

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 675**

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**Introduced by Assembly Member Alejo**

February 25, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 675, as amended, Alejo. Rental vehicles: separately stated ~~charges.~~ *changes: disclosures.*

*Existing law governs contracts between rental car companies and their customers in connection with the rental of a passenger vehicle.*

*Existing law requires a rental company that offers or provides a damage waiver to orally disclose to all renters, except participants in the rental company's membership program, that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance, and requires that the contract include that information in a clear and conspicuous written disclosure.*

*This bill would specify that the oral disclosure only applies if a damage waiver is offered orally at the rental counter, at the time of the offer, and, if a damage waiver may be obtained online, would require the clear and conspicuous written disclosure to also be included on the Internet Web site page on which an estimate of total charges is provided for any reservation made through the rental company's online reservation system.*

*Existing law requires a rental company to only advertise a rental rate that includes the entire amount except taxes, and any applicable customer facility charge or mileage charge that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. Existing law prohibits a rental company from charging any fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle, other than the rental rate, taxes, or any applicable customer facility charge, airport concession fee, tourism commission assessment, or mileage charge.*

*This bill would repeal that advertisement requirement and that prohibition against charging any other required fees.*

*Existing law authorizes, when providing a quote, or imposing charges for a rental, a rental company to separately state the rental rate, taxes, and any applicable customer facility charge, airport concession fee, tourism commission assessment, mileage charge that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies.*

*This bill would revise and recast that law to provide that a rental company is authorized to separately state any additional mandatory charges, defined to mean any charges in addition to a per period base rental rate and mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies, including, but not limited to, a customer facility charge, airport concession fee, tourism commission assessment, vehicle license recovery fee, registration fee, or other government imposed taxes or fees.*

*Existing law requires a rental company, if customer facility charges, airport concession fees, or tourism commission assessments are imposed, to take specified actions, including, when a quote is given, providing the person receiving the quote with a good faith estimate of the rental rate, taxes, customer facility charge, if any, airport concession fee, if any, and tourism commission assessment, if any, as well as the total charges for the entire rental.*

*This bill would require a rental company to take those specified actions when any additional mandatory charge is imposed.*

*Existing law requires, when a rental rate is stated in an advertisement, in connection with a car rental at an airport where a customer facility charge is imposed, the rental company to clearly disclose the existence and amount of the customer facility charge, as specified. Existing law requires, if any person or entity other than a rental car company, advertises a rental rate for a car rental at an airport where a customer*

*facility charge is imposed, that person or entity to clearly disclose the existence and amount of the charge, as specified.*

*This bill would repeal these disclosure requirements.*

*Existing law prohibits a rental company from using, accessing, or obtaining information relating to the renter's use of the rental vehicle obtained using electronic surveillance technology, except in specified circumstances.*

*This bill would instead allow a rental company to access or obtain information relating to the renter's use of the rental vehicle obtained using electronic surveillance technology, and also revise and expand the circumstances when information from electronic surveillance technology can be used by a rental company, as specified.*

*Existing law provides that a rental company's disclosure requirements for renters enrolled in the company's membership program are satisfied if specified conditions are met, including a requirement that the rental company provide a specified notice on a hanger, as provided. Existing law specifies that this provision is effective only if a designated employee is actually present at the required location, and specifies that the provision does not relieve the rental company from the disclosures required to be made within the text of a contract or holder in which the contract is placed; in or on an advertisement containing a rental rate; or in a telephonic, in-person, or computer-transmitted quotation or reservation.*

*This bill would eliminate that requirement that the rental company provide a specified notice on a hanger. This bill would eliminate the requirement that a designated employee be present. This bill would expand the circumstances in which a rental company's disclosure requirements for renters enrolled in the company's membership program are relieved when those specified conditions are met.*

*Existing law, until January 1, 2020, requires a rental company or its registered agent to accept service of a summons and complaint and any other required documents against a renter who resides out of this country for an accident or collision resulting from the operation of the rental vehicle in this state, if the rental company provides liability insurance coverage as part of, or associated with, the rental agreement. Existing law requires any plaintiff who elects to serve the foreign renter by delivering the summons and complaint and any other required documents to the rental company pursuant to these provisions to agree to limit his or her recovery against the foreign renter and rental company to the limits of the protection of the liability insurance.*

*This bill would remove the repeal of these requirements on January 1, 2020, thus making these requirements apply indefinitely.*

*This bill would also make other technical, nonsubstantive changes by reorganizing several provisions and repealing obsolete provisions.*

~~Existing law requires a rental company, in connection with the rental of a passenger vehicle, to only advertise a rental rate that includes the entire amount, except taxes, a customer facility charge, and a mileage charge, that a renter must pay to rent a vehicle. Existing law specifies that when a rental company provides a quote or imposes a charge, it may separately state the rental rate, taxes, customer facility charge, airport concession, fee tourism commission assessment, as defined, and mileage charge. Existing law prohibits a rental company from charging any additional fees, other than specified charges, that must be paid by the renter as a condition of hiring or leasing the vehicle. Existing law requires a rental company, if customer facility charges, airport concession fees, or tourism commission assessments are imposed, to take specified actions. Existing law made these provisions, and other related provisions, operative only if a specified condition occurred.~~

