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AMENDED IN ASSEMBLY APRIL 30, 2015
AMENDED IN ASSEMBLY APRIL 15, 2015
AMENDED IN ASSEMBLY MARCH 26, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 675

Introduced by Assembly Member Alejo

February 25, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 675, as amended, Alejo. Rental vehicles: disclosures: obligations.

~~(1) 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.~~

~~(2)~~

~~(1) Existing law governs contracts between rental car companies and their customers in connection with the rental of a passenger vehicle and 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 modify the prohibition against charging any other required fees.~~

~~(3)~~

~~(2) 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 imposed by a governmental entity 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, or other government imposed taxes or fees, as defined. This bill would further define the term vehicle license recovery fee to mean the amount of vehicle license fee and vehicle registration fee, as those terms are defined, paid by the rental company for the particular class of vehicle being rented.~~

~~(4)~~

~~(3) 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.

~~(5)~~

~~(4) 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.~~

~~(6) 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.~~

~~(7) 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 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.~~

(8)

(5) 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.

(9)

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

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 imposed~~
12 ~~by a governmental entity that a renter must pay to hire or lease the~~
13 ~~vehicle for the period of time to which the rental rate applies,~~
14 ~~including, but not limited to, a customer facility charge, airport~~
15 ~~concession fee, tourism commission assessment, vehicle license~~
16 ~~recovery fee, or other government imposed taxes or fees.~~
17 ~~(4) “Airport concession fee” means a charge collected by a~~
18 ~~rental company from a renter that is the renter’s proportionate~~

1 ~~share of the amount paid by the rental company to the owner or~~
2 ~~operator of an airport for the right or privilege of conducting a~~
3 ~~vehicle rental business on the airport's premises.~~

4 ~~(5) "Authorized driver" means all of the following:~~

5 ~~(A) The renter.~~

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

8 ~~(C) The renter's employer or coworker if he or she is engaged~~
9 ~~in business activity with the renter, is a licensed driver, and satisfies~~
10 ~~the rental company's minimum age requirement.~~

11 ~~(D) A person expressly listed by the rental company on that~~
12 ~~renter's contract as an authorized driver.~~

13 ~~(6) "Customer facility charge" means any fee, including an~~
14 ~~alternative fee, required by an airport to be collected by a rental~~
15 ~~company from a renter for any of the following purposes:~~

16 ~~(i) To finance, design, and construct consolidated airport car~~
17 ~~rental facilities.~~

18 ~~(ii) To finance, design, construct, and operate common-use~~
19 ~~transportation systems that move passengers between airport~~
20 ~~terminals and those consolidated car rental facilities, and acquire~~
21 ~~vehicles for use in that system.~~

22 ~~(iii) To finance, design, and construct terminal modifications~~
23 ~~solely to accommodate and provide customer access to~~
24 ~~common-use transportation systems.~~

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

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

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

39 ~~(B) As part of the vehicle's airbag sensing and diagnostic system~~
40 ~~in order to capture safety systems-related data for retrieval after a~~

~~1 crash has occurred or in the event that the collision sensors are
2 activated to prepare the decisionmaking computer to make the
3 determination to deploy or not to deploy the airbag.~~

~~4 (9) “Estimated time for replacement” means the number of hours
5 of labor, or fraction thereof, needed to replace damaged vehicle
6 parts as set forth in collision damage estimating guides generally
7 used in the vehicle repair business and commonly known as “crash
8 books.”~~

~~9 (10) “Estimated time for repair” means a good faith estimate of
10 the reasonable number of hours of labor, or fraction thereof, needed
11 to repair damaged vehicle parts.~~

~~12 (11) “Membership program” means a service offered by a rental
13 company that permits customers to bypass the rental counter and
14 go directly to the car previously reserved. A membership program
15 shall meet all of the following requirements:~~

~~16 (A) The renter initiates enrollment by completing an application
17 on which the renter can specify a preference for type of vehicle
18 and acceptance or declination of optional services.~~

~~19 (B) The rental company fully discloses, prior to the enrollee’s
20 first rental as a participant in the program, all terms and conditions
21 of the rental agreement as well as all required disclosures.~~

