
9 where a customer facility charge is imposed, the rental company  
10 shall disclose clearly the existence and amount of the customer  
11 facility charge. For purposes of this subparagraph, advertisements  
12 include radio, television, other electronic media, and print  
13 advertisements. For purposes of this subparagraph, quotations and  
14 reservations include those that are telephonic, in-person, and  
15 computer-transmitted. If the rate advertisement is intended to  
16 include transactions at more than one airport imposing a customer  
17 facility charge, a range of fees may be stated in the advertisement.  
18 However, all rate advertisements that include car rentals at airport  
19 destinations shall clearly and conspicuously include a toll-free  
20 telephone number whereby a customer can be told the specific  
21 amount of the customer facility charge to which the customer will  
22 be obligated.

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

37 (6) If a rental company delivers a vehicle to a renter at a location  
38 other than the location where the rental company normally carries  
39 on its business, the rental company shall not charge the renter an  
40 amount for the rental for the period before the delivery of the

1 vehicle. If a rental company picks up a rented vehicle from a renter  
2 at a location other than the location where the rental company  
3 normally carries on its business, the rental company shall not  
4 charge the renter an amount for the rental for the period after the  
5 renter notifies the rental company to pick up the vehicle.

6 ~~(e)~~

7 (n) A rental company shall not use, access, or obtain any  
8 information relating to the renter's use of the rental vehicle that  
9 was obtained using electronic surveillance technology, except in  
10 the following circumstances:

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

14 (i) The renter or law enforcement has informed the rental  
15 company that the vehicle is missing or has been stolen or  
16 abandoned.

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

20 (iii) The rental company discovers the rental vehicle has been  
21 stolen or abandoned, and, if stolen, it shall report the vehicle stolen  
22 to law enforcement by filing a stolen vehicle report, unless law  
23 enforcement has already informed the rental company that the  
24 vehicle is missing or has been stolen or abandoned.

25 (B) If electronic surveillance technology is activated pursuant  
26 to subparagraph (A), a rental company shall maintain a record, in  
27 either electronic or written form, of information relevant to the  
28 activation of that technology. That information shall include the  
29 rental agreement, including the return date, and the date and time  
30 the electronic surveillance technology was activated. The record  
31 shall also include, if relevant, a record of written or other  
32 communication with the renter, including communications  
33 regarding extensions of the rental, police reports, or other written  
34 communication with law enforcement officials. The record shall  
35 be maintained for a period of at least 12 months from the time the  
36 record is created and shall be made available upon the renter's  
37 request. The rental company shall maintain and furnish explanatory  
38 codes necessary to read the record. A rental company shall not be  
39 required to maintain a record if electronic surveillance technology

1 is activated to recover a rental vehicle that is stolen or missing at  
2 a time other than during a rental period.

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

5 (3) This subdivision does not prohibit a rental company from  
6 equipping rental vehicles with GPS-based technology that provides  
7 navigation assistance to the occupants of the rental vehicle, if the  
8 rental company does not use, access, or obtain information relating  
9 to the renter's use of the rental vehicle that was obtained using  
10 that technology, except for the purposes of discovering or repairing  
11 a defect in the technology and the information may then be used  
12 only for that purpose.

13 (4) This subdivision does not prohibit a rental company from  
14 equipping rental vehicles with electronic surveillance technology  
15 that allows for the remote locking or unlocking of the vehicle at  
16 the request of the renter, if the rental company does not use, access,  
17 or obtain information relating to the renter's use of the rental  
18 vehicle that was obtained using that technology, except as  
19 necessary to lock or unlock the vehicle.

20 (5) This subdivision does not prohibit a rental company from  
21 equipping rental vehicles with electronic surveillance technology  
22 that allows the company to provide roadside assistance, such as  
23 towing, flat tire, or fuel services, at the request of the renter, if the  
24 rental company does not use, access, or obtain information relating  
25 to the renter's use of the rental vehicle that was obtained using  
26 that technology except as necessary to provide the requested  
27 roadside assistance.

28 (6) This subdivision does not prohibit a rental company from  
29 obtaining, accessing, or using information from electronic  
30 surveillance technology for the sole purpose of determining the  
31 date and time the vehicle is returned to the rental company, and  
32 the total mileage driven and the vehicle fuel level of the returned  
33 vehicle. This paragraph, however, shall apply only after the renter  
34 has returned the vehicle to the rental company, and the information  
35 shall only be used for the purpose described in this paragraph.

36 ~~(p)~~

37 (o) A rental company shall not use electronic surveillance  
38 technology to track a renter in order to impose fines or surcharges  
39 relating to the renter's use of the rental vehicle.

40 ~~(q)~~

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

5 ~~(r)~~

6 (q) A rental company that brings an action against a renter for  
 7 loss due to theft of the vehicle shall bring the action in the county  
 8 in which the renter resides or, if the renter is not a resident of this  
 9 state, in the jurisdiction in which the renter resides.

10 ~~(s)~~

11 (r) A waiver of any of the provisions of this section shall be  
 12 void and unenforceable as contrary to public policy.

13 ~~(t)~~

14 (s) (1) A rental company’s disclosure requirements shall be  
 15 satisfied for renters who are enrolled in the rental company’s  
 16 membership program if all of the following conditions are met:

17 (A) Prior to the enrollee’s first rental as a participant in the  
 18 program, the renter receives, in writing, the following:

19 (i) All of the disclosures required by paragraph (1) of subdivision  
 20 (g), including the terms and conditions of the rental agreement  
 21 then in effect.

22 (ii) An Internet Web site address, as well as a contact number  
 23 or address, where the enrollee can learn of changes to the rental  
 24 agreement or to the laws of this state governing rental agreements  
 25 since the effective date of the rental company’s most recent  
 26 restatement of the rental agreement and distribution of that  
 27 restatement to its members.

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

33 (C) At the commencement of each rental period, the rental  
 34 company provides, on the rearview mirror, a hanger on which a  
 35 statement is printed, in a box, in at least 12-point boldface type,  
 36 notifying the renter that the collision damage waiver offered by  
 37 the rental company may be duplicative of coverage that the  
 38 customer maintains under his or her own policy of motor vehicle  
 39 insurance. If it is not feasible to hang the statement from the  
 40 rearview mirror, it shall be hung from the steering wheel.

1 The hanger shall provide the renter a box to initial if he or she  
2 (not his or her employer) has previously accepted or declined the  
3 collision damage waiver and that he or she now wishes to change  
4 his or her decision to accept or decline the collision damage waiver,  
5 as follows:

6  
7 ~~“☐—If~~ “*If* I previously accepted the collision damage waiver,  
8 I now decline it.

9  
10 ~~☐—If~~ If I previously declined the collision damage waiver, I now  
11 accept it.”

12  
13 The hanger shall also provide a box for the enrollee to indicate  
14 whether this change applies to this rental transaction only or to all  
15 future rental transactions. The hanger shall also notify the renter  
16 that he or she may make that change, prior to leaving the lot, by  
17 returning the form to an employee designated to receive the form  
18 who is present at the lot where the renter takes possession of the  
19 car, to receive any change in the rental agreement from the renter.