~~This bill would make a technical, nonsubstantive change by deleting that conditional operative provision, because that specified condition occurred.~~

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 5.2 of Chapter 913 of the Statutes of 2014, 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) “Additional mandatory charges” means any charges in  
12    addition to a per period base rental rate and mileage charge, if  
13    any, that a renter must pay to hire or lease the vehicle for the  
14    period of time to which the rental rate applies, including, but not

1 *limited to, a customer facility charge, airport concession fee,*  
2 *tourism commission assessment, vehicle license recovery fee,*  
3 *registration fee, or other government imposed taxes or fees.*

4 (4) “Airport concession fee” means a charge collected by a  
5 rental company from a renter that is the renter’s proportionate  
6 share of the amount paid by the rental company to the owner or  
7 operator of an airport for the right or privilege of conducting a  
8 vehicle rental business on the airport’s premises.

9 ~~(3)~~

10 (5) “Authorized driver” means all of the following:

11 (A) The renter.

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

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

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

19 ~~(4)~~

20 (6) ~~(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:

23 (i) To finance, design, and construct consolidated airport car  
24 rental facilities.

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

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

32 ~~(B) The aggregate amount to be collected shall not exceed the~~  
33 ~~reasonable costs, as determined by an audit, by an independent~~  
34 ~~auditor, paid for by the airport, to finance, design, and construct~~  
35 ~~those facilities. The auditor shall independently examine and~~  
36 ~~substantiate the necessity for and the amount of the customer~~  
37 ~~facility charge, including whether the airport’s actual or projected~~  
38 ~~costs are supported and justified, any steps the airport may take to~~  
39 ~~limit costs, potential alternatives for meeting the airport’s revenue~~  
40 ~~needs other than the collection of the fee, and whether and to what~~

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

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

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

29 (5)

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

34 (6)

35 (8) "Electronic surveillance technology" means a technological  
36 method or system used to observe, monitor, or collect information,  
37 including telematics, Global Positioning System (GPS), wireless  
38 technology, or location-based technologies. "Electronic  
39 surveillance technology" does not include event data recorders

1 (EDR), sensing and diagnostic modules (SDM), or other systems  
2 that are used either:

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

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

11 ~~(7)~~

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

17 ~~(8)~~

18 (10) “Estimated time for repair” means a good faith estimate of  
19 the reasonable number of hours of labor, or fraction thereof, needed  
20 to repair damaged vehicle parts.

21 ~~(9)~~

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

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

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

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

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

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

- 1     (10)
- 2     (12) “Passenger vehicle” means a passenger vehicle as defined
- 3 in Section 465 of the Vehicle Code.
- 4     (13) “Quote” means an estimated cost of rental provided by a
- 5 rental company or a third party to a potential customer by
- 6 telephone, in-person, computer-transmission, or other means, that
- 7 is based on information provided by the potential customer and
- 8 used to generate an estimated cost of rental, including, but not
- 9 limited to, any of the following: potential dates of rental, locations,
- 10 or classes of car.
- 11     (14) “Tourism commission assessment” means the charge
- 12 collected by a rental company from a renter that has been
- 13 established by the California Travel and Tourism Commission
- 14 pursuant to Section 13995.65 of the Government Code.
- 15     (15) “Vehicle license fee” means the tax imposed pursuant to
- 16 the Vehicle License Fee Law (Part 5 (commencing with Section
- 17 10701) of Division 2 of the Revenue and Taxation Code).
- 18     (16) “Vehicle license recovery fee” means a charge that seeks
- 19 to recover the amount of vehicle license fees paid by a rental
- 20 company for the particular class of vehicle being rented.
- 21     (b) Except as limited by subdivision (c), a rental company and
- 22 a renter may agree that the renter will be responsible for no more
- 23 than all of the following:
- 24         (1) Physical or mechanical damage to the rented vehicle up to
- 25 its fair market value, as determined in the customary market for
- 26 the sale of that vehicle, ~~resulting from collision~~ regardless of the
- 27 cause of the damage.
- 28         (2) Loss due to theft of the rented vehicle up to its fair market
- 29 value, as determined in the customary market for the sale of that
- 30 vehicle, provided that the rental company establishes by clear and
- 31 convincing evidence that the renter or the authorized driver failed
- 32 to exercise ordinary care while in possession of the vehicle. In
- 33 addition, the renter shall be presumed to have no liability for any
- 34 loss due to theft if (A) an authorized driver has possession of the
- 35 ignition key furnished by the rental company or an authorized
- 36 driver establishes that the ignition key furnished by the rental
- 37 company was not in the vehicle at the time of the theft, and (B) an
- 38 authorized driver files an official report of the theft with the police
- 39 or other law enforcement agency within 24 hours of learning of
- 40 the theft and reasonably cooperates with the rental company and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~membership program~~ *at the time of the offer*, that the damage  
2 waiver may be duplicative of coverage that the customer maintains  
3 under his or her own policy of motor vehicle insurance. The  
4 renter's receipt of the oral disclosure shall be demonstrated through  
5 the renter's acknowledging receipt of the oral disclosure near that  
6 part of the contract where the renter indicates, by the renter's own  
7 initials, his or her acceptance or declination of the damage waiver.  
8 Adjacent to that same part, the contract also shall state that the  
9 damage waiver is optional. Further, the contract for these renters,  
10 *and, if a damage waiver may be obtained online, the Internet Web*  
11 *site page on which an estimate of total charges is provided*  
12 *pursuant to subparagraph (A) of paragraph (2) of subdivision (m)*  
13 *for any reservation made through the rental company's online*  
14 *reservation system, shall include a clear and conspicuous written*  
15 *disclosure that the damage waiver may be duplicative of coverage*  
16 *that the customer maintains under his or her own policy of motor*  
17 *vehicle insurance. No oral disclosure shall be required for renters*  
18 *that are participants in the rental company's membership program.*