~~22 (C) The renter may terminate enrollment at any time.~~

~~23 (D) The rental company fully explains to the renter that
24 designated preferences, as well as acceptance or declination of
25 optional services, may be changed by the renter at any time for
26 the next and future rentals.~~

~~27 (12) “Passenger vehicle” means a passenger vehicle as defined
28 in Section 465 of the Vehicle Code.~~

~~29 (13) “Quote” means an estimated cost of rental provided by a
30 rental company or a third party to a potential customer by
31 telephone, in-person, computer-transmission, or other means, that
32 is based on information provided by the potential customer and
33 used to generate an estimated cost of rental, including, but not
34 limited to, any of the following: potential dates of rental, locations,
35 or classes of car.~~

~~36 (14) “Tourism commission assessment” means the charge
37 collected by a rental company from a renter that has been
38 established by the California Travel and Tourism Commission
39 pursuant to Section 13995.65 of the Government Code.~~

1 (15) ~~“Vehicle license fee” means the tax imposed pursuant to~~
2 ~~the Vehicle License Fee Law (Part 5 (commencing with Section~~
3 ~~10701) of Division 2 of the Revenue and Taxation Code).~~

4 (16) ~~“Vehicle registration fee” means any fee imposed pursuant~~
5 ~~to any provision of Chapter 6 (commencing with Section 9101)~~
6 ~~of Division 3 of the Vehicle Code.~~

7 (17) ~~“Vehicle license recovery fee” means a charge that seeks~~
8 ~~to recover the amount of any vehicle license fee and vehicle~~
9 ~~registration fee paid by a rental company for the particular class~~
10 ~~of vehicle being rented.~~

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

14 (1) ~~Physical or mechanical damage to the rented vehicle up to~~
15 ~~its fair market value, as determined in the customary market for~~
16 ~~the sale of that vehicle, regardless of the cause of the damage.~~

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

36 (3) ~~Physical damage to the rented vehicle up to its fair market~~
37 ~~value, as determined in the customary market for the sale of that~~
38 ~~vehicle, resulting from vandalism occurring after, or in connection~~
39 ~~with, the theft of the rented vehicle. However, the renter shall have~~

1 no liability for any damage due to vandalism if the renter would
2 have no liability for theft pursuant to paragraph (2).

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

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

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

11 ~~(e) The total amount of the renter's liability to the rental~~
12 ~~company resulting from damage to the rented vehicle shall not~~
13 ~~exceed the sum of the following:~~

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

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

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

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

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

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

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

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

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

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

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

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

37 ~~(4) If insurance coverage exists under the renter's applicable~~
38 ~~personal or business insurance policy and the coverage is confirmed~~
39 ~~during regular business hours, the renter may require that the rental~~
40 ~~company submit any claims to the renter's applicable personal or~~

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

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

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

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

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

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

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

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

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

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

28 ~~(2) In addition to the requirements of paragraph (1), if a damage~~
29 ~~waiver is offered orally at the rental counter, a rental company~~
30 ~~shall orally disclose at the time of the offer, that the damage waiver~~
31 ~~may be duplicative of coverage that the customer maintains under~~
32 ~~his or her own policy of motor vehicle insurance. The renter's~~
33 ~~receipt of the oral disclosure shall be demonstrated through the~~
34 ~~renter's acknowledging receipt of the oral disclosure near that part~~
35 ~~of the contract where the renter indicates, by the renter's own~~
36 ~~initials, his or her acceptance or declination of the damage waiver.~~
37 ~~Adjacent to that same part, the contract also shall state that the~~
38 ~~damage waiver is optional. Further, the contract for these renters,~~
39 ~~and, if a damage waiver may be obtained online, the Internet Web~~
40 ~~site page on which an estimate of total charges is provided pursuant~~

1 to-subparagraph (A) of paragraph (2) of subdivision (m) for any
 2 reservation made through the rental company’s online reservation
 3 system, shall include a clear and conspicuous written disclosure
 4 that the damage waiver may be duplicative of coverage that the
 5 customer maintains under his or her own policy of motor vehicle
 6 insurance. No oral disclosure shall be required for renters that are
 7 participants in the rental company’s membership program.