20 (2) (A) This subdivision is not effective unless the employee  
21 designated pursuant to subparagraph (E) of paragraph (8) of  
22 subdivision (a) is actually present at the required location.

23 (B) This subdivision does not relieve the rental company from  
24 the disclosures required to be made within the text of a contract  
25 or holder in which the contract is placed; in or on an advertisement  
26 containing a rental rate; or in a telephonic, in-person, or  
27 computer-transmitted quotation or reservation.

28 ~~(t)~~

29 *(t)* The amendments made to this section during the 2001–02  
30 Regular Session of the Legislature do not affect litigation pending  
31 on or before January 1, 2003, alleging a violation of Section 22325  
32 of the Business and Professions Code as it read at the time the  
33 action was commenced.

34 ~~(v)~~

35 *(u)* (1) When a rental company enters into a rental agreement  
36 in the state for the rental of a vehicle to any renter who is not a  
37 resident of this country and, as part of, or associated with, the rental  
38 agreement, the renter purchases liability insurance, as defined in  
39 subdivision (b) of Section 1758.85 of the Insurance Code, from  
40 the rental company in its capacity as a rental car agent for an

1 authorized insurer, the rental company shall be authorized to accept,  
 2 and, if served as set forth in this subdivision, shall accept, service  
 3 of a summons and complaint and any other required documents  
 4 against the foreign renter for any accident or collision resulting  
 5 from the operation of the rental vehicle within the state during the  
 6 rental period. If the rental company has a registered agent for  
 7 service of process on file with the Secretary of State, process shall  
 8 be served on the rental company’s registered agent, either by  
 9 first-class mail, return receipt requested, or by personal service.

10 (2) Within 30 days of acceptance of service of process, the rental  
 11 company shall provide a copy of the summons and complaint and  
 12 any other required documents served in accordance with this  
 13 subdivision to the foreign renter by first-class mail, return receipt  
 14 requested.

15 (3) Any plaintiff, or his or her representative, who elects to serve  
 16 the foreign renter by delivering a copy of the summons and  
 17 complaint and any other required documents to the rental company  
 18 pursuant to paragraph (1) shall agree to limit his or her recovery  
 19 against the foreign renter and the rental company to the limits of  
 20 the protection extended by the liability insurance.

21 (4) Notwithstanding the requirements of Sections 17450 to  
 22 17456, inclusive, of the Vehicle Code, service of process in  
 23 compliance with paragraph (1) shall be deemed valid and effective  
 24 service.

25 (5) Notwithstanding any other provision of law, the requirement  
 26 that the rental company accept service of process pursuant to  
 27 paragraph (1) shall not create any duty, obligation, or agency  
 28 relationship other than that provided in paragraph (1).

29 (~~w~~)

30 (v) This section shall remain in effect only until January 1, ~~2015~~,  
 31 2020, and as of that date is repealed, unless a later enacted statute,  
 32 that is enacted before January 1, ~~2015~~ 2020, deletes or extends  
 33 that date.

34 *SEC. 1.7. Section 1936 of the Civil Code, as amended by*  
 35 *Section 2 of Chapter 549 of the Statutes of 2013, is amended to*  
 36 *read:*

37 1936. (a) For the purpose of this section, the following  
 38 definitions shall apply:

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

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

4 (3) “Authorized driver” means all of the following:

5 (A) The renter.

6 (B) The renter’s spouse if that person is a licensed driver and  
7 satisfies the rental company’s minimum age requirement.

8 ~~(3) “Authorized driver” means (A) the renter, (B) the renter’s~~  
9 ~~spouse if that person is a licensed driver and satisfies the rental~~  
10 ~~company’s minimum age requirement, (C) the~~

11 (C) The renter’s employer or coworker if he or she is engaged  
12 in business activity with the renter, is a licensed driver, and satisfies  
13 the rental company’s minimum age requirement, and ~~(D) a person~~  
14 ~~expressly listed by the rental company on the renter’s contract as~~  
15 ~~an authorized driver.~~ requirement.

16 (D) A person expressly listed by the rental company on that  
17 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 audit, by an independent  
32 auditor, paid for by the airport, to finance, design, and construct  
33 those facilities. The auditor shall independently examine and  
34 substantiate the necessity for and the amount of the customer  
35 facility charge, including whether the airport’s actual or projected  
36 costs are supported and justified, any steps the airport may take to  
37 limit costs, potential alternatives for meeting the airport’s revenue  
38 needs other than the collection of the fee, and whether and to what  
39 extent car rental companies or other businesses or individuals using  
40 the facility or common-use transportation system may pay for the

1 costs associated with these facilities and systems other than the  
2 fee from rental customers, or whether the airport did not comply  
3 with any provision of this subparagraph. Copies of the audit shall  
4 be provided to the Assembly and Senate Committees on Judiciary,  
5 the Assembly Committee on Transportation, and the Senate  
6 Committee on Transportation and Housing and shall be posted on  
7 the airport's Internet Web site. In the case of a customer facility  
8 charge for a common-use transportation system, the audit also  
9 shall consider the reasonable costs of providing the transit system  
10 or busing network pursuant to clause (ii) of subparagraph (A). Any  
11 audit required by this subparagraph may be included as a part of  
12 an audit of an airport's finances. Notwithstanding clause (iii) of  
13 subparagraph (A), the fees designated as a customer facility charge  
14 shall not be used to pay for terminal expansion, gate expansion,  
15 runway expansion, changes in hours of operation, or changes in  
16 the number of flights arriving or departing from the airport.

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

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

27 (5) "Damage waiver" means a rental company's agreement not  
28 to hold a renter liable for all or any portion of any damage or loss  
29 related to the rented vehicle, any loss of use of the rented vehicle,  
30 or any storage, impound, towing, or administrative charges.

31 (6) "Electronic surveillance technology" means a technological  
32 method or system used to observe, monitor, or collect information,  
33 including telematics, Global Positioning System (GPS), wireless  
34 technology, or location-based technologies. "Electronic  
35 surveillance technology" does not include event data recorders  
36 (EDR), sensing and diagnostic modules (SDM), or other systems  
37 that are used either:

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

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

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

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

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

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

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

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

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

29 (E) An employee designated to receive the form specified in  
30 subparagraph (C) of paragraph (1) of subdivision ~~(t)~~ (s) is present  
31 at the lot where the renter takes possession of the car, to receive  
32 any change in the rental agreement from the renter.

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

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

38 (1) Physical or mechanical damage to the rented vehicle up to  
39 its fair market value, as determined in the customary market for

1 the sale of that vehicle, resulting from collision regardless of the  
2 cause of the damage.