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

23

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

26

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

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

37 Further, if you use a credit card that provides coverage for your  
38 potential liability, you should check with the issuer to determine  
39 if you must first exhaust the coverage limits of your own insurance  
40 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:

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

28 (2) For rental vehicles that the rental company designates as an  
29 “intermediate car,” “standard car,” or “full-size car,” or another  
30 term having similar meaning to the next three body-size categories  
31 of vehicles established by the Association of Car Rental Industry  
32 Systems Standards for North America, as of January 1, 2014, and  
33 that are also either vehicles of the next model year, or not older  
34 than the previous year’s model, when offered for rental, the rate  
35 shall not exceed seventeen dollars (\$17). For rental vehicles that  
36 are older than the previous year’s model-year, the rate shall not  
37 exceed eleven dollars (\$11).

38 (i) A rental company that disseminates in this state an  
39 advertisement containing a rental rate shall include in that

1 advertisement a clearly readable statement of the charge for a  
2 damage waiver and a statement that a damage waiver is optional.

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

6 (2) A rental company shall not engage in any unfair, deceptive,  
7 or coercive conduct to induce a renter to purchase the damage  
8 waiver, optional insurance, or another optional good or service,  
9 including conduct such as, but not limited to, refusing to honor  
10 the renter's reservation, limiting the availability of vehicles,  
11 requiring a deposit, or debiting or blocking the renter's credit card  
12 account for a sum equivalent to a deposit if the renter declines to  
13 purchase the damage waiver, optional insurance, or another  
14 optional good or service.

15 (k) (1) In the absence of express permission granted by the  
16 renter subsequent to damage to, or loss of, the vehicle, a rental  
17 company shall not seek to recover any portion of a claim arising  
18 out of damage to, or loss of, the rented vehicle by processing a  
19 credit card charge or causing a debit or block to be placed on the  
20 renter's credit card account.

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

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

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

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

33 (C) The fee is a user fee, not a tax imposed upon real property  
34 or an incident of property ownership under Article XIII D of the  
35 California Constitution.

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

39 (E) The fee for a consolidated rental car facility shall be  
40 collected only from customers of on-airport rental car companies.

1 If the fee imposed by the airport is for both a consolidated rental  
2 car facility and a common-use transportation system, the fee  
3 collected from customers of on-airport rental car companies shall  
4 be ten dollars (\$10) or the amount provided in paragraph (2), but  
5 the fee imposed on customers of off-airport rental car companies  
6 who are transported on the common-use transportation system is  
7 proportionate to the costs of the common-use transportation system  
8 only. The fee is uniformly applied to each class of on-airport or  
9 off-airport customers, provided that the airport requires off-airport  
10 customers to use the common-use transportation system. For  
11 purposes of this subparagraph, “on-airport rental car company”  
12 means a rental company operating under an airport property lease  
13 or an airport concession or license agreement whose customers  
14 use or will use the consolidated rental car facility and the collection  
15 of the fee as to those customers is consistent with subparagraph  
16 (C).

17 (F) Revenues collected from the fee do not exceed the reasonable  
18 costs of financing, designing, and constructing the facility and  
19 financing, designing, constructing, and operating any common-use  
20 transportation system, or acquiring vehicles for use in that system,  
21 and shall not be used for any other purpose.

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

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

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

30 (i) Notwithstanding Section 10231.5 of the Government Code,  
31 the airport shall provide reports on an annual basis to the Senate  
32 and Assembly Committees on Judiciary detailing all of the  
33 following:

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

35 (II) How the funds are being spent.

36 (III) The amount of and reason for any changes in the airport’s  
37 budget or financial needs for the facility or common-use  
38 transportation system.

39 (IV) Whether airport concession fees authorized by Section  
40 1936.01 have increased since the prior report, if any.

1 ~~(ii) (I) The airport shall complete the audit required by~~  
2 ~~subparagraph (B) of paragraph (4) of subdivision (a) prior to the~~  
3 ~~initial collection of the customer facility charge. Notwithstanding~~

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

32 *(II) Except as provided in subclause (III), the authorization*  
33 *given pursuant to this section for an airport to impose a customer*  
34 *facility charge shall become inoperative when the bonds used for*  
35 *financing are paid.*

36 *(III) If a bond or other form of indebtedness is not used for*  
37 *financing, or the bond or other form of indebtedness used for*  
38 *financing has been paid, the Oakland International Airport may*  
39 *require the collection of a customer facility charge for a period*

1 of up to 10 years from the imposition of the charge for the purposes  
2 allowed by, and subject to the conditions imposed by, this section.