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

12
 13 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
 14 AND OPTIONAL DAMAGE WAIVER
 15

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

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

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

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

33
 34 (A) When the above notice is printed in the rental contract or
 35 holder in which the contract is placed, the following shall be printed
 36 immediately following the notice:

37
 38 “The cost of an optional damage waiver is \$_____ for every (day
 39 or week).”

40

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

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

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

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

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

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

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

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

1 purchase the damage waiver, optional insurance, or another
2 optional good or service.

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

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

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

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

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

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

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

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

1 ~~or an airport concession or license agreement whose customers~~
2 ~~use or will use the consolidated rental car facility and the collection~~
3 ~~of the fee as to those customers is consistent with subparagraph~~
4 ~~(C).~~

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

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

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

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

1 runway expansion, changes in hours of operation, or changes in
 2 the number of flights arriving or departing from the airport.
 3 (ii) Except as provided in clause (iii), the authorization given
 4 pursuant to this section for an airport to impose a customer facility
 5 charge shall become inoperative when the bonds used for financing
 6 are paid.
 7 (iii) If a bond or other form of indebtedness is not used for
 8 financing, or the bond or other form of indebtedness used for
 9 financing has been paid, the Oakland International Airport may
 10 require the collection of a customer facility charge for a period of
 11 up to 10 years from the imposition of the charge for the purposes
 12 allowed by, and subject to the conditions imposed by, this section.
 13 (J) For any airport seeking to require rental car companies to
 14 collect an alternative customer facility charge pursuant to paragraph
 15 (2), the following provisions apply:
 16 (i) Notwithstanding Section 10231.5 of the Government Code,
 17 the airport shall provide reports on an annual basis to the Senate
 18 and Assembly Committees on Judiciary detailing all of the
 19 following:
 20 (I) The total amount of the customer facility charge collected.
 21 (II) How the funds are being spent.
 22 (III) The amount of and reason for any changes in the airport's
 23 budget or financial needs for the facility or common-use
 24 transportation system.
 25 (IV) Whether airport concession fees authorized by Section
 26 1936.01 have increased since the prior report, if any.
 27 (ii) (I) The airport shall complete the audit required by clause
 28 (i) of subclause (I) prior to the initial collection of the customer
 29 facility charge.
 30 (II) Notwithstanding Section 10231.5 of the Government Code,
 31 copies of the audit shall be provided to the Assembly and Senate
 32 Committees on Judiciary, the Assembly Committee on
 33 Transportation, and the Senate Committee on Transportation and
 34 Housing and shall be posted on the airport's Internet Web site.
 35 (III) Prior to any increase pursuant to paragraph (2), the airport
 36 shall update the information provided in the initial collection audit
 37 pursuant to subclause (I). Notwithstanding Section 10231.5 of the
 38 Government Code, copies of the updated audit shall be provided
 39 to the Assembly and Senate Committees on Judiciary, the
 40 Assembly Committee on Transportation, and the Senate Committee

1 on Transportation and Housing, and shall be posted on the airport's
2 Internet Web site.

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

23 (V) ~~This section shall not be construed to require an airport to~~
24 ~~audit a common-use transportation system not financed by a~~
25 ~~customer facility charge and used for the purposes permitted~~
26 ~~pursuant to clause (ii) of subparagraph (A) of paragraph (6) of~~
27 ~~subdivision (a).~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 ~~(m) (1) When providing a quote, or imposing charges for a~~
20 ~~rental, the rental company may separately state the rental rate,~~
21 ~~additional mandatory charges, if any, and a mileage charge, if any,~~
22 ~~that a renter must pay to hire or lease the vehicle for the period of~~
23 ~~time to which the rental rate applies.~~

24 ~~(2) If additional mandatory charges are imposed, the rental~~
25 ~~company shall do each of the following:~~

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

38 ~~(B) At the time and place the rental commences, clearly and~~
39 ~~conspicuously disclose in the rental contract, or that portion of the~~
40 ~~contract that is provided to the renter, the total of the rental rate,~~

1 additional mandatory charges, for the entire rental, exclusive of
2 charges that cannot be determined at the time the rental
3 commences. Charges imposed pursuant to this subparagraph shall
4 be no more than the amount of the quote provided in a confirmed
5 reservation, unless the person changes the terms of the rental
6 contract subsequent to making the 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 additional mandatory charges, as well
10 as access to information about when those charges apply. Any
11 person providing quotes to actual or prospective customers for the
12 hire or lease of a vehicle from a rental company shall provide the
13 quotes in the manner described in subparagraph (A).

