

AMENDED IN ASSEMBLY APRIL 4, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2051

Introduced by Assembly Member O'Donnell

February 17, 2016

An act to ~~amend Section 1936 of~~ *add Chapter 1.5 (commencing with Section 1939.01) to Title 5 of Part 4 of Division 3 of, and to repeal Sections 1936, 1936.05, 1936.1, and 1936.5 of, the Civil Code, and to amend Section 50474.1 of, and to add Sections 50474.21, 50474.22, 50474.3, and 50474.4 to, the Government Code, relating to rental passenger vehicles.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2051, as amended, O'Donnell. Rental ~~vehicles: electronic surveillance technology.~~ *passenger vehicles.*

~~Existing~~

(1) Existing law generally governs the ~~contracts~~ transactions between a rental car ~~company~~ company, also referred to as a rental company, and its ~~customer and~~, customers, including, among other ~~things~~, provisions, required disclosures by a rental company, mandatory contract provisions for a vehicle rental agreement, restrictions on a rental company's use of electronic surveillance technology, and authorization for a rental company to collect specific types of fees and charges from its customers. Existing law defines terms for its purposes.

This bill, among other things, would recast and reorganize these provisions, would modify definitions and terms for uniformity, and would make conforming changes.

(2) Existing law, as part of the restrictions on the use of electronic surveillance technology referenced above, prohibits a rental car company

from using, accessing, or obtaining any information relating to the renter's use of the rental vehicle that was obtained using electronic surveillance technology unless certain conditions are met, including that the rental vehicle has not been returned following one week after the contracted return date, or by one week following the end of an extension of that return date.

This bill would instead authorize a rental car company to use, access, or obtain ~~that information relating to the renter's use of a rental vehicle that was obtained using electronic surveillance technology~~ if the rental vehicle has not been returned following 3 *calendar* days after the contracted return date, or by 3 calendar days following the end of an extension of that return date. *The bill would further authorize a rental company, in connection with a qualified business rental under a business program, to use technology, including electronic surveillance technology, to determine specific information for the sole purposes of commencing and concluding the rental.*

(3) Existing law, as part of the required disclosures referenced above, requires a rental company's rental rate advertisements to include a clearly readable statement of the charge for a damage waiver, a statement that a damage waiver is optional, and a specific disclaimer regarding additional mandatory charges. Existing law also provides that a rental company's disclosure requirements are satisfied for renters enrolled in the rental company's membership program if certain conditions are met, including, among others, a requirement that the rental company provide, prior to the commencement of each rental period, a rearview mirror hanger containing a disclosure and form regarding the collision damage waiver offered by the rental company, as specified.

This bill would discontinue the requirement that a rental company provide that hanger. The bill would require a rental rate advertisement to instead include a statement that additional charges may apply if an optional good or service, such as a damage waiver, is purchased, and to comply with a revised disclaimer requirement regarding additional mandatory charges. The bill would require a person or entity, that is not a rental company, that advertises a vehicle rental rate that includes additional mandatory charges, to clearly disclose the charges. The bill would provide that a rental company that provides a person or entity with information on the charges and rental rate is not responsible for the person's or entity's failure to comply with this requirement.

(4) Existing law authorizes airports to require rental companies to collect a customer facility charge for specified purposes and requires airports to provide certain audits and reports regarding those fees to specified committees of the Legislature.

This bill also would recast and reorganize these provisions, including establishing authority for a certain airport to charge those same fees for additional specified purposes.

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 is repealed.

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

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

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

9 (3) “Additional mandatory charges” means any separately stated
10 charges that the rental car company requires the renter to pay to
11 hire or lease the vehicle for the period of time to which the rental
12 rate applies, which are imposed by a governmental entity and
13 specifically relate to the operation of a rental car business,
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
19 share of the amount paid by the rental company to the owner or
20 operator of an airport for the right or privilege of conducting a
21 vehicle rental business on the airport’s premises.

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

23 (A) The renter.

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

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

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

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

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

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

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

15 ~~(B) The aggregate amount to be collected shall not exceed the~~
16 ~~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 subparagraph. Copies of the audit shall~~
29 ~~be provided to the Assembly and Senate Committees on Judiciary,~~
30 ~~the Assembly Committee on Transportation, and the Senate~~
31 ~~Committee on Transportation and Housing and shall be posted on~~
32 ~~the airport's Internet Web site. 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 pursuant to clause (ii) of subparagraph (A). Any~~
36 ~~audit required by this subparagraph may be included as a part of~~
37 ~~an audit of an airport's finances. Notwithstanding clause (iii) of~~
38 ~~subparagraph (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 (C) Except as provided in subparagraph (D), the authorization
4 given pursuant to this section for an airport to impose a customer
5 facility charge shall become inoperative when the bonds used for
6 financing are paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (13) “Quote” means an estimated cost of rental provided by a
23 rental company or a third party to a potential customer by
24 telephone, in-person, computer-transmission, or other means, that
25 is based on information provided by the potential customer and
26 used to generate an estimated cost of rental, including, but not
27 limited to, potential dates of rental, locations, or classes of car.

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

32 (15) “Vehicle license fee” means the tax imposed pursuant to
33 the Vehicle License Fee Law (Part 5 (commencing with Section
34 10701) of Division 2 of the Revenue and Taxation Code).

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

38 (17) “Vehicle license recovery fee” means a charge that seeks
39 to recover the amount of any vehicle license fee and vehicle

1 registration fee paid by a rental company for the particular class
2 of vehicle being rented.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 for any loss sustained that the renter's applicable personal or
2 business insurance policy does not cover.

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

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

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

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

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

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

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

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

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

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

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

34 (3) The following is an example, for purposes of illustration
35 and not limitation, of a notice fulfilling the requirements of
36 paragraph (1) for a rental company that imposes liability on the
37 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, or not older~~
11 ~~than the previous year’s model, when offered for rental, the rate~~
12 ~~shall not exceed seventeen dollars (\$17). For rental vehicles that~~
13 ~~are older than the previous year’s model-year, the rate shall not~~
14 ~~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 ~~(f) (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 ~~(ii) (I) The airport shall complete the audit required by~~
18 ~~subparagraph (B) of paragraph (6) of subdivision (a) prior to the~~
19 ~~initial collection of the customer facility charge. Notwithstanding~~
20 ~~Section 10231.5 of the Government Code, copies of the audit shall~~
21 ~~be provided to the Assembly and Senate Committees on Judiciary,~~
22 ~~the Assembly Committee on Transportation, and the Senate~~
23 ~~Committee on Transportation and Housing and shall be posted on~~
24 ~~the airport's Internet Web site.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 ~~(v) An airport subject to this paragraph shall initiate the process~~
35 ~~for obtaining the authority to require or increase the alternative~~
36 ~~fee no later than January 1, 2018. Any airport that obtains the~~
37 ~~authority to require or increase an alternative fee shall be authorized~~
38 ~~to continue collecting that fee until the fee authorization becomes~~
39 ~~inoperative pursuant to subparagraph (C) of paragraph (6) of~~
40 ~~subdivision (a).~~