3 (IV) Notwithstanding Section 10231.5 of the Government Code,  
4 copies of the audit shall be provided to the Assembly and Senate  
5 Committees on Judiciary, the Assembly Committee on  
6 Transportation, and the Senate Committee on Transportation and  
7 Housing and shall be posted on the airport’s Internet Web site.

8 (H)

9 (V) Prior to any increase pursuant to paragraph (2), the airport  
10 shall update the information provided in the initial collection audit  
11 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
12 Government Code, copies of the updated audit shall be provided  
13 to the Assembly and Senate Committees on Judiciary, the  
14 Assembly Committee on Transportation, and the Senate Committee  
15 on Transportation and Housing, and shall be posted on the airport’s  
16 Internet Web site.

17 (HH)

18 (VI) An audit shall be completed every three years after initial  
19 collection only if the customer facility charge is collected for the  
20 purpose of operating a common-use transportation system or to  
21 acquire vehicles for use in the system pursuant to clause (ii) of  
22 subparagraph (A) of paragraph ~~(4)~~ (6) of subdivision (a). A  
23 regularly conducted audit of airport finances that includes the  
24 customer facility charge information, that satisfies the requirements  
25 of ~~subparagraph (B) of paragraph (4) of subdivision (a)~~ this  
26 subdivision, and is produced in accordance with the generally  
27 accepted accounting principles of the Government Accounting  
28 Standards Board, shall satisfy the requirements of this subclause.  
29 This obligation shall continue until the fee authorization becomes  
30 inoperative pursuant to ~~subparagraph (C) of paragraph (4) of~~  
31 ~~subdivision (a)~~ subclause (II). Notwithstanding Section 10231.5  
32 of the Government Code, the information reported pursuant to this  
33 subclause shall be compiled into one document, 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 accessible to the public. The information reported  
38 shall be contained within one easily accessible page contained  
39 within the airport’s Internet Web site.

40 (IV)

1 (VII) This section shall not be construed to require an airport to  
2 audit a common-use transportation system not financed by a  
3 customer facility charge and used for the purposes permitted  
4 pursuant to clause (ii) of subparagraph (A) of paragraph ~~(4)~~ (6) of  
5 subdivision (a).

6 ~~(V)~~

7 (VIII) The airport shall post on the airport's Internet Web site  
8 copies of the completed audits required by this clause for a period  
9 of six years following the audit's completion.

10 (iii) Use of the bonds shall be limited to construction and design  
11 of the consolidated rental car facility, terminal modifications, and  
12 operating costs of the common-use transportation system, as  
13 specified in paragraph ~~(4)~~ (6) of subdivision (a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37 ~~(m) (1) A rental company shall only advertise, quote, and charge~~  
38 ~~a rental rate that includes the entire amount except taxes, a~~  
39 ~~customer facility charge, if any, and a mileage charge, if any, that~~  
40 ~~a renter must pay to hire or lease the vehicle for the period of time~~

1 to which the rental rate applies. A rental company shall not charge  
2 in addition to the rental rate, taxes, a customer facility charge, if  
3 any, and a mileage charge, if any, any fee that is required to be  
4 paid by the renter as a condition of hiring or leasing the vehicle,  
5 including, but not limited to, required fuel or airport surcharges  
6 other than customer facility charges, nor a fee for transporting the  
7 renter to the location where the rented vehicle will be delivered to  
8 the renter.

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

24 (m) (1) *When providing a quote, or imposing charges for a*  
25 *rental, the rental company may separately state the rental rate,*  
26 *additional mandatory charges, if any, and a mileage charge, if*  
27 *any, that a renter must pay to hire or lease the vehicle for the*  
28 *period of time to which the rental rate applies.*

29 (2) *If additional mandatory charges are imposed, the rental*  
30 *company 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 and all*  
33 *additional mandatory charges, as well as the total charges for the*  
34 *entire rental. The total charges, if provided on an Internet Web*  
35 *site page, shall be displayed in a typeface at least as large as any*  
36 *rental rate disclosed on that page and shall be provided on a page*  
37 *that the person receiving the quote may reach by following links*  
38 *through no more than two Internet Web site pages, including the*  
39 *page on which the rental rate is first provided. The good faith*  
40 *estimate may exclude mileage charges and charges for optional*

1 *items that cannot be determined prior to completing the reservation*  
2 *based upon the information provided by the person.*

3 *(B) At the time and place the rental commences, clearly and*  
4 *conspicuously disclose in the rental contract, or that portion of*  
5 *the contract that is provided to the renter, the total of the rental*  
6 *rate, additional mandatory charges, for the entire rental, exclusive*  
7 *of charges that cannot be determined at the time the rental*  
8 *commences. Charges imposed pursuant to this subparagraph shall*  
9 *be no more than the amount of the quote provided in a confirmed*  
10 *reservation, unless the person changes the terms of the rental*  
11 *contract subsequent to making the reservation.*

12 *(C) Provide each person, other than those persons within the*  
13 *rental company, offering quotes to actual or prospective customers*  
14 *access to information about additional mandatory charges, as well*  
15 *as access to information about when those charges apply. Any*  
16 *person providing quotes to actual or prospective customers for*  
17 *the hire or lease of a vehicle from a rental company shall provide*  
18 *the quotes in the manner described in subparagraph (A).*

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

35 ~~(3)~~

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

38 ~~(4)~~

39 *(5) 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~~

19 *(6) All rate advertisements that include car rentals at airport*  
20 *destinations shall clearly and conspicuously include a toll-free*  
21 *telephone number whereby a customer can be told the specific*  
22 *amount of the customer facility charge to which the customer will*  
23 *be obligated.*

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

38 ~~(6)~~

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

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

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

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

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

22 (ii) The rental vehicle has not been returned following ~~one week~~  
23 *two days* after the contracted return date, or by ~~one week~~ *two days*  
24 following the end of an extension of that return date.