3 (2) Loss due to theft of the rented vehicle up to its fair market  
4 value, as determined in the customary market for the sale of that  
5 vehicle, provided that the rental company establishes by clear and  
6 convincing evidence that the renter or the authorized driver failed  
7 to exercise ordinary care while in possession of the vehicle. In  
8 addition, the renter shall be presumed to have no liability for any  
9 loss due to theft if (A) an authorized driver has possession of the  
10 ignition key furnished by the rental company or an authorized  
11 driver establishes that the ignition key furnished by the rental  
12 company was not in the vehicle at the time of the theft, and (B) an  
13 authorized driver files an official report of the theft with the police  
14 or other law enforcement agency within 24 hours of learning of  
15 the theft and reasonably cooperates with the rental company and  
16 the police or other law enforcement agency in providing  
17 information concerning the theft. The presumption set forth in this  
18 paragraph is a presumption affecting the burden of proof which  
19 the rental company may rebut by establishing that an authorized  
20 driver committed, or aided and abetted the commission of, the  
21 theft.

22 (3) Physical damage to the rented vehicle up to its fair market  
23 value, as determined in the customary market for the sale of that  
24 vehicle, resulting from vandalism occurring after, or in connection  
25 with, the theft of the rented vehicle. However, the renter shall have  
26 no liability for any damage due to vandalism if the renter would  
27 have no liability for theft pursuant to paragraph (2).

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

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

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

36 (c) The total amount of the renter's liability to the rental  
37 company resulting from damage to the rented vehicle shall not  
38 exceed the sum of the following:

39 (1) The estimated cost of parts which the rental company would  
40 have to pay to replace damaged vehicle parts. All discounts and

1 price reductions or adjustments that are or will be received by the  
2 rental company shall be subtracted from the estimate to the extent  
3 not already incorporated in the estimate, or otherwise promptly  
4 credited or refunded to the renter.

5 (2) The estimated cost of labor to replace damaged vehicle parts,  
6 which shall not exceed the product of (A) the rate for labor usually  
7 paid by the rental company to replace vehicle parts of the type that  
8 were damaged and (B) the estimated time for replacement. All  
9 discounts and price reductions or adjustments that are or will be  
10 received by the rental company shall be subtracted from the  
11 estimate to the extent not already incorporated in the estimate, or  
12 otherwise promptly credited or refunded to the renter.

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

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

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

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

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

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

29 (6) The administrative charge described in paragraph (6) of  
30 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
31 estimated cost for parts and labor is more than one hundred dollars  
32 (\$100) up to and including five hundred dollars (\$500), (B) one  
33 hundred dollars (\$100) if the total estimated cost for parts and  
34 labor exceeds five hundred dollars (\$500) up to and including one  
35 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
36 dollars (\$150) if the total estimated cost for parts and labor exceeds  
37 one thousand five hundred dollars (\$1,500). An administrative  
38 charge shall not be imposed if the total estimated cost of parts and  
39 labor is one hundred dollars (\$100) or less.

1 (d) (1) The total amount of an authorized driver’s liability to  
2 the rental company, if any, for damage occurring during the  
3 authorized driver’s operation of the rented vehicle shall not exceed  
4 the amount of the renter’s liability under subdivision (c).

5 (2) A rental company shall not recover from the renter or other  
6 authorized driver an amount exceeding the renter’s liability under  
7 subdivision (c).

8 (3) A claim against a renter resulting from damage or loss,  
9 excluding loss of use, to a rental vehicle shall be reasonably and  
10 rationally related to the actual loss incurred. A rental company  
11 shall mitigate damages where possible and shall not assert or collect  
12 a claim for physical damage which exceeds the actual costs of the  
13 repairs performed or the estimated cost of repairs, if the rental  
14 company chooses not to repair the vehicle, including all discounts  
15 and price reductions. However, if the vehicle is a total loss vehicle,  
16 the claim shall not exceed the total loss vehicle value established  
17 in accordance with procedures that are customarily used by  
18 insurance companies when paying claims on total loss vehicles,  
19 less the proceeds from salvaging the vehicle, if those proceeds are  
20 retained by the rental company.

21 (4) If insurance coverage exists under the renter’s applicable  
22 personal or business insurance policy and the coverage is confirmed  
23 during regular business hours, the renter may require that the rental  
24 company submit any claims to the renter’s applicable personal or  
25 business insurance carrier. The rental company shall not make any  
26 written or oral representations that it will not present claims or  
27 negotiate with the renter’s insurance carrier. For purposes of this  
28 paragraph, confirmation of coverage includes telephone  
29 confirmation from insurance company representatives during  
30 regular business hours. Upon request of the renter and after  
31 confirmation of coverage, the amount of claim shall be resolved  
32 between the insurance carrier and the rental company. The renter  
33 shall remain responsible for payment to the rental car company  
34 for any loss sustained that the renter’s applicable personal or  
35 business insurance policy does not cover.

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

39 (6) This section applies only to the maximum liability of a renter  
40 or other authorized driver to the rental company resulting from

1 damage to the rented vehicle and not to the liability of another  
2 person.

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

7 (2) Except as provided in subdivision (f), every limitation,  
8 exception, or exclusion to a damage waiver is void and  
9 unenforceable.

10 (f) A rental company may provide in the rental contract that a  
11 damage waiver does not apply under any of the following  
12 circumstances:

13 (1) Damage or loss results from an authorized driver's (A)  
14 intentional, willful, wanton, or reckless conduct, (B) operation of  
15 the vehicle under the influence of drugs or alcohol in violation of  
16 Section 23152 of the Vehicle Code, (C) towing or pushing  
17 anything, or (D) operation of the vehicle on an unpaved road if  
18 the damage or loss is a direct result of the road or driving  
19 conditions.

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

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

29 (g) (1) A rental company that offers or provides a damage  
30 waiver for any consideration in addition to the rental rate shall  
31 clearly and conspicuously disclose the following information in  
32 the rental contract or holder in which the contract is placed and,  
33 also, in signs posted at the place, such as the counter, where the  
34 renter signs the rental contract, and, for renters who are enrolled  
35 in the rental company's membership program, in a sign that shall  
36 be posted in a location clearly visible to those renters as they enter  
37 the location where their reserved rental cars are parked or near the  
38 exit of the bus or other conveyance that transports the enrollee to  
39 a reserved car: (A) the nature of the renter's liability, such as  
40 liability for all collision damage regardless of cause, (B) the extent

1 of the renter’s liability, such as liability for damage or loss up to  
2 a specified amount, (C) the renter’s personal insurance policy or  
3 the credit card used to pay for the car rental transaction may  
4 provide coverage for all or a portion of the renter’s potential  
5 liability, (D) the renter should consult with his or her insurer to  
6 determine the scope of insurance coverage, including the amount  
7 of the deductible, if any, for which the renter is obligated, (E) the  
8 renter may purchase an optional damage waiver to cover all  
9 liability, subject to whatever exceptions the rental company  
10 expressly lists that are permitted under subdivision (f), and (F) the  
11 range of charges for the damage waiver.

12 (2) In addition to the requirements of paragraph (1), 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 part  
20 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 (3) The following is an example, for purposes of illustration  
28 and not limitation, of a notice fulfilling the requirements of  
29 paragraph (1) for a rental company that imposes liability on the  
30 renter for collision damage to the full value of the vehicle:

31  
32 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
33 AND OPTIONAL DAMAGE WAIVER  
34

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

39 Your own insurance, or the issuer of the credit card you use to  
40 pay for the car rental transaction, may cover all or part of your

1 financial responsibility for the rented vehicle. You should check  
2 with your insurance company, or credit card issuer, to find out  
3 about your coverage and the amount of the deductible, if any, for  
4 which you may be liable.