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

9 ~~(m) (1) When providing a quote, or imposing charges for a~~
10 ~~rental, the rental company may separately state the rental rate,~~
11 ~~additional mandatory charges, if any, and a mileage charge, if any,~~
12 ~~that a renter must pay to hire or lease the vehicle for the period of~~
13 ~~time to which the rental rate applies. A rental company shall not~~
14 ~~charge in addition to the rental rate, additional mandatory charges,~~
15 ~~or a mileage charge, as those may be applicable, any other fee that~~
16 ~~is required to be paid by the renter as a condition of hiring or~~
17 ~~leasing the vehicle.~~

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

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

32 ~~(B) At the time and place the rental commences, clearly and~~
33 ~~conspicuously disclose in the rental contract, or that portion of the~~
34 ~~contract that is provided to the renter, the total of the rental rate,~~
35 ~~additional mandatory charges, for the entire rental, exclusive of~~
36 ~~charges that cannot be determined at the time the rental~~
37 ~~commences. Charges imposed pursuant to this subparagraph shall~~
38 ~~be no more than the amount of the quote provided in a confirmed~~
39 ~~reservation, unless the person changes the terms of the rental~~
40 ~~contract subsequent to making the reservation.~~

1 ~~(C) Provide each person, other than those persons within the~~
2 ~~rental company, offering quotes to actual or prospective customers~~
3 ~~access to information about additional mandatory charges, as well~~
4 ~~as access to information about when those charges apply. Any~~
5 ~~person providing quotes to actual or prospective customers for the~~
6 ~~hire or lease of a vehicle from a rental company shall provide the~~
7 ~~quotes in the manner described in subparagraph (A).~~

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

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

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

34 ~~(6) All rate advertisements shall include the following~~
35 ~~disclaimer, which shall be prominently displayed: "Additional~~
36 ~~mandatory charges may be imposed, including, but not limited to,~~
37 ~~a customer facility charge, airport concession fee, tourism~~
38 ~~commission assessment, vehicle license recovery fee, or other~~
39 ~~government imposed taxes or fees. For more information, including~~

1 an estimate of your total rental cost, visit our Internet Web site at
2 [www.____.com].”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 ~~(C) At the commencement of each rental period, the rental~~
37 ~~company provides, on the rearview mirror, a hanger on which a~~
38 ~~statement is printed, in a box, in at least 12-point boldface type,~~
39 ~~notifying the renter that the collision damage waiver offered by~~
40 ~~the rental company may be duplicative of coverage that the~~

1 customer maintains under his or her own policy of motor vehicle
2 insurance. If it is not feasible to hang the statement from the
3 rearview mirror, it shall be hung from the steering wheel.

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

9
10 “If I previously accepted the collision damage waiver, I now
11 decline it.

12
13 If I previously declined the collision damage waiver, I now
14 accept it.”

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

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

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

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

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

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

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

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

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

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

30 *SEC. 2. Section 1936.05 of the Civil Code is repealed.*

31 1936.05. (a) For purposes of this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

29 ~~(e) Nothing in this section shall be interpreted to mean that a~~
30 ~~rental company is not required to comply with the requirements~~
31 ~~of paragraphs (3) to (7), inclusive, of subdivision (m) of Section~~
32 ~~1936.~~

33 *SEC. 3. Section 1936.1 of the Civil Code is repealed.*

34 ~~1936.1. (a) (1) A rental company shall provide a renter of a~~
35 ~~15-passenger van with a copy of the United States Department of~~
36 ~~Transportation, National Highway Traffic Safety Administration’s~~
37 ~~consumer advisory for 15-passenger vans titled “Reducing the~~
38 ~~Risk of Rollover Crashes” or, if that advisory is updated, a copy~~
39 ~~of the updated advisory. The renter shall acknowledge receipt of~~

1 that copy by signing an acknowledgment of receipt on the rental
2 agreement or on an attached form.

3 (2) If the rental of that 15-passenger van is for a business
4 purpose or use, the rental company shall also provide on the
5 document described in paragraph (1) that only an employee with
6 the proper licensing may drive that vehicle. The renter shall
7 acknowledge the receipt thereof in the same manner as described
8 in paragraph (1).

9 (b) (1) Except as provided in paragraph (2), for purposes of
10 this section, a “15-passenger van” means any van manufactured
11 to accommodate 15 passengers, including the driver, regardless
12 of whether that van has been altered to accommodate fewer than
13 15 passengers.

14 (2) For purposes of this section, a “15-passenger van” does not
15 mean a 15-passenger van with dual rear wheels that has a gross
16 weight rating equal to, or greater than, 11,500 pounds.

17 *SEC. 4. Section 1936.5 of the Civil Code is repealed.*

18 ~~1936.5. A “rental company” as defined in paragraph (1) of~~
19 ~~subdivision (a) of Section 1936 is not subject to the requirements~~
20 ~~of Section 14608 of the Vehicle Code if the rental is subject to the~~
21 ~~terms of a membership agreement that allows the renter to gain~~
22 ~~physical access to a car without a key through use of a code, key~~
23 ~~card, or by other means that allow the car to be accessed at a remote~~
24 ~~location, or at a business location of the rental company outside~~
25 ~~of that location’s regular hours of operation.~~

26 *SEC. 5. Chapter 1.5 (commencing with Section 1939.01) is*
27 *added to Title 5 of Part 4 of Division 3 of the Civil Code, to read:*

28

29 *CHAPTER 1.5. RENTAL PASSENGER VEHICLE TRANSACTIONS*

30

31 *1939.01. For the purpose of this chapter, the following*
32 *definitions shall apply:*

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

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

38 (c) “Additional mandatory charges” means any separately
39 stated charges that the rental company requires the renter to pay
40 to hire or lease the vehicle for the period of time to which the rental

1 rate applies, which are imposed by a governmental entity and
2 specifically relate to the operation of a rental vehicle business,
3 including, but not limited to, a customer facility charge, airport
4 concession fee, tourism commission assessment, vehicle license
5 recovery fee, or other government imposed taxes or fees.

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

11 (e) “Authorized driver” means all of the following:

12 (1) The renter.

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

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

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

20 (f) “Customer facility charge” means any fee, including an
21 alternative fee, required by an airport to be collected by a rental
22 company from a renter pursuant to Section 50474.21 or 50474.22
23 of the Government Code.

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

29 (h) “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 (1) 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 (2) As part of the vehicle’s airbag sensing and diagnostic system
40 in order to capture safety systems-related data for retrieval after

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

12 (k) “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 vehicle previously reserved. A membership
15 program shall meet all of the following requirements:

16 (1) 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 (2) 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 (3) The renter may terminate enrollment at any time.

23 (4) 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 (5) A designated employee is present at the lot where the renter
28 takes possession of the vehicle, to receive any change in the rental
29 agreement from the renter.

30 (l) “Passenger vehicle” or “vehicle” means a “passenger
31 vehicle” as defined in Section 465 of the Vehicle Code.

32 (m) “Quote” means an estimated cost of rental provided by a
33 rental company or a third party to a potential customer that is
34 based on information provided by the potential customer and used
35 to generate an estimated cost of rental, including, but not limited
36 to, potential dates of rental, locations, or classes of vehicle.