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

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

1 record is created and shall be made available upon the renter's  
2 request. The rental company shall maintain and furnish explanatory  
3 codes necessary to read the record. A rental company shall not be  
4 required to maintain a record if electronic surveillance technology  
5 is activated to recover a rental vehicle that is stolen or missing at  
6 a time other than during a rental period.

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

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

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

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

33 (6) This subdivision does not prohibit a rental company from  
34 ~~obtaining, accessing, or~~ using information from electronic  
35 surveillance technology for the ~~sole~~ purpose of determining the  
36 date and time the vehicle is returned to the rental company, ~~and~~  
37 *the return location*, the total mileage driven and the vehicle fuel  
38 level of the returned vehicle. This paragraph, however, shall apply  
39 only after the renter has returned the vehicle to the rental company,  
40 *or is at one of the rental companies facilities and is in the process*

1 *of returning the vehicle*, and the information shall only be used  
2 for the purpose described in this paragraph.

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

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

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

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

16 (s) ~~(1)~~—A rental company's disclosure requirements shall be  
17 satisfied for renters who are enrolled in the rental company's  
18 membership program if all of the following conditions are met:

19 ~~(A)~~

20 (1) Prior to the enrollee's first rental as a participant in the  
21 program, the renter receives, in writing, the following:

22 ~~(i)~~

23 (A) All of the disclosures required by paragraph (1) of  
24 subdivision (g), including the terms and conditions of the rental  
25 agreement then in effect.

26 ~~(ii)~~

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

33 ~~(B)~~

34 (2) At the commencement of each rental period, the renter is  
35 provided, on the rental record or the folder in which it is inserted,  
36 with a printed notice stating that he or she had either previously  
37 selected or declined an optional damage waiver and that the renter  
38 has the right to change preferences.

39 ~~(C) At the commencement of each rental period, the rental~~  
40 ~~company provides, on the rearview mirror, a hanger on which a~~

1 statement is printed, in a box, in at least 12-point boldface type,  
2 notifying the renter that the collision damage waiver offered by  
3 the rental company may be duplicative of coverage that the  
4 customer maintains under his or her own policy of motor vehicle  
5 insurance. If it is not feasible to hang the statement from the  
6 rearview mirror, it shall be hung from the steering wheel.

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

12  
13 “If I previously accepted the collision damage waiver, I now  
14 decline it.

15  
16 —

17 If I previously declined the collision damage waiver, I now  
18 accept it.”

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

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

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

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

1 (u) (1) When a rental company enters into a rental agreement  
2 in the state for the rental of a vehicle to any renter who is not a  
3 resident of this country and, as part of, or associated with, the rental  
4 agreement, the renter purchases liability insurance, as defined in  
5 subdivision (b) of Section 1758.85 of the Insurance Code, from  
6 the rental company in its capacity as a rental car agent for an  
7 authorized insurer, the rental company shall be authorized to accept,  
8 and, if served as set forth in this subdivision, shall accept, service  
9 of a summons and complaint and any other required documents  
10 against the foreign renter for any accident or collision resulting  
11 from the operation of the rental vehicle within the state during the  
12 rental period. If the rental company has a registered agent for  
13 service of process on file with the Secretary of State, process shall  
14 be served on the rental company's registered agent, either by  
15 first-class mail, return receipt requested, or by personal service.

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

21 (3) Any plaintiff, or his or her representative, who elects to serve  
22 the foreign renter by delivering a copy of the summons and  
23 complaint and any other required documents to the rental company  
24 pursuant to paragraph (1) shall agree to limit his or her recovery  
25 against the foreign renter and the rental company to the limits of  
26 the protection extended by the liability insurance.

27 (4) Notwithstanding the requirements of Sections 17450 to  
28 17456, inclusive, of the Vehicle Code, service of process in  
29 compliance with paragraph (1) shall be deemed valid and effective  
30 service.

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

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

38 *SEC. 2. Section 1936 of the Civil Code, as amended by Section*  
39 *5.7 of Chapter 913 of the Statutes of 2014, is repealed.*

1 1936.—(a) For the purpose of this section, the following  
2 definitions shall apply:

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

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

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

9 (A) The renter.