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

9 The rental company will not hold you responsible if you buy a  
10 damage waiver. But a damage waiver will not protect you if (list  
11 exceptions).”

12  
13 (A) When the above notice is printed in the rental contract or  
14 holder in which the contract is placed, the following shall be printed  
15 immediately following the notice:

16  
17 “The cost of an optional damage waiver is \$\_\_\_\_\_ for every (day  
18 or week).”

19  
20 (B) When the above notice appears on a sign, the following  
21 shall appear immediately adjacent to the notice:

22  
23 “The cost of an optional damage waiver is \$\_\_\_\_\_ to \$\_\_\_\_\_ for  
24 every (day or week), depending upon the vehicle rented.”

25  
26 (h) Notwithstanding any other provision of law, a rental  
27 company may sell a damage waiver subject to the following rate  
28 limitations for each full or partial 24-hour rental day for the damage  
29 ~~waiver:~~ *waiver:*

30 (1) For rental vehicles that the rental company designates as an  
31 “economy car,” ~~“subcompact car,”~~ “compact car,” or another term  
32 having similar meaning ~~when offered for rental, or another vehicle~~  
33 ~~having a manufacturer’s suggested retail price of nineteen thousand~~  
34 ~~dollars (\$19,000) or less, the rate shall not exceed nine dollars~~  
35 ~~(\$9):~~ *to the two smallest body-size categories of vehicles*  
36 *established by the Association of Car Rental Industry Systems*  
37 *Standards for North America, as of January 1, 2014, when offered*  
38 *for rental, the rate shall not exceed eleven dollars (\$11).*

39 (2) For rental vehicles that ~~have a manufacturer’s suggested~~  
40 ~~retail price from nineteen thousand one dollars (\$19,001) to~~

1 ~~thirty-four thousand nine hundred ninety-nine dollars (\$34,999),~~  
 2 ~~inclusive, the rental company designates as an “intermediate car,”~~  
 3 ~~“standard car,” or “full-size car,” or another term having similar~~  
 4 ~~meaning to the next three body-size categories of vehicles~~  
 5 ~~established by the Association of Car Rental Industry Systems~~  
 6 ~~Standards for North America, as of January 1, 2014, and that are~~  
 7 also either vehicles of ~~next year’s model, the next model year, or~~  
 8 not older than the previous year’s model, *when offered for rental,*  
 9 the rate shall not exceed ~~fifteen dollars (\$15). seventeen dollars~~  
 10 ~~(\$17). For those rental vehicles that are older than the previous~~  
 11 ~~year’s model-year, model year, the rate shall not exceed nine~~  
 12 ~~dollars (\$9). eleven dollars (\$11).~~

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

18 ~~(j)~~

19 (i) A rental company that disseminates in this state an  
 20 advertisement containing a rental rate shall include in that  
 21 advertisement a clearly readable statement of the charge for a  
 22 damage waiver and a statement that a damage waiver is optional.

23 ~~(k)~~

24 (j) (1) A rental company shall not require the purchase of a  
 25 damage waiver, optional insurance, or another optional good or  
 26 service.

27 (2) A rental company shall not engage in any unfair, deceptive,  
 28 or coercive conduct to induce a renter to purchase the damage  
 29 waiver, optional insurance, or another optional good or service,  
 30 including conduct such as, but not limited to, refusing to honor  
 31 the renter’s reservation, limiting the availability of vehicles,  
 32 requiring a deposit, or debiting or blocking the renter’s credit card  
 33 account for a sum equivalent to a deposit if the renter declines to  
 34 purchase the damage waiver, optional insurance, or another  
 35 optional good or service.

36 ~~(l)~~

37 (k) (1) In the absence of express permission granted by the  
 38 renter subsequent to damage to, or loss of, the vehicle, a rental  
 39 company shall not seek to recover any portion of a claim arising  
 40 out of damage to, or loss of, the rented vehicle by processing a

1 credit card charge or causing a debit or block to be placed on the  
2 renter's credit card account.

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

6 ~~(m)~~

7 (l) (1) A customer facility charge may be collected by a rental  
8 company under the following circumstances:

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

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

16 (C) The fee is a user fee, not a tax imposed upon real property  
17 or an ~~incidence~~ *incident* of property ownership under Article XIII D  
18 of the California Constitution.

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

22 (E) The fee for a consolidated rental car facility shall be  
23 collected only from customers of on-airport rental car companies.  
24 If the fee imposed by the airport is for both a consolidated rental  
25 car facility and a common-use transportation system, the fee  
26 collected from customers of on-airport rental car companies shall  
27 be ten dollars (\$10) or the amount provided in paragraph (2), but  
28 the fee imposed on customers of off-airport rental car companies  
29 who are transported on the common-use transportation system is  
30 proportionate to the costs of the common-use transportation system  
31 only. The fee is uniformly applied to each class of on-airport or  
32 off-airport customers, provided that the airport requires off-airport  
33 customers to use the common-use transportation system. For  
34 purposes of this subparagraph, "on-airport rental car company"  
35 means a rental company operating under an airport property lease  
36 or an airport concession or license agreement whose customers  
37 use or will use the consolidated rental car facility and the collection  
38 of the fee as to those customers is consistent with subparagraph  
39 (C).

1 (F) Revenues collected from the fee do not exceed the reasonable  
2 costs of financing, designing, and constructing the facility and  
3 financing, designing, constructing, and operating any common-use  
4 transportation system, or acquiring vehicles for use in that system,  
5 and shall not be used for any other purpose.

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

7 (H) This paragraph does not apply to fees which are governed  
8 by Section 50474.1 of the Government Code or Section 57.5 of  
9 the San Diego Unified Port District ~~Act~~. *Act (Chapter 67 of the*  
10 *First Extraordinary Session of the Statutes of 1962).*

11 (I) For any airport seeking to require rental car companies to  
12 collect an alternative customer facility charge pursuant to paragraph  
13 (2), the following provisions apply:

14 (i) Notwithstanding Section 10231.5 of the Government Code,  
15 the airport shall provide reports on an annual basis to the Senate  
16 and Assembly Committees on Judiciary detailing all of the  
17 following:

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

19 (II) How the funds are being spent.

20 (III) The amount of and reason for any changes in the airport's  
21 budget or financial needs for the facility or common-use  
22 transportation system.

23 (IV) Whether airport concession fees authorized by Section  
24 1936.01 have increased since the prior report, if any.

25 (ii) (I) The airport shall complete the audit required by  
26 subparagraph (B) of paragraph (4) of subdivision (a) prior to *the*  
27 initial collection of the customer facility charge. Notwithstanding  
28 Section 10231.5 of the Government Code, copies of the audit shall  
29 be provided to the Assembly and Senate Committees on Judiciary,  
30 the Assembly Committee on Transportation, and the Senate  
31 Committee on Transportation and Housing and shall be posted on  
32 the airport's Internet Web site.