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

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

32 (5) 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 ~~(6) All rate advertisements that include car rentals at airport~~
2 ~~destinations shall clearly and conspicuously include a toll-free~~
3 ~~telephone number whereby a customer can be told the specific~~
4 ~~amount of the customer facility charge to which the customer will~~
5 ~~be obligated.~~

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

15 ~~(8) Except as otherwise permitted pursuant to the customer~~
16 ~~facility charge, a rental company may not separately charge, in~~
17 ~~addition to the rental rate, a fee for transporting the renter to the~~
18 ~~location where the rented vehicle will be delivered to the renter.~~

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

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

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

29 ~~(ii) The rental vehicle has not been returned following three~~
30 ~~days after the contracted return date, or by three days following~~
31 ~~the end of an extension of that return date.~~

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

37 ~~(B) If electronic surveillance technology is activated pursuant~~
38 ~~to subparagraph (A), a rental company shall maintain a record, in~~
39 ~~either electronic or written form, of information relevant to the~~
40 ~~activation of that technology. That information shall include the~~

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

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

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

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

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

39 (6) This subdivision does not prohibit a rental company from
40 using information from electronic surveillance technology for the

1 purpose of determining the date and time the vehicle is returned
2 to the rental company, the return location, the total mileage driven
3 and the vehicle fuel level of the returned vehicle. This paragraph,
4 however, shall apply only after the renter has returned the vehicle
5 to the rental company, or is at one of the rental company's facilities
6 and is in the process of returning the vehicle, and the information
7 shall only be used for the purpose described in this paragraph.

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

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

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

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

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

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

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

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

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

1 ~~(t) The amendments made to this section during the 2001-02~~
2 ~~Regular Session of the Legislature do not affect litigation pending~~
3 ~~on or before January 1, 2003, alleging a violation of Section 22325~~
4 ~~of the Business and Professions Code as it read at the time the~~
5 ~~action was commenced.~~

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

21 ~~(2) Within 30 days of acceptance of service of process, the rental~~
22 ~~company shall provide a copy of the summons and complaint and~~
23 ~~any other required documents served in accordance with this~~
24 ~~subdivision to the foreign renter by first-class mail, return receipt~~
25 ~~requested.~~

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

32 ~~(4) Notwithstanding the requirements of Sections 17450 to~~
33 ~~17456, inclusive, of the Vehicle Code, service of process in~~
34 ~~compliance with paragraph (1) shall be deemed valid and effective~~
35 ~~service.~~

36 ~~(5) Notwithstanding any other provision of law, the requirement~~
37 ~~that the rental company accept service of process pursuant to~~
38 ~~paragraph (1) shall not create any duty, obligation, or agency~~
39 ~~relationship other than that provided in paragraph (1).~~

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 separately
12 stated charges that the rental car company requires the renter to
13 pay to hire or lease the vehicle for the period of time to which the
14 rental rate applies, which are imposed by a governmental entity
15 and specifically relate to the operation of a rental car business,
16 including, but not limited to, a customer facility charge, airport
17 concession fee, tourism commission assessment, vehicle license
18 recovery fee, or other government imposed taxes or fees.

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

24 ~~(3)~~

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

26 (A) The renter.

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

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

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

34 ~~(4)~~

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

38 (i) To finance, design, and construct consolidated airport car
39 rental facilities.

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

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

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

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

39 (D) If a bond or other form of indebtedness is not used for
40 financing, or the bond or other form of indebtedness used for

1 financing has been paid, the Oakland International Airport may
2 require the collection of a customer facility charge for a period of
3 up to 10 years from the imposition of the charge for the purposes
4 allowed by, and subject to the conditions imposed by, this section.

