

**ASSEMBLY BILL**

**No. 2761**

---

---

**Introduced by Assembly Member Leno**

February 20, 2004

---

---

An act to amend Section 1936 of the Civil Code, relating to vehicle rental agreements.

LEGISLATIVE COUNSEL'S DIGEST

AB 2761, as introduced, Leno. Vehicle rental agreements.

Existing law regulates various terms and conditions of vehicle rental agreements for the lease or hire of a passenger vehicle from a rental company for less than a period of 30 days, as specified.

This bill would exempt from those provisions, except as specified, a rental company's rental of a passenger vehicle to a business renter of a business program sponsor, as defined, under the sponsor's business program if, at or before the commencement of the rental, the renter identifies the business program as being applicable to the rental. The bill would also exempt from these provisions any advertisement or charge made with respect to any such rental.

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

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

- 1 SECTION 1. Section 1936 of the Civil Code, as amended by  
2 Section 2 of Chapter 948 of the Statutes of 2002, is amended to  
3 read:  
4 1936. (a) For the purpose of this section, the following  
5 definitions shall apply:

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

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

6 (3) “Authorized driver” means (A) the renter, (B) the renter’s  
7 spouse if that person is a licensed driver and satisfies the rental  
8 company’s minimum age requirement, (C) the renter’s employer  
9 or coworker if they are engaged in business activity with the renter,  
10 are licensed drivers, and satisfy the rental company’s minimum  
11 age requirement, and (D) any person expressly listed by the rental  
12 company on the renter’s contract as an authorized driver.

13 (4) (A) “Customer facility charge” means a fee required by an  
14 airport to be collected by a rental company from a renter for any  
15 of the following purposes:

16 (i) The fee shall be used to finance, design, and construct  
17 consolidated airport car rental facilities.

18 (ii) The fee shall be used to finance, design, construct, and  
19 provide common use transportation systems that move passengers  
20 between airport terminals and those consolidated car rental  
21 facilities.

22 (B) The aggregate amount to be collected shall not exceed the  
23 reasonable costs, as determined by an independent audit paid for  
24 by the airport, to finance, design, and construct those facilities.  
25 Copies of the audit shall be provided to the Assembly and Senate  
26 Committees on Judiciary and Committees on Transportation. In  
27 the case of a transportation system, the audit shall also consider the  
28 reasonable costs of providing the transit system or busing network.  
29 At the Burbank Airport, and at all other airports, the fees  
30 designated as a Customer Facility Charge may not be used to pay  
31 for terminal expansion, gate expansion, runway expansion,  
32 changes in hours of operation, or changes in the number of flights  
33 arriving or departing from the airport.

34 (C) The authorization given pursuant to this section for an  
35 airport to impose a customer facility charge shall become  
36 inoperative when the bonds used for financing are paid.

37 (5) “Damage waiver” means a rental company’s agreement  
38 not to hold a renter liable for all or any portion of any damage or  
39 loss related to the rented vehicle, any loss of use of the rented



1 vehicle, or any storage, impound, towing, or administrative  
2 charges.

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

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

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

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

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

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

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

26 (E) An employee designated to receive the form specified in  
27 subparagraph (C) of paragraph (1) of subdivision (r) is present at  
28 the lot where the renter takes possession of the car, to receive any  
29 change in the rental agreement from the renter.

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

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

35 (1) Physical or mechanical damage to the rented vehicle up to  
36 its fair market value, as determined in the customary market for the  
37 sale of that vehicle, resulting from collision regardless of the cause  
38 of the damage.

39 (2) Loss due to theft of the rented vehicle up to its fair market  
40 value, as determined in the customary market for the sale of that



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

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

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

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

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

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

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



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

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

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

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

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

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

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

26 (6) The administrative charge described in paragraph (6) of  
27 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
28 estimated cost for parts and labor is more than one hundred dollars  
29 (\$100) up to and including five hundred dollars (\$500), (B) one  
30 hundred dollars (\$100) if the total estimated cost for parts and  
31 labor exceeds five hundred dollars (\$500) up to and including one  
32 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
33 dollars (\$150) if the total estimated cost for parts and labor exceeds  
34 one thousand five hundred dollars (\$1,500). No administrative  
35 charge shall be imposed if the total estimated cost of parts and  
36 labor is one hundred dollars (\$100) or less.

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



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

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

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

32 (5) A rental company shall not recover from the renter or other  
33 authorized driver for any item described in subdivision (b) to the  
34 extent the rental company obtains recovery from any other person.

35 (6) This section applies only to the maximum liability of a  
36 renter or other authorized driver to the rental company resulting  
37 from damage to the rented vehicle and not to the liability of any  
38 other person.

39 (e) (1) Except as provided in subdivision (f), every damage  
40 waiver shall provide or, if not expressly stated in writing, shall be



1 deemed to provide that the renter has no liability for any damage,  
2 loss, loss of use, or any cost or expense incident thereto.

3 (2) Except as provided in subdivision (f), every limitation,  
4 exception, or exclusion to any damage waiver is void and  
5 unenforceable.

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

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

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

21 (3) Any authorized driver who has (A) provided fraudulent  
22 information to the rental company, or (B) provided false  
23 information and the rental company would not have rented the  
24 vehicle if it had instead received true information.

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



1 the renter should consult with his or her insurer to determine the  
 2 scope of insurance coverage, including the amount of the  
 3 deductible, if any, for which the renter is obligated, (E) the renter  
 4 may purchase an optional damage waiver to cover all liability,  
 5 subject to whatever exceptions the rental company expressly lists  
 6 that are permitted under subdivision (f), and (F) the range of  
 7 charges for the damage waiver.