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

1 (o) “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 (p) “Vehicle registration fee” means any fee imposed pursuant
5 to any provision of Chapter 6 (commencing with Section 9101) of
6 Division 3 of the Vehicle Code or any other law that imposes a fee
7 upon the registration of vehicles in this state.

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

12 1939.03. Except as limited by Section 1939.05, a rental
13 company and a renter may agree that the renter will be responsible
14 for no more than all of the following:

15 (a) Physical or mechanical damage to the rented vehicle up to
16 its fair market value, as determined in the customary market for
17 the sale of that vehicle, resulting from collision regardless of the
18 cause of the damage.

19 (b) Loss due to theft of the rented vehicle up to its fair market
20 value, as determined in the customary market for the sale of that
21 vehicle, provided that the rental company establishes by clear and
22 convincing evidence that the renter or the authorized driver failed
23 to exercise ordinary care while in possession of the vehicle. In
24 addition, the renter shall be presumed to have no liability for any
25 loss due to theft if (1) an authorized driver has possession of the
26 ignition key furnished by the rental company or an authorized
27 driver establishes that the ignition key furnished by the rental
28 company was not in the vehicle at the time of the theft, and (2) an
29 authorized driver files an official report of the theft with the police
30 or other law enforcement agency within 24 hours of learning of
31 the theft and reasonably cooperates with the rental company and
32 the police or other law enforcement agency in providing
33 information concerning the theft. The presumption set forth in this
34 subdivision is a presumption affecting the burden of proof which
35 the rental company may rebut by establishing that an authorized
36 driver committed, or aided and abetted the commission of, the
37 theft.

38 (c) Physical damage to the rented vehicle up to its fair market
39 value, as determined in the customary market for the sale of that
40 vehicle, resulting from vandalism occurring after, or in connection

1 *with, the theft of the rented vehicle. However, the renter shall have*
2 *no liability for any damage due to vandalism if the renter would*
3 *have no liability for theft pursuant to subdivision (b).*

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

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

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

12 *1939.05. (a) The total amount of the renter's liability to the*
13 *rental company resulting from damage to the rented vehicle shall*
14 *not exceed the sum of the following:*

15 *(1) The estimated cost of parts which the rental company would*
16 *have to pay to replace damaged vehicle parts.*

17 *(2) The estimated cost of labor to replace damaged vehicle*
18 *parts, which shall not exceed the product of (A) the rate for labor*
19 *usually paid by the rental company to replace vehicle parts of the*
20 *type that were damaged and (B) the estimated time for replacement.*

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

23 *(A) The product of the rate for labor usually paid by the rental*
24 *company to repair vehicle parts of the type that were damaged*
25 *and the estimated time for repair.*

26 *(B) The sum of the estimated labor and parts costs determined*
27 *under paragraphs (1) and (2) to replace the same vehicle parts.*

28 *(4) Actual charges for towing, storage, and impound fees paid*
29 *by the rental company.*

30 *(b) For purposes of subdivision (a), all discounts and price*
31 *reductions or adjustments that are or will be received by the rental*
32 *company shall be subtracted from the estimate to the extent not*
33 *already incorporated in the estimate, or otherwise promptly*
34 *credited or refunded to the renter.*

35 *(c) For the purpose of converting the estimated time for repair*
36 *into the same units of time in which the rental rate is expressed,*
37 *a day shall be deemed to consist of eight hours.*

38 *(d) The administrative charge described in subdivision (f) of*
39 *Section 1939.03 shall not exceed (1) fifty dollars (\$50) if the total*
40 *estimated cost for parts and labor is more than one hundred dollars*

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

9 (e) The total amount of an authorized driver's liability to the
10 rental company, if any, for damage occurring during the authorized
11 driver's operation of the rented vehicle shall not exceed the amount
12 of the renter's liability under this section.

13 (f) A rental company shall not recover from an authorized driver
14 an amount exceeding the renter's liability under this section.

15 1939.07. (a) A claim against a renter resulting from damage
16 or loss, excluding loss of use, to a rental vehicle shall be
17 reasonably and rationally related to the actual loss incurred. A
18 rental company shall mitigate damages where possible and shall
19 not assert or collect a claim for physical damage which exceeds
20 the actual costs of the repairs performed or the estimated cost of
21 repairs, if the rental company chooses not to repair the vehicle,
22 including all discounts and price reductions. However, if the
23 vehicle is a total loss vehicle, the claim shall not exceed the total
24 loss vehicle value established in accordance with procedures that
25 are customarily used by insurance companies when paying claims
26 on total loss vehicles, less the proceeds from salvaging the vehicle,
27 if those proceeds are retained by the rental company.

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

1 rental company for any loss sustained that the renter's applicable
2 personal or business insurance policy does not cover.

3 (c) A rental company shall not recover from an authorized driver
4 for an item described in Section 1939.03 to the extent the rental
5 company obtains recovery from another person.

6 (d) This chapter applies only to the maximum liability of an
7 authorized driver to the rental company resulting from damage to
8 the rented vehicle and not to the liability of another person.

9 1939.09. (a) (1) Except as provided in subdivision (b), a
10 damage waiver shall provide or, if not expressly stated in writing,
11 shall be deemed to provide that the renter has no liability for
12 damage, loss, loss of use, or a cost or expense incident thereto.

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

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

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

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

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

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

18 (2) In addition to the requirements of paragraph (1), a rental
19 company that offers or provides a damage waiver shall orally
20 disclose to all renters, except those who are participants in the
21 rental company's membership program, that the damage waiver
22 may be duplicative of coverage that the customer maintains under
23 his or her own policy of motor vehicle insurance. The renter shall
24 acknowledge receipt of the oral disclosure near that part of the
25 contract where the renter indicates, by the renter's own initials,
26 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) (A) 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:
36

37 **“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND**
38 **OPTIONAL DAMAGE WAIVER**

39 *You are responsible for all collision damage to the rented vehicle*
40 *even if someone else caused it or the cause is unknown. You are*

1 responsible for the cost of repair up to the value of the vehicle,
2 and towing, storage, and impound fees.

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

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

13 The rental company will not hold you responsible if you buy a
14 damage waiver. But a damage waiver will not protect you if (list
15 exceptions).”

16
17 (B) When the notice in subparagraph (A) is printed in the rental
18 contract or holder in which the contract is placed, the following
19 shall be printed immediately following the notice:

20
21 “The cost of an optional damage waiver is \$____ for every (day
22 or week).”

23
24 (C) When the notice in subparagraph (A) appears on a sign,
25 the following shall appear immediately adjacent to the notice:

26
27 “The cost of an optional damage waiver is \$____ to \$____ for
28 every (day or week), depending upon the vehicle rented.”