33 (II) Prior to any increase pursuant to paragraph (2), the airport  
34 shall update the information provided in the initial collection audit  
35 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
36 Government Code, copies of the updated audit shall be provided  
37 to the Assembly and Senate Committees on Judiciary, the  
38 Assembly Committee on Transportation, and the Senate Committee  
39 on Transportation and ~~Housing~~ *Housing*, and shall be posted on  
40 the airport's Internet Web site.

1 (III) An audit shall be completed every three years after initial  
2 collection only if the customer facility charge is collected for the  
3 purpose of operating a common-use transportation system or to  
4 acquire vehicles for use in ~~such a~~ *the* system pursuant to clause  
5 (ii) of subparagraph (A) of paragraph (4) of subdivision (a). A  
6 regularly conducted audit of airport finances that includes the  
7 customer facility charge information, that satisfies the requirements  
8 of subparagraph (B) of paragraph (4) of subdivision (a), and is  
9 produced in accordance with the generally accepted accounting  
10 principles of the Government Accounting Standards Board, shall  
11 satisfy the requirements of this subclause. This obligation shall  
12 continue until the fee authorization becomes inoperative pursuant  
13 to subparagraph (C) of paragraph (4) of subdivision (a).  
14 Notwithstanding Section 10231.5 of the Government Code, the  
15 information reported pursuant to this subclause shall be compiled  
16 into one document, shall be provided to the Assembly and Senate  
17 Committees on Judiciary, the Assembly Committee on  
18 Transportation, and the Senate Committee on Transportation and  
19 Housing and shall be posted on the airport's Internet Web site  
20 accessible to the public. The information reported shall be  
21 contained within one easily accessible page contained within the  
22 airport's Internet Web site.

23 (IV) This section shall not be construed to require an airport to  
24 audit a common-use transportation system not financed by a  
25 customer facility charge and used for the purposes permitted  
26 pursuant to clause (ii) of subparagraph (A) of paragraph (4) of  
27 subdivision (a).

28 (V) The airport shall post on the airport's Internet Web site  
29 copies of the completed audits required by this clause for a period  
30 of six years following the audit's completion.

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

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

37 (A) The airport first conducts a publicly noticed hearing pursuant  
38 to the Ralph M. Brown Act (Chapter 9 (commencing with Section  
39 54950) of Part 1 of Division 2 of Title 5 of the Government Code)  
40 to review the costs of financing the design and construction of a

1 consolidated rental car facility and the design, construction, and  
2 operation of any common-use transportation system in which all  
3 of the following occur:

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

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

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

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

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

21 (II) Other potential alternatives for meeting its revenue needs  
22 other than the collection of the fee.

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

27 (B) The airport may not require the fee authorized in this  
28 paragraph to be collected at any time that the fee authorized in  
29 paragraph (1) of this subdivision is being collected.

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

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

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

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

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

4 (v) An airport subject to this paragraph shall initiate the process  
5 for obtaining the authority to require or increase the alternative  
6 fee no later than January 1, 2018. Any airport that obtains the  
7 authority to require or increase an alternative fee shall be authorized  
8 to continue collecting that fee until the fee authorization becomes  
9 inoperative pursuant to subparagraph (C) of paragraph (4) of  
10 subdivision (a).

11 (3) Notwithstanding any other provision of law, including, but  
12 not limited to, Part 1 (commencing with Section 6001) to Part 1.7  
13 (commencing with Section 7280), inclusive, of Division 2 of the  
14 Revenue and Taxation Code, the fees collected pursuant to this  
15 section, or another law whereby a local agency operating an airport  
16 requires a rental car company to collect a facility financing fee  
17 from its customers, are not subject to sales, use, or transaction  
18 taxes.

19 ~~(n)~~

20 (m) (1) A rental company shall only advertise, quote, and charge  
21 a rental rate that includes the entire amount except taxes, a  
22 customer facility charge, if any, and a mileage charge, if any, that  
23 a renter must pay to hire or lease the vehicle for the period of time  
24 to which the rental rate applies. A rental company shall not charge  
25 in addition to the rental rate, taxes, a customer facility charge, if  
26 any, and a mileage charge, if any, any fee that is required to be  
27 paid by the renter as a condition of hiring or leasing the vehicle,  
28 including, but not limited to, required fuel or airport surcharges  
29 other than customer facility charges, nor a fee for transporting the  
30 renter to the location where the rented vehicle will be delivered to  
31 the renter.

32 (2) In addition to the rental rate, taxes, customer facility charges,  
33 if any, and mileage charges, if any, a rental company may charge  
34 for an item or service provided in connection with a particular  
35 rental transaction if the renter could have avoided incurring the  
36 charge by choosing not to obtain or utilize the optional item or  
37 service. Items and services for which the rental company may  
38 impose an additional charge include, but are not limited to, optional  
39 insurance and accessories requested by the renter, service charges  
40 incident to the renter's optional return of the vehicle to a location

1 other than the location where the vehicle was hired or leased, and  
2 charges for refueling the vehicle at the conclusion of the rental  
3 transaction in the event the renter did not return the vehicle with  
4 as much fuel as was in the fuel tank at the beginning of the rental.  
5 A rental company also may impose an additional charge based on  
6 reasonable age criteria established by the rental company.

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

9 (4) If a rental company states a rental rate in print advertisement  
10 or in a telephonic, in-person, or computer-transmitted quotation,  
11 the rental company shall disclose clearly in that advertisement or  
12 quotation the terms of mileage conditions relating to the advertised  
13 or quoted rental rate, including, but not limited to, to the extent  
14 applicable, the amount of mileage and gas charges, the number of  
15 miles for which no charges will be imposed, and a description of  
16 geographic driving limitations within the United States and Canada.

17 (5) (A) When a rental rate is stated in an advertisement,  
18 quotation, or reservation in connection with a car rental at an airport  
19 where a customer facility charge is imposed, the rental company  
20 shall disclose clearly the existence and amount of the customer  
21 facility charge. For purposes of this subparagraph, advertisements  
22 include radio, television, other electronic media, and print  
23 advertisements. For purposes of this subparagraph, quotations and  
24 reservations include those that are telephonic, in-person, and  
25 computer-transmitted. If the rate advertisement is intended to  
26 include transactions at more than one airport imposing a customer  
27 facility charge, a range of fees may be stated in the advertisement.  
28 However, all rate advertisements that include car rentals at airport  
29 destinations shall clearly and conspicuously include a toll-free  
30 telephone number whereby a customer can be told the specific  
31 amount of the customer facility charge to which the customer will  
32 be obligated.