5 ~~(5)~~

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

10 ~~(6)~~

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

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

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

26 ~~(7)~~

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

32 ~~(8)~~

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

36 ~~(9)~~

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

- 1 (A) The renter initiates enrollment by completing an application
- 2 on which the renter can specify a preference for type of vehicle
- 3 and acceptance or declination of optional services.
- 4 (B) The rental company fully discloses, prior to the enrollee’s
- 5 first rental as a participant in the program, all terms and conditions
- 6 of the rental agreement as well as all required disclosures.
- 7 (C) The renter may terminate enrollment at any time.
- 8 (D) The rental company fully explains to the renter that
- 9 designated preferences, as well as acceptance or declination of
- 10 optional services, may be changed by the renter at any time for
- 11 the next and future rentals.
- 12 (E) An employee designated to receive the form specified in
- 13 subparagraph (C) of paragraph (1) of subdivision (s) is present at
- 14 the lot where the renter takes possession of the car, to receive any
- 15 change in the rental agreement from the renter.
- 16 ~~(10)~~
- 17 (12) “Passenger vehicle” means a passenger vehicle as defined
- 18 in Section 465 of the Vehicle Code.
- 19 (13) “Quote” means an estimated cost of rental provided by a
- 20 rental company or a third party to a potential customer by
- 21 telephone, in-person, computer-transmission, or other means, that
- 22 is based on information provided by the potential customer and
- 23 used to generate an estimated cost of rental, including, but not
- 24 limited to, potential dates of rental, locations, or classes of car.
- 25 (14) “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 (15) “Vehicle license fee” means the tax imposed pursuant to
- 30 the Vehicle License Fee Law (Part 5 (commencing with Section
- 31 10701) of Division 2 of the Revenue and Taxation Code).
- 32 (16) “Vehicle registration fee” means any fee imposed pursuant
- 33 to any provision of Chapter 6 (commencing with Section 9101) of
- 34 Division 3 of the Vehicle Code.
- 35 (17) “Vehicle license recovery fee” means a charge that seeks
- 36 to recover the amount of any vehicle license fee and vehicle
- 37 registration fee paid by a rental company for the particular class
- 38 of vehicle being rented.

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

4 (1) Physical or mechanical damage to the rented vehicle up to
5 its fair market value, as determined in the customary market for
6 the sale of that vehicle, resulting from collision regardless of the
7 cause of the damage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 dollars (\$150) if the total estimated cost for parts and labor exceeds
2 one thousand five hundred dollars (\$1,500). An administrative
3 charge shall not be imposed if the total estimated cost of parts and
4 labor is one hundred dollars (\$100) or less.

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

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

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

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

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

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

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

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

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

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

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

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

34 (g) (1) A rental company that offers or provides a damage
35 waiver for any consideration in addition to the rental rate shall
36 clearly and conspicuously disclose the following information in
37 the rental contract or holder in which the contract is placed and,
38 also, in signs posted at the place, such as the counter, where the
39 renter signs the rental contract, and, for renters who are enrolled
40 in the rental company's membership program, in a sign that shall

1 be posted in a location clearly visible to those renters as they enter
2 the location where their reserved rental cars are parked or near the
3 exit of the bus or other conveyance that transports the enrollee to
4 a reserved car: (A) the nature of the renter's liability, such as
5 liability for all collision damage regardless of cause, (B) the extent
6 of the renter's liability, such as liability for damage or loss up to
7 a specified amount, (C) the renter's personal insurance policy or
8 the credit card used to pay for the car rental transaction may
9 provide coverage for all or a portion of the renter's potential
10 liability, (D) the renter should consult with his or her insurer to
11 determine the scope of insurance coverage, including the amount
12 of the deductible, if any, for which the renter is obligated, (E) the
13 renter may purchase an optional damage waiver to cover all
14 liability, subject to whatever exceptions the rental company
15 expressly lists that are permitted under subdivision (f), and (F) the
16 range of charges for the damage waiver.