29
30 (d) Notwithstanding any other law, a rental company may sell
31 a damage waiver subject to the following rate limitations for each
32 full or partial 24-hour rental day for the damage waiver:

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

39 (2) For rental vehicles that the rental company designates as
40 an “intermediate car,” “standard car,” or “full-size car,” or

1 another term having similar meaning to the next three body-size
2 categories of vehicles established by the Association of Car Rental
3 Industry Systems Standards for North America, as of January 1,
4 2014, and that are also either vehicles of the next model-year, or
5 not older than the previous year's model, when offered for rental,
6 the rate shall not exceed seventeen dollars (\$17). For rental
7 vehicles that are older than the previous year's model-year, the
8 rate shall not exceed eleven dollars (\$11).

9 1939.13. (a) A rental company shall not require the purchase
10 of a damage waiver, optional insurance, or another optional good
11 or service.

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

21 1939.15. (a) In the absence of express permission granted by
22 the renter subsequent to damage to, or loss of, the rented vehicle,
23 a rental company shall not seek to recover any portion of a claim
24 arising out of damage to, or loss of, the vehicle by processing a
25 credit card charge or causing a debit or block to be placed on the
26 renter's credit card account.

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

30 1939.17. A customer facility charge or alternative customer
31 facility charge may be collected by a rental company pursuant to
32 Section 50474.3 or 50474.4 of the Government Code.

33 1939.19. (a) When providing a quote, or imposing charges
34 for a rental, the rental company may separately state the rental
35 rate, additional mandatory charges, if any, and a mileage charge,
36 if any, that a renter must pay to hire or lease the vehicle for the
37 period of time to which the rental rate applies. A rental company
38 shall not charge in addition to the rental rate, additional
39 mandatory charges, or a mileage charge, as those may be

1 applicable, any other fee that is required to be paid by the renter
2 as a condition of hiring or leasing the vehicle.

3 (b) If additional mandatory charges are imposed, the rental
4 company shall do each of the following:

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

17 (2) At the time and place the rental commences, clearly and
18 conspicuously disclose in the rental contract, or that portion of
19 the contract that is provided to the renter, the total of the rental
20 rate and additional mandatory charges, for the entire rental,
21 exclusive of charges that cannot be determined at the time the
22 rental commences. Charges imposed pursuant to this paragraph
23 shall be no more than the amount of the quote provided in a
24 confirmed reservation, unless the person changes the terms of the
25 rental contract subsequent to making the reservation.

26 (3) Provide each person, other than those persons within the
27 rental company, offering quotes to actual or prospective customers
28 access to information about additional mandatory charges, as well
29 as access to information about when those charges apply. Any
30 person providing quotes to actual or prospective customers for
31 the hire or lease of a vehicle from a rental company shall provide
32 the quotes in the manner described in paragraph (1).

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

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

9 (d) A rental company shall not charge a fee for authorized
10 drivers in addition to the rental charge for an individual renter.

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

18 (f) All rate advertisements shall include a disclaimer, which
19 shall be prominently displayed, providing that additional
20 mandatory charges may be imposed, including, but not limited to,
21 airport fees, tourism fees, vehicle license recovery fees, or other
22 government imposed taxes or fees, and indicating that this
23 information is displayed on the rental company's Internet Web
24 site. All rate advertisements shall also include a statement that
25 additional charges may apply if an optional good or service, such
26 as a damage waiver, is purchased.

27 (g) If any person or entity other than a rental company,
28 including a passenger carrier or a seller of travel services,
29 advertises a rental rate for a vehicle rental that includes additional
30 mandatory charges, that person or entity shall clearly disclose the
31 existence and amount of the charges. If a rental company provides
32 the person or entity with rental rate and additional mandatory
33 charges information, the rental car company is not responsible
34 for the failure of that person or entity to comply with this
35 subdivision.

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

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

5 (i) Except as otherwise permitted pursuant to the customer
6 facility charge, a rental company shall not separately charge, in
7 addition to the rental rate, a fee for transporting the renter to a
8 location where the rented vehicle will be delivered to the renter.

9 1939.21. (a) For purposes of this section:

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

12 (2) “Business program” means either of the following:

13 (A) A contract between a rental company and a business
14 program sponsor that has established the per period base rental
15 rate, and any other material terms relating to additional charges,
16 on which the rental company will rent passenger vehicles to
17 persons authorized by the sponsor.

18 (B) A plan, program, or other arrangement established by a
19 rental company at the request of, or with the consent of, a business
20 program sponsor under which the rental company offers to rent
21 passenger vehicles to persons authorized by the sponsor at per
22 period base rental rates, and any other material terms relating to
23 additional charges, that are not the same as those generally offered
24 by the rental company to the public.

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

28 (4) “Business renter” means, for any business program sponsor,
29 a person who is authorized by the sponsor, through the use of an
30 identifying number or program name or code, to enter into a rental
31 contract under the sponsor’s business program. In no case shall
32 the term “business renter” include a person renting as any of the
33 following:

34 (A) A nonemployee member of a not-for-profit organization.

35 (B) The purchaser of a voucher or other prepaid rental
36 arrangement from a person, including a tour operator, engaged
37 in the business of reselling those vouchers or prepaid rental
38 arrangements to the general public.

39 (C) An individual whose vehicle rental is eligible for
40 reimbursement in whole or in part as a result of the person being

1 *insured or provided coverage under a policy of insurance issued*
2 *by an insurance company.*

3 *(D) An individual whose vehicle rental is eligible for*
4 *reimbursement in whole or in part as a result of the person*
5 *purchasing passenger vehicle repair services from a person*
6 *licensed to perform such services.*

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

24 *(6) “Quote” means telephonic, in-person, and*
25 *computer-transmitted quotations.*

26 *(b) Notwithstanding any provision to the contrary contained in*
27 *Section 1939.19 or 1939.23, a rental company may, in connection*
28 *with the qualified business rental of a passenger vehicle to a*
29 *business renter of a business program sponsor under the sponsor’s*
30 *business program, do all of the following:*

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

38 *(2) Separately impose additional charges for the rental, if the*
39 *rental contract, or another document provided to the business*
40 *renter at the time and place the rental commences, clearly and*

1 conspicuously discloses the total of all the charges for the entire
2 rental, exclusive of charges that cannot be determined at the time
3 the rental commences.

4 (3) Use technology, including electronic surveillance technology,
5 or information obtained from the use of the technology, to
6 determine the date and time the vehicle departs from, or is returned
7 to, the rental company, for the sole purposes of commencing and
8 concluding the rental.

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

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

15 (e) This section shall not be interpreted to mean that a rental
16 company is not required to comply with the requirements of
17 subdivisions (c) to (h), inclusive, of Section 1939.19.

18 1939.23. (a) A rental company shall not use, access, or obtain
19 any information relating to the renter's use of the rental vehicle
20 that was obtained using electronic surveillance technology, except
21 in the following circumstances:

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

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

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

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

37 (B) If electronic surveillance technology is activated pursuant
38 to subparagraph (A), a rental company shall maintain a record,
39 in 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
10 explanatory codes necessary to read the record. A rental company
11 shall not be required to maintain a record if electronic surveillance
12 technology is activated to recover a rental vehicle that is stolen
13 or missing at 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 (b) Subdivision (a) does not prohibit a rental company from
17 equipping rental vehicles with any of the following:

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

25 (2) Electronic surveillance technology that allows for the remote
26 locking or unlocking of the vehicle at the request of the renter, if
27 the rental company does not use, access, or obtain information
28 relating to the renter's use of the rental vehicle that was obtained
29 using that technology, except as necessary to lock or unlock the
30 vehicle.