33 (B) If a person or entity other than a rental car company,  
34 including a passenger carrier or a seller of travel services, advertises  
35 or quotes a rate for a car rental at an airport where a customer  
36 facility charge is imposed, that person or entity shall, provided  
37 that he, she, or it is provided with information about the existence  
38 and amount of the fee, to the extent not specifically prohibited by  
39 federal law, clearly disclose the existence and amount of the fee  
40 in any telephonic, in-person, or computer-transmitted quotation at

1 the time of making an initial quotation of a rental rate and at the  
2 time of making a reservation of a rental car. If a rental car company  
3 provides the person or entity with rate and customer facility charge  
4 information, the rental car company is not responsible for the  
5 failure of that person or entity to comply with this subparagraph  
6 when quoting or confirming a rate to a third person or entity.

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

16 ~~(6)~~

17 (n) A rental company shall not use, access, or obtain any  
18 information relating to the renter's use of the rental vehicle that  
19 was obtained using electronic surveillance technology, except in  
20 the following circumstances:

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

24 (i) The renter or law enforcement has informed the rental  
25 company that the vehicle is missing or has been stolen or  
26 abandoned.

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

30 (iii) The rental company discovers the rental vehicle has been  
31 stolen or abandoned, and, if stolen, it shall report the vehicle stolen  
32 to law enforcement by filing a stolen vehicle report, unless law  
33 enforcement has already informed the rental company that the  
34 vehicle is missing or has been stolen or abandoned.

35 (B) If electronic surveillance technology is activated pursuant  
36 to subparagraph (A), a rental company shall maintain a record, in  
37 either electronic or written form, of information relevant to the  
38 activation of that technology. That information shall include the  
39 rental agreement, including the return date, and the date and time  
40 the electronic surveillance technology was activated. The record

1 shall also include, if relevant, a record of written or other  
2 communication with the renter, including communications  
3 regarding extensions of the rental, police reports, or other written  
4 communication with law enforcement officials. The record shall  
5 be maintained for a period of at least 12 months from the time the  
6 record is created and shall be made available upon the renter's  
7 request. The rental company shall maintain and furnish explanatory  
8 codes necessary to read the record. A rental company shall not be  
9 required to maintain a record if electronic surveillance technology  
10 is activated to recover a rental vehicle that is stolen or missing at  
11 a time other than during a rental period.

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

14 (3) This subdivision does not prohibit a rental company from  
15 equipping rental vehicles with GPS-based technology that provides  
16 navigation assistance to the occupants of the rental vehicle, if the  
17 rental company does not use, access, or obtain information relating  
18 to the renter's use of the rental vehicle that was obtained using  
19 that technology, except for the purposes of discovering or repairing  
20 a defect in the technology and the information may then be used  
21 only for that purpose.

22 (4) This subdivision does not prohibit a rental company from  
23 equipping rental vehicles with electronic surveillance technology  
24 that allows for the remote locking or unlocking of the vehicle at  
25 the request of the renter, if the rental company does not use, access,  
26 or obtain information relating to the renter's use of the rental  
27 vehicle that was obtained using that technology, except as  
28 necessary to lock or unlock the vehicle.

29 (5) This subdivision does not prohibit a rental company from  
30 equipping rental vehicles with electronic surveillance technology  
31 that allows the company to provide roadside assistance, such as  
32 towing, flat tire, or fuel services, at the request of the renter, if the  
33 rental company does not use, access, or obtain information relating  
34 to the renter's use of the rental vehicle that was obtained using  
35 that technology except as necessary to provide the requested  
36 roadside assistance.

37 (6) This subdivision does not prohibit a rental company from  
38 obtaining, accessing, or using information from electronic  
39 surveillance technology for the sole purpose of determining the  
40 date and time the vehicle is returned to the rental company, and

1 the total mileage driven and the vehicle fuel level of the returned  
2 vehicle. This paragraph, however, shall apply only after the renter  
3 has returned the vehicle to the rental company, and the information  
4 shall only be used for the purpose described in this paragraph.

5 ~~(p)~~

6 (o) A rental company shall not use electronic surveillance  
7 technology to track a renter in order to impose fines or surcharges  
8 relating to the renter's use of the rental vehicle.

9 ~~(q)~~

10 (p) A renter may bring an action against a rental company for  
11 the recovery of damages and appropriate equitable relief for a  
12 violation of this section. The prevailing party shall be entitled to  
13 recover reasonable attorney's fees and costs.

14 ~~(r)~~

15 (q) A rental company that brings an action against a renter for  
16 loss due to theft of the vehicle shall bring the action in the county  
17 in which the renter resides or, if the renter is not a resident of this  
18 state, in the jurisdiction in which the renter resides.

19 ~~(s)~~

20 (r) A waiver of any of the provisions of this section shall be  
21 void and unenforceable as contrary to public policy.

22 ~~(t)~~

23 (s) (1) A rental company's disclosure requirements shall be  
24 satisfied for renters who are enrolled in the rental company's  
25 membership program if all of the following conditions are met:

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

28 (i) All of the disclosures required by paragraph (1) of subdivision  
29 (g), including the terms and conditions of the rental agreement  
30 then in effect.

31 (ii) An Internet Web site address, as well as a contact number  
32 or address, where the enrollee can learn of changes to the rental  
33 agreement or to the laws of this state governing rental agreements  
34 since the effective date of the rental company's most recent  
35 restatement of the rental agreement and distribution of that  
36 restatement to its members.

37 (B) At the commencement of each rental period, the renter is  
38 provided, on the rental record or the folder in which it is inserted,  
39 with a printed notice stating that he or she had either previously

1 selected or declined an optional damage waiver and that the renter  
2 has the right to change preferences.

3 (C) At the commencement of each rental period, the rental  
4 company provides, on the rearview mirror, a hanger on which a  
5 statement is printed, in a box, in at least 12-point boldface type,  
6 notifying the renter that the collision damage waiver offered by  
7 the rental company may be duplicative of coverage that the  
8 customer maintains under his or her own policy of motor vehicle  
9 insurance. If it is not feasible to hang the statement from the  
10 rearview mirror, it shall be hung from the steering wheel.

11 The hanger shall provide the renter a box to initial if he or she  
12 (not his or her employer) has previously accepted or declined the  
13 collision damage waiver and that he or she now wishes to change  
14 his or her decision to accept or decline the collision damage waiver,  
15 as follows:

16  
17 ~~☐~~ ~~If~~ “If I previously accepted the collision damage waiver, I  
18 now decline it.

19 ☐ If I previously declined the collision damage waiver, I now  
20 accept it.”

21  
22 The hanger shall also provide a box for the enrollee to indicate  
23 whether this change applies to this rental transaction only or to all  
24 future rental transactions. The hanger shall also notify the renter  
25 that he or she may make that change, prior to leaving the lot, by  
26 returning the form to an employee designated to receive the form  
27 who is present at the lot where the renter takes possession of the  
28 car, to receive any change in the rental agreement from the renter.

29 (2) (A) This subdivision is not effective unless the employee  
30 designated pursuant to subparagraph (E) of paragraph (8) of  
31 subdivision (a) is actually present at the required location.

32 (B) This subdivision does not relieve the rental company from  
33 the disclosures required to be made within the text of a contract  
34 or holder in which the contract is placed; in or on an advertisement  
35 containing a rental rate; or in a telephonic, in-person, or  
36 computer-transmitted quotation or reservation.