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

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

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

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

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

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

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

29 (B) The aggregate amount to be collected shall not exceed the  
30 reasonable costs, as determined by an audit, by an independent  
31 auditor, paid for by the airport, to finance, design, and construct  
32 those facilities. The auditor shall independently examine and  
33 substantiate the necessity for and the amount of the customer  
34 facility charge, including whether the airport’s actual or projected  
35 costs are supported and justified, any steps the airport may take to  
36 limit costs, potential alternatives for meeting the airport’s revenue  
37 needs other than the collection of the fee, and whether and to what  
38 extent car rental companies or other businesses or individuals using  
39 the facility or common-use transportation system may pay for the  
40 costs associated with these facilities and systems other than the

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

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

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

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

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

37 (A) For the purpose of identifying, diagnosing, or monitoring  
38 functions related to the potential need to repair, service, or perform  
39 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 (s) is present at~~  
31 ~~the lot where the renter takes possession of the car, to receive any~~  
32 ~~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 ~~(e) 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 ~~rationaly 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 damage, loss, loss of~~  
6 ~~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:~~

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

36 ~~(2) For rental vehicles that the rental company designates as an~~  
37 ~~“intermediate car,” “standard car,” or “full-size car,” or another~~  
38 ~~term having similar meaning to the next three body-size categories~~  
39 ~~of vehicles established by the Association of Car Rental Industry~~  
40 ~~Systems Standards for North America, as of January 1, 2014, and~~

1 that are also either vehicles of the next model year, or not older  
2 than the previous year's model, when offered for rental, the rate  
3 shall not exceed seventeen dollars (\$17). For rental vehicles that  
4 are older than the previous year's model year, the rate shall not  
5 exceed eleven dollars (\$11).

6 (i) ~~A rental company that disseminates in this state an~~  
7 ~~advertisement containing a rental rate shall include in that~~  
8 ~~advertisement a clearly readable statement of the charge for a~~  
9 ~~damage waiver and a statement that a damage waiver is optional.~~

10 (j) (1) ~~A rental company shall not require the purchase of a~~  
11 ~~damage waiver, optional insurance, or another optional good or~~  
12 ~~service.~~

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

22 (k) (1) ~~In the absence of express permission granted by the~~  
23 ~~renter subsequent to damage to, or loss of, the vehicle, a rental~~  
24 ~~company shall not seek to recover any portion of a claim arising~~  
25 ~~out of damage to, or loss of, the rented vehicle by processing a~~  
26 ~~credit card charge or causing a debit or block to be placed on the~~  
27 ~~renter's credit card account.~~

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

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

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

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

1     ~~(C) The fee is a user fee, not a tax imposed upon real property~~  
2 ~~or an incident of property ownership under Article XIII D of the~~  
3 ~~California Constitution.~~

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

7     ~~(E) The fee for a consolidated rental car facility shall be~~  
8 ~~collected only from customers of on-airport rental car companies.~~  
9 ~~If the fee imposed by the airport is for both a consolidated rental~~  
10 ~~car facility and a common-use transportation system, the fee~~  
11 ~~collected from customers of on-airport rental car companies shall~~  
12 ~~be ten dollars (\$10) or the amount provided in paragraph (2), but~~  
13 ~~the fee imposed on customers of off-airport rental car companies~~  
14 ~~who are transported on the common-use transportation system is~~  
15 ~~proportionate to the costs of the common-use transportation system~~  
16 ~~only. The fee is uniformly applied to each class of on-airport or~~  
17 ~~off-airport customers, provided that the airport requires off-airport~~  
18 ~~customers to use the common-use transportation system. For~~  
19 ~~purposes of this subparagraph, “on-airport rental car company”~~  
20 ~~means a rental company operating under an airport property lease~~  
21 ~~or an airport concession or license agreement whose customers~~  
22 ~~use or will use the consolidated rental car facility and the collection~~  
23 ~~of the fee as to those customers is consistent with subparagraph~~  
24 ~~(C).~~

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

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

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

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

38         ~~(i) Notwithstanding Section 10231.5 of the Government Code,~~  
39 ~~the airport shall provide reports on an annual basis to the Senate~~

1 and Assembly Committees on Judiciary detailing all of the  
2 following:

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

4 (II) How the funds are being spent.

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

8 (IV) Whether airport concession fees authorized by Section  
9 1936.01 have increased since the prior report, if any.

10 (ii) (I) The airport shall complete the audit required by  
11 subparagraph (B) of paragraph (4) of subdivision (a) prior to the  
12 initial collection of the customer facility charge. Notwithstanding  
13 Section 10231.5 of the Government Code, copies of the audit shall  
14 be provided to the Assembly and Senate Committees on Judiciary,  
15 the Assembly Committee on Transportation, and the Senate  
16 Committee on Transportation and Housing and shall be posted on  
17 the airport's Internet Web site.

18 (II) Prior to any increase pursuant to paragraph (2), the airport  
19 shall update the information provided in the initial collection audit  
20 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
21 Government Code, copies of the updated audit shall be provided  
22 to the Assembly and Senate Committees on Judiciary, the  
23 Assembly Committee on Transportation, and the Senate Committee  
24 on Transportation and Housing, and shall be posted on the airport's  
25 Internet Web site.