31 (3) Electronic surveillance technology that allows the company
32 to provide roadside assistance, such as towing, flat tire, or fuel
33 services, at the request of the renter, if the rental company does
34 not use, access, or obtain information relating to the renter's use
35 of the rental vehicle that was obtained using that technology except
36 as necessary to provide the requested roadside assistance.

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

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

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

8 *1939.25. A renter may bring an action against a rental*
9 *company for the recovery of damages and appropriate equitable*
10 *relief for a violation of this chapter, except for Sections 1939.21,*
11 *1939.35, and 1939.37. The prevailing party shall be entitled to*
12 *recover reasonable attorney's fees and costs.*

13 *1939.27. A rental company that brings an action against a*
14 *renter for loss due to theft of the vehicle shall bring the action in*
15 *the county in which the renter resides or, if the renter is not a*
16 *resident of this state, in the jurisdiction in which the renter resides.*

17 *1939.29. A waiver of any of the provisions of this chapter,*
18 *except for Sections 1939.21, 1939.35, and 1939.37, shall be void*
19 *and unenforceable as contrary to public policy.*

20 *1939.31. (a) A rental company's disclosure requirements shall*
21 *be satisfied for renters who are enrolled in the rental company's*
22 *membership program if all of the following conditions are met:*

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

25 *(A) All of the disclosures required by paragraph (1) of*
26 *subdivision (c) of Section 1939.09, including the terms and*
27 *conditions of the rental agreement then in effect.*

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

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

1 (b) (1) This section is not effective unless the employee
2 designated pursuant to paragraph (5) of subdivision (k) of Section
3 1939.01 is actually present at the required location.

4 (2) This section does not relieve the rental company from the
5 disclosures required to be made within the text of a contract or
6 holder in which the contract is placed; in or on an advertisement
7 containing a rental rate; or in a telephonic, in-person, or
8 computer-transmitted quotation or reservation.

9 1939.33. (a) When a rental company enters into a rental
10 agreement in the state for the rental of a vehicle to any renter who
11 is not a resident of this country and, as part of, or associated with,
12 the rental agreement, the renter purchases liability insurance, as
13 defined in subdivision (b) of Section 1758.85 of the Insurance
14 Code, from the rental company in its capacity as a rental vehicle
15 agent for an authorized insurer, the rental company shall be
16 authorized to accept, and, if served as set forth in this section,
17 shall accept, service of a summons and complaint and any other
18 required documents against the foreign renter for any accident or
19 collision resulting from the operation of the rental vehicle within
20 the state during the rental period. If the rental company has a
21 registered agent for service of process on file with the Secretary
22 of State, process shall be served on the rental company's registered
23 agent, either by first-class mail, return receipt requested, or by
24 personal service.

25 (b) Within 30 days of acceptance of service of process, the rental
26 company shall provide a copy of the summons and complaint and
27 any other required documents served in accordance with this
28 section to the foreign renter by first-class mail, return receipt
29 requested.

30 (c) Any plaintiff, or his or her representative, who elects to serve
31 the foreign renter by delivering a copy of the summons and
32 complaint and any other required documents to the rental company
33 pursuant to subdivision (a) shall agree to limit his or her recovery
34 against the foreign renter and the rental company to the limits of
35 the protection extended by the liability insurance.

36 (d) Notwithstanding the requirements of Sections 17450 to
37 17456, inclusive, of the Vehicle Code, service of process in
38 compliance with subdivision (a) shall be deemed a valid and
39 effective service.

1 (e) Notwithstanding any other law, the requirement that the
2 rental company accept service of process pursuant to subdivision
3 (a) shall not create any duty, obligation, or agency relationship
4 other than that provided in subdivision (a).

5 1939.35. (a) (1) A rental company shall provide a renter of
6 a 15-passenger van with a copy of the United States Department
7 of Transportation, National Highway Traffic Safety
8 Administration’s consumer advisory for 15-passenger vans titled
9 “Reducing the Risk of Rollover Crashes” or, if that advisory is
10 updated, a copy of the updated advisory. The renter shall
11 acknowledge receipt of that copy by signing an acknowledgment
12 of receipt on the rental agreement or on an attached form.

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

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

24 (2) For purposes of this section, a “15-passenger van” does
25 not mean a 15-passenger van with dual rear wheels that has a
26 gross weight rating equal to, or greater than, 11,500 pounds.

27 1939.37. A rental company is not subject to the requirements
28 of Section 14608 of the Vehicle Code if the rental is subject to the
29 terms of a membership agreement that allows the renter to gain
30 physical access to a vehicle without a key through use of a code,
31 key card, or by other means that allow the vehicle to be accessed
32 at a remote location, or at a business location of the rental
33 company outside of that location’s regular hours of operation.

34 SEC. 6. Section 50474.1 of the Government Code is amended
35 to read:

36 50474.1. (a) An airport operated by a city and county may
37 require a rental car company, in writing, to collect a fee from its
38 customers on behalf of the airport for the use of an
39 airport-mandated common use busing system or light rail transit
40 system operated for the movement of passengers between the

1 terminal and a consolidated on-airport rental car facility. If a rental
2 car company is required pursuant to this section to collect a fee,
3 the following conditions shall apply:

4 (1) The fees shall be calculated on a per contract basis.

5 (2) All fees collected for this purpose constitute debts owed to
6 the airport by the collecting party. The debts are due and payable
7 to the airport quarterly or at any other interval the airport may
8 establish to facilitate collection and insure payment.

9 (3) The fee is a user fee, not a tax.

10 (4) Revenues collected from the fee may not exceed the
11 reasonable costs of providing the busing and light rail transit
12 service and ~~may~~ shall not be used for any other purpose.

13 (b) Notwithstanding any other ~~provision of law~~, including, but
14 not limited to, *Chapter 1.5 (commencing with Section 1936*
15 *1939.01) of Title 5 of Part 4 of Division 3* of the Civil Code, a
16 rental car company that is required to collect fees under this section
17 shall do all of the following:

18 (1) Collect the fee from those of its customers subject to the fee
19 as required in subdivision (a).

20 (2) Clearly disclose the existence of the fee in any radio,
21 television, or print advertisement that states a rental rate applicable
22 to an airport at which the fee is to be imposed, and the amount of
23 the fee at the airport where it is imposed, or a range of fees if the
24 fee is imposed at more than one airport.

25 (3) Clearly disclose the existence of the fee in a telephonic,
26 in-person, or computer-transmitted quotation that states a rental
27 rate applicable to an airport at which the fee is to be imposed and
28 the amount of the fee at the airport where it is imposed.

29 (4) Separately identify the fee on its rental agreement.