37 ~~(t)~~  
38 (t) The amendments made to this section during the 2001–02  
39 Regular Session of the Legislature do not affect litigation pending  
40 on or before January 1, 2003, alleging a violation of Section 22325

1 of the Business and Professions Code as it read at the time the  
2 action was commenced.

3 (~~v~~)

4 (u) This section shall become operative on January 1, ~~2015~~  
5 2020.

6 SEC. 2. Section 1936.01 of the Civil Code is amended to read:

7 1936.01. (a) For the purpose of this section, the following  
8 definitions shall apply:

9 (1) "Airport concession fee" means a charge collected by a  
10 rental company from a renter that is the renter's proportionate  
11 share of the amount paid by the rental company to the owner or  
12 operator of an airport for the right or privilege of conducting a  
13 vehicle rental business on the airport's premises.

14 (2) "Quote" means an estimated cost of rental provided by a  
15 rental company or a third party to a potential customer by  
16 telephone, in-person, computer-transmission, or other means, that  
17 is based on information provided by the potential customer and  
18 used to generate an estimated cost of rental, including, but not  
19 limited to, any of the following: potential dates of rental, locations,  
20 or classes of car.

21 (3) "Tourism commission assessment" means the charge  
22 collected by a rental company from a renter that has been  
23 established by the California Travel and Tourism Commission  
24 pursuant to Section 13995.65 of the Government Code.

25 (b) Notwithstanding subdivision (m) of Section 1936, the  
26 following provisions shall apply:

27 (1) A rental company shall only advertise a rental rate that  
28 includes the entire amount, except taxes, a customer facility charge,  
29 if any, and a mileage charge, if any, that a renter must pay to hire  
30 or lease the vehicle for the period of time to which the rental rate  
31 applies.

32 (2) When providing a quote, or imposing charges for a rental,  
33 the rental company may separately state the rental rate, taxes,  
34 customer facility charge, if any, airport concession fee, if any,  
35 tourism commission assessment, if any, and a mileage charge, if  
36 any, that a renter must pay to hire or lease the vehicle for the period  
37 of time to which the rental rate applies. A rental company may not  
38 charge in addition to the rental rate, taxes, a customer facility  
39 charge, if any, airport concession fee, if any, tourism commission  
40 assessment, if any, and a mileage charge, if any, any fee that must

1 be paid by the renter as a condition of hiring or leasing the vehicle,  
2 such as, but not limited to, required fuel or airport surcharges other  
3 than customer facility charges and airport concession fees.

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

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

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

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

39 (4) In addition to the rental rate, taxes, customer facility charges,  
40 if any, airport concession fees, if any, tourism commission

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

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

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

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

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

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

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

36 SEC. 3. Section 1936.015 of the Civil Code is amended to  
37 read:

38 1936.015. (a) For the purposes of this section, the following  
39 definitions shall apply:

1 (1) “Vehicle license fee” has the same meaning as in Sections  
2 10751 and 10752 of the Revenue and Taxation Code, as that fee  
3 existed on January 1, 2009.

4 (2) “Increased vehicle license fee” means the amount of the fee  
5 increase in the vehicle license fee above 0.65 percent of the value  
6 of the vehicle.

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

12 (b) Notwithstanding subdivision (m) of Section 1936 or  
13 subdivision (b) of Section 1936.01, upon an increase of the vehicle  
14 license fee above 0.65 percent of the value of the vehicle pursuant  
15 to legislation enacted with the Budget Act of 2009, the following  
16 provisions shall apply with respect to the increased vehicle license  
17 fee:

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

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

24 (B) The rental company shall determine the total amount of the  
25 increased vehicle license fee actually paid during the twelve months  
26 preceding the calculation date, for each particular class of vehicle  
27 being rented.

28 (C) The total amount of increased vehicle license fee actually  
29 paid for each class of vehicle shall be divided by the number of  
30 vehicles in the class, to determine the average increased vehicle  
31 license fee for each class.

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

37 (2) As of November 21, 2009, and annually as of each  
38 November 21 thereafter, a rental company shall reconcile the  
39 amount of increased vehicle license fees actually paid by the rental  
40 company during the preceding 12 months for each class of vehicle

1 and the amount of increased vehicle license recovery fees charged  
2 to customers during that same 12-month period for rental of  
3 vehicles in those classes. The rental company shall post that  
4 information on its Internet Web site by December 31 of each year.

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

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

14 (5) When providing a quote, or imposing charges for a rental,  
15 the rental company may separately state the rental rate, taxes, the  
16 increased vehicle license recovery fee, customer facility charge,  
17 if any, airport concession fee, if any, tourism commission  
18 assessment, if any, and a mileage charge, if any, that a renter must  
19 pay to hire or lease the vehicle for the period of time to which the  
20 rental rate applies. A rental company may not charge in addition  
21 to the rental rate, taxes, the increased vehicle license recovery fee,  
22 a customer facility charge, if any, airport concession fee, if any,  
23 tourism commission assessment, if any, and a mileage charge, if  
24 any, any fee that must be paid by the renter as a condition of hiring  
25 or leasing the vehicle, such as, but not limited to, required fuel or  
26 airport surcharges other than customer facility charges and airport  
27 concession fees.

28 (6) If customer facility charges, airport concession fees, or  
29 tourism commission assessments are imposed, the rental company  
30 shall do each of the following:

31 (A) At the time the quote is given, provide the person receiving  
32 the quote with a good faith estimate of the rental rate, taxes, the  
33 increased vehicle license recovery fee, customer facility charge,  
34 if any, airport concession fee, if any, and tourism commission  
35 assessment, if any, as well as the total charges for the entire rental.  
36 The total charges, if provided on an Internet Web site, shall be  
37 displayed in a typeface at least as large as any rental rate disclosed  
38 on that page and shall be provided on a page that the person  
39 receiving the quote may reach by following links through no more  
40 than two Internet Web site pages, including the page on which the

1 rental rate is first provided. The good faith estimate may exclude  
2 mileage charges and charges for optional items that cannot be  
3 determined prior to completing the reservation based upon the  
4 information provided by the person.

5 (B) At the time and place the rental commences, clearly and  
6 conspicuously disclose in the rental contract, or that portion of the  
7 contract that is provided to the renter, the total of the rental rate,  
8 taxes, the increased vehicle license recovery fee, customer facility  
9 charge, if any, airport concession fee, if any, and tourism  
10 commission assessment, if any, for the entire rental, exclusive of  
11 charges that cannot be determined at the time the rental  
12 commences. Charges imposed pursuant to this subparagraph shall  
13 be no more than the amount of the quote provided in a confirmed  
14 reservation, unless the person changes the terms of the rental  
15 contract subsequent to making the reservation.

16 (C) Provide each person, other than those persons within the  
17 rental company, offering quotes to actual or prospective customers  
18 access to information about the increased vehicle license recovery  
19 fee, customer facility charges, airport concession fees, and tourism  
20 commission assessments as well as access to information about  
21 when those charges apply. Any person providing quotes to actual  
22 or prospective customers for the hire or lease of a vehicle from a  
23 rental company shall provide the quotes in the manner described  
24 in subparagraph (A).