26 (III) An audit shall be completed every three years after initial  
27 collection only if the customer facility charge is collected for the  
28 purpose of operating a common-use transportation system or to  
29 acquire vehicles for use in the system pursuant to clause (ii) of  
30 subparagraph (A) of paragraph (4) of subdivision (a). A regularly  
31 conducted audit of airport finances that includes the customer  
32 facility charge information, that satisfies the requirements of  
33 subparagraph (B) of paragraph (4) of subdivision (a), and is  
34 produced in accordance with the generally accepted accounting  
35 principles of the Government Accounting Standards Board, shall  
36 satisfy the requirements of this subclause. This obligation shall  
37 continue until the fee authorization becomes inoperative pursuant  
38 to subparagraph (C) of paragraph (4) of subdivision (a).  
39 Notwithstanding Section 10231.5 of the Government Code, the  
40 information reported pursuant to this subclause shall be compiled

1 into one document, shall be provided to the Assembly and Senate  
2 Committees on Judiciary, the Assembly Committee on  
3 Transportation, and the Senate Committee on Transportation and  
4 Housing and shall be posted on the airport's Internet Web site  
5 accessible to the public. The information reported shall be  
6 contained within one easily accessible page contained within the  
7 airport's Internet Web site.

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

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

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

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

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

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

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

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

1 from its customers, are not subject to sales, use, or transaction  
2 taxes.

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

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

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

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

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

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

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

1 ~~(n) A rental company shall not use, access, or obtain any~~  
2 ~~information relating to the renter's use of the rental vehicle that~~  
3 ~~was obtained using electronic surveillance technology, except in~~  
4 ~~the following circumstances:~~

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

8 ~~(i) The renter or law enforcement has informed the rental~~  
9 ~~company that the vehicle is missing or has been stolen or~~  
10 ~~abandoned.~~

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

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

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

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

38 ~~(3) This subdivision does not prohibit a rental company from~~  
39 ~~equipping rental vehicles with GPS-based technology that provides~~  
40 ~~navigation assistance to the occupants of the rental vehicle, if the~~

1 rental company does not use, access, or obtain information relating  
2 to the renter's use of the rental vehicle that was obtained using  
3 that technology, except for the purposes of discovering or repairing  
4 a defect in the technology and the information may then be used  
5 only for that purpose.

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

13 ~~(5) This subdivision does not prohibit a rental company from~~  
14 ~~equipping rental vehicles with electronic surveillance technology~~  
15 ~~that allows the company to provide roadside assistance, such as~~  
16 ~~towing, flat tire, or fuel services, at the request of the renter, 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 as necessary to provide the requested~~  
20 ~~roadside assistance.~~

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

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

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

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

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

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

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

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

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

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

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

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

35  
36 ~~"If I previously accepted the collision damage waiver, I now~~  
37 ~~decline it.~~

38 ~~If I previously declined the collision damage waiver, I now~~  
39 ~~accept it."~~

40

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

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

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

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

21 (u) This section shall become operative on January 1, 2020.

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

23 1936.01. (a) For the purpose of this section, the following  
24 definitions shall apply:

25 (1) “Airport concession fee” means a charge collected by a  
26 rental company from a renter that is the renter’s proportionate  
27 share of the amount paid by the rental company to the owner or  
28 operator of an airport for the right or privilege of conducting a  
29 vehicle rental business on the airport’s premises.

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

37 (3) “Tourism commission assessment” means the charge  
38 collected by a rental company from a renter that has been  
39 established by the California Travel and Tourism Commission  
40 pursuant to Section 13995.65 of the Government Code.

1 ~~(b) Notwithstanding subdivision (m) of Section 1936, the~~  
2 ~~following provisions shall apply:~~

3 ~~(1) A rental company shall only advertise a rental rate that~~  
4 ~~includes the entire amount, except taxes, a customer facility charge,~~  
5 ~~if any, and a mileage charge, if any, that a renter must pay to hire~~  
6 ~~or lease the vehicle for the period of time to which the rental rate~~  
7 ~~applies.~~

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

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

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

36 ~~(B) At the time and place the rental commences, clearly and~~  
37 ~~conspicuously disclose in the rental contract, or that portion of the~~  
38 ~~contract that is provided to the renter, the total of the rental rate,~~  
39 ~~taxes, customer facility charge, if any, airport concession fee, if~~  
40 ~~any, and tourism commission assessment, if any, for the entire~~

1 rental, exclusive of charges that cannot be determined at the time  
2 the rental commences. Charges imposed pursuant to this  
3 subparagraph shall be no more than the amount of the quote  
4 provided in a confirmed reservation, unless the person changes  
5 the terms of the rental contract subsequent to making the  
6 reservation.

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

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

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

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

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

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

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

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

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

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

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

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

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

13 1936.015.— (a) For the purposes of this section, the following  
14 definitions shall apply:

15 (1) “Vehicle license fee” has the same meaning as in Sections  
16 10751 and 10752 of the Revenue and Taxation Code, as that fee  
17 existed on January 1, 2009.

18 (2) “Increased vehicle license fee” means the amount of the fee  
19 increase in the vehicle license fee above 0.65 percent of the value  
20 of the vehicle.

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

26 (b) Notwithstanding subdivision (m) of Section 1936 or  
27 subdivision (b) of Section 1936.01, upon an increase of the vehicle  
28 license fee above 0.65 percent of the value of the vehicle pursuant  
29 to legislation enacted with the Budget Act of 2009, the following  
30 provisions shall apply with respect to the increased vehicle license  
31 fee:

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

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

38 (B) The rental company shall determine the total amount of the  
39 increased vehicle license fee actually paid during the twelve months

1 preceding the calculation date, for each particular class of vehicle  
2 being rented.