30 *SEC. 7. Section 50474.21 is added to the Government Code,*
31 *to read:*

32 *50474.21. (a) Except as provided in section 50474.22, for*
33 *purposes of this article, "customer facility charge" means any fee,*
34 *including an alternative fee, required by an airport, other than*
35 *Los Angeles International Airport, to be collected by a rental*
36 *company from a renter for any of the following purposes:*

37 *(1) To finance, design, and construct consolidated airport*
38 *vehicle rental facilities.*

39 *(2) To finance, design, construct, and operate common-use*
40 *transportation systems that move passengers between airport*

1 *terminals and those consolidated vehicle rental facilities, and*
2 *acquire vehicles for use in that system.*

3 *(3) To finance, design, and construct terminal modifications*
4 *solely to accommodate and provide customer access to*
5 *common-use transportation systems. The fees designated as a*
6 *customer facility charge shall not otherwise be used to pay for*
7 *terminal expansion, gate expansion, runway expansion, changes*
8 *in hours of operation, or changes in the number of flights arriving*
9 *or departing from the airport.*

10 *(b) The aggregate amount to be collected shall not exceed the*
11 *reasonable costs, as determined by an audit by an independent*
12 *auditor paid for by the airport, to finance, design, and construct*
13 *those facilities. The auditor shall independently examine and*
14 *substantiate the necessity for, and the amount of, the customer*
15 *facility charge, including whether the airport's actual or projected*
16 *costs are supported and justified, any steps the airport may take*
17 *to limit costs, potential alternatives for meeting the airport's*
18 *revenue needs other than the collection of the fee, and whether*
19 *and to what extent rental companies or other businesses or*
20 *individuals using the facility or common-use transportation system*
21 *may pay for the costs associated with these facilities and systems*
22 *apart from the fee from rental customers, or whether the airport*
23 *did not comply with any provision of this section. Copies of the*
24 *audit shall be provided to the Assembly and Senate Committees*
25 *on Judiciary, the Assembly Committee on Transportation, and the*
26 *Senate Committee on Transportation and Housing and shall be*
27 *posted on the airport's Internet Web site. In the case of a customer*
28 *facility charge for a common-use transportation system, the audit*
29 *shall also consider the reasonable costs of providing the transit*
30 *system or busing network pursuant to paragraph (1) of subdivision*
31 *(a). Any audit required by this subdivision may be included as a*
32 *part of an audit of an airport's finances.*

33 *(c) Except as provided in subdivision (d), the authorization*
34 *given pursuant to this article for an airport to impose a customer*
35 *facility charge shall become inoperative when the bonds used for*
36 *financing are paid.*

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

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

3 (e) This section shall not apply to any fee, including an
4 alternative fee, required by the Los Angeles International Airport
5 to be collected by a rental company pursuant to section 50474.22.

6 SEC. 8. Section 50474.22 is added to the Government Code,
7 to read:

8 50474.22. (a) For purposes of this article, “customer facility
9 charge” means any fee, including an alternative fee, required by
10 the Los Angeles International Airport to be collected by a rental
11 company from a renter for any of the following purposes:

12 (1) To finance, design, construct, or otherwise improve
13 consolidated airport vehicle rental facilities.

14 (2) To finance, design, construct, operate, maintain, or otherwise
15 improve common-use transportation systems that move passengers
16 between airport terminals and those consolidated vehicle rental
17 facilities, and acquire vehicles for use in that system.

18 (3) To finance, design, construct, or otherwise improve terminal
19 modifications solely to accommodate and provide customer access
20 to common-use transportation systems. The fees designated as a
21 customer facility charge shall not otherwise be used to pay for
22 terminal expansion, gate expansion, runway expansion, changes
23 in hours of operation, or changes in the number of flights arriving
24 or departing from the airport.

25 (b) The aggregate amount to be collected shall not exceed the
26 reasonable costs, as determined by an audit by an independent
27 auditor paid for by the airport, to finance, design, construct,
28 operate, maintain, or otherwise improve, as applicable, those
29 facilities, systems, and modifications. The auditor shall
30 independently examine and substantiate the necessity for, and the
31 amount of, the customer facility charge, including whether the
32 airport’s actual or projected costs are supported and justified,
33 any steps the airport may take to limit costs, potential alternatives
34 for meeting the airport’s revenue needs other than the collection
35 of the fee, and whether and to what extent rental companies or
36 other businesses or individuals using the facility or common-use
37 transportation system may pay for the costs associated with these
38 facilities and systems apart from the fee from rental customers, or
39 whether the airport did not comply with any provision of this
40 section. Copies of the audit shall be provided to the Assembly and

1 *Senate Committees on Judiciary, the Assembly Committee on*
2 *Transportation, and the Senate Committee on Transportation and*
3 *Housing and shall be posted on the airport's Internet Web site. In*
4 *the case of a customer facility charge for a common-use*
5 *transportation system, the audit also shall consider the reasonable*
6 *costs of providing the transit system or busing network pursuant*
7 *to paragraph (1) of subdivision (a). Any audit required by this*
8 *subdivision may be included as a part of an audit of an airport's*
9 *finances.*

10 *(c) The authorization under to this section for an airport to*
11 *impose a customer facility charge shall become inoperative when*
12 *bonds, capital contributions, availability payment contracts, lease*
13 *agreements, or other forms for financing are paid or reimbursed.*

14 *(d) This section shall not apply to any fee, including an*
15 *alternative fee, required by an airport other than the Los Angeles*
16 *International Airport to be collected by a rental company from a*
17 *renter.*

18 *SEC. 9. Section 50474.3 is added to the Government Code, to*
19 *read:*

20 *50474.3. (a) A customer facility charge, as defined in section*
21 *50474.21, may be collected by a rental company under the*
22 *following circumstances:*

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

28 *(2) The fee is calculated on a per contract basis or as provided*
29 *in subdivision (b).*

30 *(3) The fee is a user fee, not a tax imposed upon real property*
31 *or an incident of property ownership under Article XIII D of the*
32 *California Constitution.*

33 *(4) Except as otherwise provided in paragraph (5), the fee shall*
34 *be ten dollars (\$10) per contract or the amount provided in*
35 *subdivision (b).*

36 *(5) The fee for a consolidated rental vehicle facility shall be*
37 *collected only from customers of on-airport rental vehicle*
38 *companies. If the fee imposed by the airport is for both a*
39 *consolidated rental vehicle facility and a common-use*
40 *transportation system, the fee collected from customers of*

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

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

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

21 (8) This subdivision does not apply to fees which are governed
22 by Section 50474.1 or Section 57.5 of the San Diego Unified Port
23 District Act (Chapter 67 of the First Extraordinary Session of the
24 Statutes of 1962).

25 (b) Any airport may require rental companies to collect an
26 alternative customer facility charge, as defined in Section
27 50474.21, under the following conditions:

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

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

1 (B) The airport finds, based on evidence presented during the
2 hearing, that the fee authorized in subdivision (a) will not generate
3 sufficient revenue to finance the reasonable costs of designing and
4 constructing a consolidated rental vehicle facility and of designing,
5 constructing, and operating any common-use transportation
6 system, or acquire vehicles for use in that system.