25 (7) In addition to the rental rate, taxes, the increased vehicle  
26 license recovery fee, customer facility charges, if any, airport  
27 concession fees, if any, tourism commission assessments, if any,  
28 and mileage charges, if any, a rental company may charge for an  
29 item or service provided in connection with a particular rental  
30 transaction if the renter could have avoided incurring the charge  
31 by choosing not to obtain or utilize the optional item or service.  
32 Items and services for which the rental company may impose an  
33 additional charge, include, but are not limited to, optional insurance  
34 and accessories requested by the renter, service charges incident  
35 to the renter's optional return of the vehicle to a location other  
36 than the location where the vehicle was hired or leased, and charges  
37 for refueling the vehicle at the conclusion of the rental transaction  
38 in the event the renter did not return the vehicle with as much fuel  
39 as was in the fuel tank at the beginning of the rental. A rental

1 company also may impose an additional charge based on  
2 reasonable age criteria established by the rental company.

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

5 (9) If a rental company states a rental rate in print advertisement  
6 or in a telephonic, in-person, or computer-transmitted quote, the  
7 rental company shall clearly disclose in that advertisement or quote  
8 the terms of any mileage conditions relating to the rental rate  
9 disclosed in the advertisement or quote, including, but not limited  
10 to, to the extent applicable, the amount of mileage and gas charges,  
11 the number of miles for which no charges will be imposed, and a  
12 description of geographic driving limitations within the United  
13 States and Canada.

14 (10) (A) When a rental rate is stated in an advertisement, in  
15 connection with a car rental at an airport where a customer facility  
16 charge is imposed, the rental company shall clearly disclose the  
17 existence and amount of the customer facility charge. For the  
18 purposes of this subparagraph, advertisements include radio,  
19 television, other electronic media, and print advertisements. If the  
20 rental rate advertisement is intended to include transactions at more  
21 than one airport imposing a customer facility charge, a range of  
22 charges may be stated in the advertisement. However, all rental  
23 rate advertisements that include car rentals at airport destinations  
24 shall clearly and conspicuously include a toll-free telephone  
25 number whereby a customer can be told the specific amount of  
26 the customer facility charge to which the customer will be  
27 obligated.

28 (B) If any person or entity other than a rental company, including  
29 a passenger carrier or a seller of travel services, advertises a rental  
30 rate for a car rental at an airport where a customer facility charge  
31 is imposed, that person or entity shall, provided they are provided  
32 with information about the existence and amount of the charge, to  
33 the extent not specifically prohibited by federal law, clearly  
34 disclose the existence and amount of the charge. If a rental  
35 company provides the person or entity with rental rate and customer  
36 facility charge information, the rental company is not responsible  
37 for the failure of that person or entity to comply with this  
38 subparagraph.

39 (11) If a rental company delivers a vehicle to a renter at a  
40 location other than the location where the rental company normally

1 carries on its business, the rental company may not charge the  
2 renter any amount for the rental for the period before the delivery  
3 of the vehicle. If a rental company picks up a rented vehicle from  
4 a renter at a location other than the location where the rental  
5 company normally carries on its business, the rental company may  
6 not charge the renter any amount for the rental for the period after  
7 the renter notifies the rental company to pick up the vehicle.

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

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

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

18 (e) (1) This section shall become operative only if Senate Bill  
19 3 or Assembly Bill 3 of the 2009–10 Third Extraordinary Session  
20 of the Legislature is enacted and increases the vehicle license fee  
21 above 0.65 percent of the value of the vehicle and shall cease to  
22 become operative 12 months after the restoration of the vehicle  
23 license fee to no more than 0.65 percent of the value of the vehicle.

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

31 SEC. 4. Section 1936.05 of the Civil Code is amended to read:

32 1936.05. (a) For purposes of this section:

33 (1) "Additional charges" means charges other than a per period  
34 base rental rate established by the business program.

35 (2) "Business program" means (A) a contract between a rental  
36 company and a business program sponsor that has established the  
37 per period base rental rate, and any other material terms relating  
38 to additional charges, on which the rental company will rent  
39 passenger vehicles to persons authorized by the sponsor, or (B) a  
40 plan, program, or other arrangement established by a rental

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

7 (3) “Business program sponsor” means a legal entity, other than  
8 a natural person, that is a corporation, limited liability company,  
9 or partnership.

10 (4) “Business renter” means, for any business program sponsor,  
11 a person who is authorized by the sponsor, through the use of an  
12 identifying number or program name or code, to enter into a rental  
13 contract under the sponsor’s business program. In no case shall  
14 the term “business renter” include a person renting as: (A) a  
15 nonemployee member of a not-for-profit organization, (B) the  
16 purchaser of a voucher or other prepaid rental arrangement from  
17 a person, including a tour operator, engaged in the business of  
18 reselling those vouchers or prepaid rental arrangements to the  
19 general public, (C) an individual whose car rental is eligible for  
20 reimbursement in whole or in part as a result of the person being  
21 insured or provided coverage under a policy of insurance issued  
22 by an insurance company, or (D) an individual whose car rental  
23 is eligible for reimbursement in whole or in part as a result of the  
24 person purchasing passenger vehicle repair services from a person  
25 licensed to perform such services.

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

1 establishing by objectively verifiable evidence that the rental was  
2 a qualified business rental.

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

5 (b) Notwithstanding any provision to the contrary contained in  
6 paragraph (1) of subdivision (m) of Section 1936, a rental car  
7 company may, in connection with the qualified business rental of  
8 a passenger vehicle to a business renter of a business program  
9 sponsor under the sponsor’s business program, do both of the  
10 following:

11 (1) Separately quote additional charges for the rental if, at the  
12 time the quote is provided, the person receiving the quote is also  
13 provided a good faith estimate of the total of all the charges for  
14 the entire rental. The estimate may exclude mileage charges and  
15 charges for optional items and services that cannot be determined  
16 prior to completing the reservation based upon the information  
17 provided by the renter.

18 (2) Separately impose additional charges for the rental, if the  
19 rental contract, or another document provided to the business renter  
20 at the time and place the rental commences, clearly and  
21 conspicuously discloses the total of all the charges for the entire  
22 rental, exclusive of charges that cannot be determined at the time  
23 the rental commences.

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

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

30 (e) Nothing in this section shall be interpreted to mean that a  
31 rental company is not required to comply with the requirements  
32 of paragraphs (2) to (6), inclusive, of subdivision (m) of Section  
33 1936.

34 *SEC. 5. Sections 1.3 and 1.7 of this bill incorporate*  
35 *amendments to Section 1936 of the Civil Code proposed by both*  
36 *this bill and AB 2747. Sections 1.3 and 1.7 shall only become*  
37 *operative if (1) both bills are enacted and become effective on or*  
38 *before January 1, 2015, (2) each bill amends Section 1936 of the*  
39 *Civil Code, and (3) this bill is enacted after AB 2747, in which*  
40 *case Section 1 of this bill shall not become operative.*

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