17 (2) In addition to the requirements of paragraph (1), a rental
18 company that offers or provides a damage waiver shall orally
19 disclose to all renters, except those who are participants in the
20 rental company's membership program, that the damage waiver
21 may be duplicative of coverage that the customer maintains under
22 his or her own policy of motor vehicle insurance. The renter's
23 receipt of the oral disclosure shall be demonstrated through the
24 renter's acknowledging receipt of the oral disclosure near that part
25 of the contract where the renter indicates, by the renter's own
26 initials, his or her acceptance or declination of the damage waiver.
27 Adjacent to that same part, the contract also shall state that the
28 damage waiver is optional. Further, the contract for these renters
29 shall include a clear and conspicuous written disclosure that the
30 damage waiver may be duplicative of coverage that the customer
31 maintains under his or her own policy of motor vehicle insurance.

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

1 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
 2 AND OPTIONAL DAMAGE WAIVER

3
 4 You are responsible for all collision damage to the rented vehicle
 5 even if someone else caused it or the cause is unknown. You are
 6 responsible for the cost of repair up to the value of the vehicle,
 7 and towing, storage, and impound fees.

8 Your own insurance, or the issuer of the credit card you use to
 9 pay for the car rental transaction, may cover all or part of your
 10 financial responsibility for the rented vehicle. You should check
 11 with your insurance company, or credit card issuer, to find out
 12 about your coverage and the amount of the deductible, if any, for
 13 which you may be liable.

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

18 The rental company will not hold you responsible if you buy a
 19 damage waiver. But a damage waiver will not protect you if (list
 20 exceptions).”

21
 22 (A) When the above notice is printed in the rental contract or
 23 holder in which the contract is placed, the following shall be printed
 24 immediately following the notice:

25
 26 “The cost of an optional damage waiver is \$____ for every (day
 27 or week).”

28
 29 (B) When the above notice appears on a sign, the following
 30 shall appear immediately adjacent to the notice:

31
 32 “The cost of an optional damage waiver is \$____ to \$____ for
 33 every (day or week), depending upon the vehicle rented.”

34
 35 (h) Notwithstanding any other provision of law, a rental
 36 company may sell a damage waiver subject to the following rate
 37 limitations for each full or partial 24-hour rental day for the damage
 38 waiver:

39 (1) For rental vehicles that the rental company designates as an
 40 “economy car,” “compact car,” or another term having similar

1 meaning to the two smallest body-size categories of vehicles
2 established by the Association of Car Rental Industry Systems
3 Standards for North America, as of January 1, 2014, when offered
4 for rental, the rate shall not exceed eleven dollars (\$11).

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

15 (i) A rental company that disseminates in this state an
16 advertisement containing a rental rate shall include in that
17 advertisement a clearly readable statement of the charge for a
18 damage waiver and a statement that a damage waiver is optional.

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

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

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

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

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

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

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

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

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

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

34 (F) Revenues collected from the fee do not exceed the reasonable
35 costs of financing, designing, and constructing the facility and
36 financing, designing, constructing, and operating any common-use
37 transportation system, or acquiring vehicles for use in that system,
38 and shall not be used for any other purpose.

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

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

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

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

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

13 (II) How the funds are being spent.

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

17 ~~(IV) Whether airport concession fees authorized by Section~~
18 ~~1936.01 have increased since the prior report, if any.~~

19 (ii) (I) The airport shall complete the audit required by
20 subparagraph (B) of paragraph ~~(4)~~ (6) of subdivision (a) prior to
21 the initial collection of the customer facility charge.
22 Notwithstanding Section 10231.5 of the Government Code, copies
23 of the audit shall be provided to the Assembly and Senate
24 Committees on Judiciary, the Assembly Committee on
25 Transportation, and the Senate Committee on Transportation and
26 Housing and shall be posted on the airport's Internet Web site.

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

35 (III) An audit shall be completed every three years after initial
36 collection only if the customer facility charge is collected for the
37 purpose of operating a common-use transportation system or to
38 acquire vehicles for use in the system pursuant to clause (ii) of
39 subparagraph (A) of paragraph ~~(4)~~ (6) of subdivision (a). A
40 regularly conducted audit of airport finances that includes the

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

17 (IV) This section shall not be construed to require an airport to
18 audit a common-use transportation system not financed by a
19 customer facility charge and used for the purposes permitted
20 pursuant to clause (ii) of subparagraph (A) of paragraph~~(4)~~ (6) of
21 subdivision (a).