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

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

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

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

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

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

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

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

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

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

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

34 (E) An airport subject to this paragraph shall initiate the process
35 for obtaining the authority to require or increase the alternative
36 fee no later than January 1, 2018. Any airport that obtains the
37 authority to require or increase an alternative fee shall be
38 authorized to continue collecting that fee until the fee authorization
39 becomes inoperative pursuant to subdivision (c) of Section
40 50474.21.

1 (4) For any airport seeking to require rental companies to
2 collect an alternative customer facility charge pursuant to this
3 subdivision the following provisions apply:

4 (A) The airport shall provide reports on an annual basis to the
5 Senate and Assembly Committees on Judiciary detailing all of the
6 following:

7 (i) The total amount of the customer facility charge collected.

8 (ii) How the funds are being spent.

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

12 (B) (i) The airport shall complete an independent audit as
13 required by subdivision (b) of Section 50474.21 prior to the initial
14 collection of the customer facility charge. Copies of the audit shall
15 be provided to the Assembly and Senate Committees on Judiciary,
16 the Assembly Committee on Transportation, and the Senate
17 Committee on Transportation and Housing and shall be posted
18 on the airport's Internet Web site.

19 (ii) Prior to any increase pursuant to subdivision (b), the airport
20 shall update the information provided in the initial collection audit
21 completed pursuant to clause (i). Copies of the updated 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
25 on the airport's Internet Web site.

26 (iii) An audit shall be completed every three years after initial
27 collection if the customer facility charge is collected for the
28 purpose of operating a common-use transportation system or to
29 acquire vehicles for use in the system pursuant to paragraph (2)
30 of subdivision (a) of Section 50474.21. A regularly conducted audit
31 of airport finances that includes the customer facility charge
32 information, that satisfies the requirements of subdivision (b) of
33 Section 50474.21, and is produced in accordance with the
34 generally accepted accounting principles of the Government
35 Accounting Standards Board, shall satisfy the requirements of this
36 clause. This obligation shall continue until the fee authorization
37 becomes inoperative pursuant to subdivision (c) of Section
38 50474.21. The information reported pursuant to this clause shall
39 be compiled into one document, shall be provided to the Assembly
40 and Senate Committees on Judiciary, the Assembly Committee on

1 *Transportation, and the Senate Committee on Transportation and*
2 *Housing and shall be posted on the airport's Internet Web site*
3 *accessible to the public. The information reported shall be*
4 *contained within one easily accessible page contained within the*
5 *airport's Internet Web site.*

6 *(iv) This section shall not be construed to require an airport to*
7 *audit a common-use transportation system not financed by a*
8 *customer facility charge and used for the purposes permitted*
9 *pursuant to paragraph (2) of subdivision (a) of Section 50474.21.*

10 *(v) The airport shall post on the airport's Internet Web site*
11 *copies of the completed audits required by this subparagraph for*
12 *a period of six years following the audit's completion.*

13 *(C) Use of proceeds of any bonds backed by alternative customer*
14 *facility charges shall be limited to construction and design of the*
15 *consolidated rental vehicle facility, terminal modifications, and*
16 *operating costs of the common-use transportation system, as*
17 *specified in Section 50474.21.*

18 *(c) Notwithstanding any other provision of law, including, but*
19 *not limited to, Part 1 (commencing with Section 6001) to Part 1.7*
20 *(commencing with Section 7280), inclusive, of Division 2 of the*
21 *Revenue and Taxation Code, the fees collected pursuant to this*
22 *section, or another law whereby a local agency operating an*
23 *airport requires a rental car company to collect a facility financing*
24 *fee from its customers, are not subject to sales, use, or transaction*
25 *taxes.*

26 *SEC. 10. Section 50474.4 is added to the Government Code,*
27 *to read:*

28 *50474.4. (a) A customer facility charge, as defined in section*
29 *50474.22, may be collected by a rental company under the*
30 *following circumstances:*

31 *(1) Collection of the fee by the rental company is required by*
32 *Los Angeles International Airport .*

33 *(2) The fee is calculated on a per contract basis or as provided*
34 *in subdivision (b).*

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

38 *(4) Except as otherwise provided in paragraph (5), the fee shall*
39 *be ten dollars (\$10) per contract or the amount provided in*
40 *subdivision (b).*

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

20 (6) Revenues collected from the fee do not exceed the reasonable
21 costs of financing, designing, constructing, operating, or improving
22 as applicable, a consolidated rental car facility, any common-use
23 transportation system, and terminal modifications, and are not
24 used for any other purpose.

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

26 (b) The Los Angeles International Airport may require rental
27 companies to collect an alternative customer facility charge, as
28 defined in Section 50474.22, under the following conditions:

29 (1) The airport first conducts a publicly noticed hearing
30 pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with
31 Section 54950) of Part 1 of Division 2) to review the costs to
32 finance, design, construct, maintain, or otherwise improve, as
33 applicable, a consolidated rental vehicle facility, any common-use
34 transportation system, and terminal modifications in which all of
35 the following occur:

36 (A) The airport establishes the amount of revenue reasonably
37 necessary to finance the design, construction, operation,
38 maintenance, or other improvement, as applicable, of a
39 consolidated rental vehicle facility, any common-use transportation

1 system, and terminal modifications based on evidence presented
2 during the hearing.

3 (B) The airport finds, based on evidence presented during the
4 hearing, that the fee authorized in subdivision (a) will not generate
5 sufficient revenue to finance the design, construction, operation,
6 maintenance, or other improvement, as applicable, of a
7 consolidated rental vehicle facility, any common-use transportation
8 system, and terminal modifications.

9 (C) 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 (D) 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 companies or other businesses
18 or individuals using the facility or common-use transportation
19 system will pay for the costs associated with these facilities and
20 systems apart from the fee collected from rental customers.

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

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

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

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

33 (D) 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 vehicle contract.

36 (E) 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. An airport that obtains the
39 authority to require or increase an alternative fee shall be
40 authorized to continue collecting that fee until the fee authorization

1 *becomes inoperative pursuant to subdivision (c) of Section*
2 *50474.22.*

3 *(4) For an airport seeking to require rental companies to collect*
4 *an alternative customer facility charge pursuant to this subdivision,*
5 *the following provisions apply:*

6 *(A) The airport shall provide reports on an annual basis to the*
7 *Senate and Assembly Committees on Judiciary detailing all of the*
8 *following:*

9 *(i) The total amount of the customer facility charge collected.*

10 *(ii) How the funds are being spent.*

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

14 *(B) (i) The airport shall complete an independent audit as*
15 *required by subdivision (b) of Section 50474.22 prior to the initial*
16 *collection of the customer facility charge. Copies of the audit shall*
17 *be provided to the Assembly and Senate Committees on Judiciary,*
18 *the Assembly Committee on Transportation, and the Senate*
19 *Committee on Transportation and Housing and shall be posted*
20 *on the airport's Internet Web site.*

21 *(ii) Prior to any increase pursuant to subdivision (b), the airport*
22 *shall update the information provided in the initial collection audit*
23 *completed pursuant to clause (i). Copies of the updated audit shall*
24 *be provided to the Assembly and Senate Committees on Judiciary,*
25 *the Assembly Committee on Transportation, and the Senate*
26 *Committee on Transportation and Housing, and shall be posted*
27 *on the airport's Internet Web site.*