3 (C) The total amount of increased vehicle license fee actually  
4 paid for each class of vehicle shall be divided by the number of  
5 vehicles in the class, to determine the average increased vehicle  
6 license fee for each class.

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

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

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

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

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

1 airport surcharges other than customer facility charges and airport  
2 concession fees.

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

6 ~~(A) At the time the quote is given, provide the person receiving~~  
7 ~~the quote with a good faith estimate of the rental rate, taxes, the~~  
8 ~~increased vehicle license recovery fee, customer facility charge,~~  
9 ~~if any, airport concession fee, if any, and tourism commission~~  
10 ~~assessment, if any, as well as the total charges for the entire rental.~~  
11 ~~The total charges, if provided on an Internet Web site, shall be~~  
12 ~~displayed in a typeface at least as large as any rental rate disclosed~~  
13 ~~on that page and shall be provided on a page that the person~~  
14 ~~receiving the quote may reach by following links through no more~~  
15 ~~than two Internet Web site pages, including the page on which the~~  
16 ~~rental rate is first provided. The good faith estimate may exclude~~  
17 ~~mileage charges and charges for optional items that cannot be~~  
18 ~~determined prior to completing the reservation based upon the~~  
19 ~~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, the increased vehicle license recovery fee, customer facility~~  
24 ~~charge, if any, airport concession fee, if any, and tourism~~  
25 ~~commission assessment, if any, for the entire rental, exclusive of~~  
26 ~~charges that cannot be determined at the time the rental~~  
27 ~~commences. Charges imposed pursuant to this subparagraph shall~~  
28 ~~be no more than the amount of the quote provided in a confirmed~~  
29 ~~reservation, unless the person changes the terms of the rental~~  
30 ~~contract subsequent to making the 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 the increased vehicle license recovery~~  
34 ~~fee, customer facility charges, airport concession fees, and tourism~~  
35 ~~commission assessments as well as access to information about~~  
36 ~~when those charges apply. Any person providing quotes to actual~~  
37 ~~or prospective customers for the hire or lease of a vehicle from a~~  
38 ~~rental company shall provide the quotes in the manner described~~  
39 ~~in subparagraph (A).~~

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

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

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

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

1 ~~the customer facility charge to which the customer will be~~  
2 ~~obligated.~~

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

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

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

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

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

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

39 ~~(2) Provisions of this section relating to the disclosure and~~  
40 ~~separately stated charges for a customer facility charge or an airport~~

1 ~~concession fee shall remain operative so long as the Secretary of~~  
2 ~~Business, Transportation and Housing provides notice to the~~  
3 ~~Legislature and the Secretary of State and posts notice on its~~  
4 ~~Internet Web site that the conditions described in Section 13995.92~~  
5 ~~of the Government Code have been satisfied.~~

6 *SEC. 5. Section 1936.05 of the Civil Code is amended to read:*

7 1936.05. (a) For purposes of this section:

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

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

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

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

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

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

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

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

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

39 (c) A renter may bring an action against a rental company for  
40 the recovery of damages and appropriate equitable relief for a

1 violation of this section. The prevailing party shall be entitled to  
2 recover reasonable attorney’s fees and costs.

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

5 (e) Nothing in this section shall be interpreted to mean that a  
6 rental company is not required to comply with the requirements  
7 of paragraphs (2) to (6), inclusive, of subdivision (m) of Section  
8 1936.

9 ~~SECTION 1. Section 1936.01 of the Civil Code is amended~~  
10 ~~to read:~~

11 ~~1936.01. (a) For the purpose of this section, the following~~  
12 ~~definitions shall apply:~~

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

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

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

29 ~~(b) Notwithstanding subdivision (m) of Section 1936, the~~  
30 ~~following provisions shall apply:~~

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

36 ~~(2) When providing a quote, or imposing charges for a rental,~~  
37 ~~the rental company may separately state the rental rate, taxes,~~  
38 ~~customer facility charge, if any, airport concession fee, if any,~~  
39 ~~tourism commission assessment, if any, and a mileage charge, if~~  
40 ~~any, that a renter must pay to hire or lease the vehicle for the period~~

1 of time to which the rental rate applies. A rental company may not  
2 charge in addition to the rental rate, taxes, a customer facility  
3 charge, if any, airport concession fee, if any, tourism commission  
4 assessment, if any, and a mileage charge, if any, any fee that must  
5 be paid by the renter as a condition of hiring or leasing the vehicle,  
6 such as, but not limited to, required fuel or airport surcharges other  
7 than customer facility charges and airport concession fees.

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

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

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

35 (C) Provide each person, other than those persons within the  
36 rental company, offering quotes to actual or prospective customers  
37 access to information about customer facility charges, airport  
38 concession fees, and tourism commission assessments as well as  
39 access to information about when those charges apply. Any person  
40 providing quotes to actual or prospective customers for the hire

1 or lease of a vehicle from a rental company shall provide the quotes  
2 in the manner described in subparagraph (A).

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

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

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

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

1 shall clearly and conspicuously include a toll-free telephone  
2 number whereby a customer can be told the specific amount of  
3 the customer facility charge to which the customer will be  
4 obligated.

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

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

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

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

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