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

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

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

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

38 (i) The airport establishes the amount of revenue necessary to
39 finance the reasonable cost to design and construct a consolidated
40 rental car facility and to design, construct, and operate any

1 common-use transportation system, or acquire vehicles for use in
2 that system, based on evidence presented during the hearing.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 inoperative pursuant to subparagraph (C) of paragraph ~~(4)~~ (6) of
 2 subdivision (a).

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

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

28 (2) *If additional mandatory charges are imposed, the rental*
 29 *company shall do each of the following:*

30 (A) *At the time the quote is given, provide the person receiving*
 31 *the quote with a good faith estimate of the rental rate and all*
 32 *additional mandatory charges, as well as the total charges for the*
 33 *entire rental. The total charges, if provided on an Internet Web*
 34 *site page, shall be displayed in a typeface at least as large as any*
 35 *rental rate disclosed on that page and shall be provided on a page*
 36 *that the person receiving the quote may reach by following links*
 37 *through no more than two Internet Web site pages, including the*
 38 *page on which the rental rate is first provided. The good faith*
 39 *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 ~~(2)~~

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

36 ~~(3)~~

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

39 ~~(4)~~

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

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

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

39 *(6) All rate advertisements shall include the following*
40 *disclaimer, which shall be prominently displayed: "Additional*

1 *mandatory charges may be imposed, including, but not limited to,*
2 *a customer facility charge, airport concession fee, tourism*
3 *commission assessment, vehicle license recovery fee, or other*
4 *government imposed taxes or fees. For more information, including*
5 *an estimate of your total rental cost, visit our Internet Web site at*
6 *[www.____.com].”*

7 ~~(6)~~

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

17 (8) *Except as otherwise permitted pursuant to the customer*
18 *facility charge, a rental company shall not separately charge, in*
19 *addition to the rental rate, a fee for transporting the renter to a*
20 *location where the rented vehicle will be delivered to the renter.*

21 (n) A rental company shall not use, access, or obtain any
22 information relating to the renter’s use of the rental vehicle that
23 was obtained using electronic surveillance technology, except in
24 the following circumstances:

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

28 (i) The renter or law enforcement has informed the rental
29 company that the vehicle is missing or has been stolen or
30 abandoned.

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

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

39 (B) If electronic surveillance technology is activated pursuant
40 to subparagraph (A), a rental company shall maintain a record, in

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14
15 “If I previously accepted the collision damage waiver, I now
16 decline it.

17

18

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

21

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 SEC. 5. Section 1936.05 of the Civil Code is amended to read:
6 1936.05. (a) For purposes of this section:

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

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

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

24 (4) “Business renter” means, for any business program sponsor,
25 a person who is authorized by the sponsor, through the use of an
26 identifying number or program name or code, to enter into a rental
27 contract under the sponsor’s business program. In no case shall
28 the term “business renter” include a person renting as: (A) a
29 nonemployee member of a not-for-profit organization, (B) the
30 purchaser of a voucher or other prepaid rental arrangement from
31 a person, including a tour operator, engaged in the business of
32 reselling those vouchers or prepaid rental arrangements to the
33 general public, (C) an individual whose car rental is eligible for
34 reimbursement in whole or in part as a result of the person being
35 insured or provided coverage under a policy of insurance issued
36 by an insurance company, or (D) an individual whose car rental
37 is eligible for reimbursement in whole or in part as a result of the
38 person purchasing passenger vehicle repair services from a person
39 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 subdivision (m) of Section 1936, a rental car company may, in
22 connection with the qualified business rental of a passenger vehicle
23 to a business renter of a business program sponsor under the
24 sponsor’s business program, do both of the following:

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

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

38 (c) A renter may bring an action against a rental company for
39 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)~~, (3) to (7), inclusive, of subdivision (m)
8 of Section 1936.