28 *(iii) An audit shall be completed every three years after initial*
29 *collection if the customer facility charge is collected for the*
30 *purpose of operating a common-use transportation system or to*
31 *acquire vehicles for use in the system pursuant to paragraph (2)*
32 *of subdivision (a) of Section 50474.22. A regularly conducted audit*
33 *of airport finances that includes the customer facility charge*
34 *information, that satisfies the requirements of subdivision (b) of*
35 *Section 50474.22, and is produced in accordance with the*
36 *generally accepted accounting principles of the Government*
37 *Accounting Standards Board, shall satisfy the requirements of this*
38 *clause. This obligation shall continue until the fee authorization*
39 *becomes inoperative pursuant to subdivision (c) of Section*
40 *50474.22. The information reported pursuant to this clause shall*

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

8 *(iv) This section shall not be construed to require an airport to*
9 *audit a common-use transportation system not financed by a*
10 *customer facility charge and used for the purposes permitted*
11 *pursuant to paragraph (2) of subdivision (a) of Section 50474.22.*

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

15 *(C) Use of proceeds of any bonds backed by alternative customer*
16 *facility charges shall be limited to the purposes specified in Section*
17 *50474.22.*

18 *(c) Notwithstanding any other provision of law, including, but*
19 *not limited to, Part 1 (commencing with Section 6001) to Part 1.7*
20 *(commencing with Section 7280), inclusive, of Division 2 of the*
21 *Revenue and Taxation Code, the fees collected pursuant to this*
22 *section, or another law whereby a local agency operating an*
23 *airport requires a rental car company to collect a facility financing*
24 *fee from its customers, are not subject to sales, use, or transaction*
25 *taxes.*

26 ~~SECTION 1. Section 1936 of the Civil Code is amended to~~
27 ~~read:~~

28 ~~1936. (a) For the purpose of this section, the following~~
29 ~~definitions shall apply:~~

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

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

35 ~~(3) "Additional mandatory charges" means any separately stated~~
36 ~~charges that the rental car company requires the renter to pay to~~
37 ~~hire or lease the vehicle for the period of time to which the rental~~
38 ~~rate applies, which are imposed by a governmental entity and~~
39 ~~specifically relate to the operation of a rental car business,~~
40 ~~including, but not limited to, a customer facility charge, airport~~

1 ~~concession fee, tourism commission assessment, vehicle license~~
2 ~~recovery fee, or other government imposed taxes or fees.~~

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

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

9 ~~(A) The renter.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33 ~~(12) "Passenger vehicle" means a passenger vehicle as defined~~
34 ~~in Section 465 of the Vehicle Code.~~

35 ~~(13) "Quote" means an estimated cost of rental provided by a~~
36 ~~rental company or a third party to a potential customer by~~
37 ~~telephone, in-person, computer-transmission, or other means, that~~
38 ~~is based on information provided by the potential customer and~~
39 ~~used to generate an estimated cost of rental, including, but not~~
40 ~~limited to, potential dates of rental, locations, or classes of car.~~

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

5 ~~(15) “Vehicle license fee” means the tax imposed pursuant to~~
6 ~~the Vehicle License Fee Law (Part 5 (commencing with Section~~
7 ~~10701) of Division 2 of the Revenue and Taxation Code).~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9

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

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

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

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

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

30

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

34

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

37

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

40

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

3
4 (h) ~~Notwithstanding any other provision of law, a rental
5 company may sell a damage waiver subject to the following rate
6 limitations for each full or partial 24-hour rental day for the damage
7 waiver:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of the fee as to those customers is consistent with subparagraph
2 (C).

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

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

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

13 (I) 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 (ii) (I) The airport shall complete the audit required by
26 subparagraph (B) of paragraph (6) of subdivision (a) prior to the
27 initial collection of the customer facility charge. Notwithstanding
28 Section 10231.5 of the Government Code, copies of the audit shall
29 be provided to the Assembly and Senate Committees on Judiciary,
30 the Assembly Committee on Transportation, and the Senate
31 Committee on Transportation and Housing and shall be posted on
32 the airport's Internet Web site.

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

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

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

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

31 ~~(iii) Use of the bonds shall be limited to construction and design~~
32 ~~of the consolidated rental car facility, terminal modifications, and~~
33 ~~operating costs of the common-use transportation system, as~~
34 ~~specified in paragraph (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 (6) 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. A rental company shall not~~
24 ~~charge in addition to the rental rate, additional mandatory charges,~~
25 ~~or a mileage charge, as those may be applicable, any other fee that~~
26 ~~is required to be paid by the renter as a condition of hiring or~~
27 ~~leasing 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 site~~
34 ~~page, shall be displayed in a typeface at least as large as any rental~~
35 ~~rate disclosed on that page and shall be provided on a page that~~
36 ~~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 the~~
5 ~~contract that is provided to the renter, the total of the rental rate,~~
6 ~~additional mandatory charges, for the entire rental, exclusive of~~
7 ~~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 the~~
17 ~~hire or lease of a vehicle from a rental company shall provide the~~
18 ~~quotes in the manner described in subparagraph (A).~~

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

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

37 ~~(5) If a rental company states a rental rate in print advertisement~~
38 ~~or in a telephonic, in-person, or computer-transmitted quotation,~~
39 ~~the rental company shall disclose clearly in that advertisement or~~
40 ~~quotation the terms of mileage conditions relating to the advertised~~

1 or quoted rental rate, including, but not limited to, to the extent
2 applicable, the amount of mileage and gas charges, the number of
3 miles for which no charges will be imposed, and a description of
4 geographic driving limitations within the United States and Canada.

5 ~~(6) All rate advertisements shall include the following~~
6 ~~disclaimer, which shall be prominently displayed: “Additional~~
7 ~~mandatory charges may be imposed, including, but not limited to,~~
8 ~~a customer facility charge, airport concession fee, tourism~~
9 ~~commission assessment, vehicle license recovery fee, or other~~
10 ~~government imposed taxes or fees. For more information, including~~
11 ~~an estimate of your total rental cost, visit our Internet Web site at~~
12 ~~[www.____.com].”~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19
20 ~~“If I previously accepted the collision damage waiver, I now~~
21 ~~decline it.~~

22
23 —

24 ~~If I previously declined the collision damage waiver, I now~~
25 ~~accept it.”~~

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

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

37 ~~(B) This subdivision does not relieve the rental company from~~
38 ~~the disclosures required to be made within the text of a contract~~
39 ~~or holder in which the contract is placed; in or on an advertisement~~

1 containing a rental rate; or in a telephonic, in-person, or
2 computer-transmitted quotation or reservation.

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

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

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

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

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

38 (5) ~~Notwithstanding any other provision of law, the requirement~~
39 ~~that the rental company accept service of process pursuant to~~

- 1 ~~paragraph (1) shall not create any duty, obligation, or agency~~
- 2 ~~relationship other than that provided in paragraph (1).~~

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