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

20 (3) The following is an example, for purposes of illustration  
 21 and not limitation, of a notice fulfilling the requirements of  
 22 paragraph (1) for a rental company that imposes liability on the  
 23 renter for collision damage to the full value of the vehicle:  
 24

25 NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
 26 AND OPTIONAL DAMAGE WAIVER  
 27

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

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

38 Further, if you use a credit card that provides coverage for your  
 39 potential liability, you should check with the issuer to determine



1 if you must first exhaust the coverage limits of your own insurance  
2 before the credit card coverage applies.

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

6  
7 (A) When the above notice is printed in the contract or  
8 contractholder, the following shall be printed immediately  
9 following the notice:

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

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

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

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

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

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

38 (i) On or after January 1, 2003, the manufacturer’s suggested  
39 retail prices described in subdivision (h) shall be adjusted annually  
40 to reflect changes from the previous year in the Consumer Price



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

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

8 (k) (1) A rental company shall not require the purchase of a  
9 damage waiver, optional insurance, or any other optional good or  
10 service.

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

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

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

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

31 (A) Collection of the fee by the rental company is required by  
32 an airport operated by a city, a county, a city and county, a joint  
33 powers authority, or a special district.

34 (B) The fee is calculated on a per-contract basis.

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

38 (D) Except as otherwise provided in subparagraph (E), the fee  
39 shall be ten dollars (\$10) per contract.



1 (E) If the fee imposed by the airport is for both a consolidated  
2 rental car facility and a common use transportation system, the fee  
3 collected from customers of on-airport rental car companies shall  
4 be ten dollars (\$10), but the fee imposed on customers of  
5 off-airport rental car companies who are transported on the  
6 common use transportation system is proportionate to the costs of  
7 the common use transportation system only. The fee is uniformly  
8 applied to each class of on-airport or off-airport customers,  
9 provided the airport requires off-airport customers to use the  
10 common use transportation system.

11 (F) Revenues collected from the fee do not exceed the  
12 reasonable costs of financing, designing, constructing, or  
13 operating the facility or services and may not be used for any other  
14 purpose.

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

16 (H) This paragraph does not apply to airports whose fees are  
17 governed by Section 1936.5 of the Civil Code, Section 50474.1 of  
18 the Government Code, or Section 57.5 of the San Diego Unified  
19 Port District Act.

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

28 (n) (1) A rental company shall only advertise, quote, and  
29 charge a rental rate that includes the entire amount except taxes,  
30 a customer facility charge, if any, and a mileage charge, if any,  
31 which a renter must pay to hire or lease the vehicle for the period  
32 of time to which the rental rate applies. A rental company shall not  
33 charge in addition to the rental rate, taxes, a customer facility  
34 charge, if any, and a mileage charge, if any, any fee which must be  
35 paid by the renter as a condition of hiring or leasing the vehicle,  
36 such as, but not limited to, required fuel or airport surcharges other  
37 than customer facility charges, nor any fee for transporting the  
38 renter to the location where the rented vehicle will be delivered to  
39 the renter.



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

17 (3) A rental company shall not charge any fee for authorized  
18 drivers in addition to the rental charge for an individual renter.

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

28 (5) (A) When a rental rate is stated in an advertisement,  
29 quotation, or reservation in connection with a car rental at an  
30 airport where a customer facility charge is imposed, the rental  
31 company shall clearly disclose the existence and amount of the  
32 customer facility charge. For the purposes of this subparagraph,  
33 advertisements include radio, television, other electronic media,  
34 and print advertisements. For purposes of this subparagraph,  
35 quotations and reservations include those that are telephonic,  
36 in-person, and computer-transmitted. If the rate advertisement is  
37 intended to include transactions at more than one airport imposing  
38 a customer facility charge, a range of fees may be stated in the  
39 advertisement. However, all rate advertisements that include car  
40 rentals at airport destinations shall clearly and conspicuously



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

4 (B) If any person or entity other than a rental car company,  
5 including a passenger carrier or a seller of travel services,  
6 advertises or quotes a rate for a car rental at an airport where a  
7 customer facility charge is imposed, that person or entity shall,  
8 provided they are provided with information about the existence  
9 and amount of the fee, to the extent not specifically prohibited by  
10 federal law, clearly disclose the existence and amount of the fee in  
11 any telephonic, in-person, or computer-transmitted quotation at  
12 the time of making an initial quotation of a rental rate and at the  
13 time of making a reservation of a rental car. If a rental car company  
14 provides the person or entity with rate and customer facility charge  
15 information, the rental car company shall not be responsible for the  
16 failure of that person or entity to comply with this subparagraph  
17 when quoting or confirming a rate to a third person or entity.

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

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

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

36 (q) Any waiver of any of the provisions of this section shall be  
37 void and unenforceable as contrary to public policy.

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



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

3 (i) All of the disclosures required by paragraph (1) of  
4 subdivision (g) including the terms and conditions of the rental  
5 agreement then in effect.

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

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

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

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

30  
31 “ If I previously accepted the collision damage waiver, I now  
32 decline it.

33  
34  If I previously declined the collision damage waiver, I now  
35 accept it.”

36  
37 The hanger shall also provide a box for the enrollee to indicate  
38 whether this change applies to this rental transaction only or to all  
39 future rental transactions. The hanger shall also notify the renter  
40 that he or she may make such a change, prior to leaving the lot, by



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

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

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

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

17 (t) (1) *This section, other than paragraph (2) of subdivision*  
18 *(m), does not apply to either of the following:*

19 (A) *A rental company's rental of a passenger vehicle to a*  
20 *business renter of a business program sponsor under the sponsor's*  
21 *business program if, at or before the commencement of the rental,*  
22 *the renter identifies, including through the use of an identifying*  
23 *number or program name, the business program as being*  
24 *applicable to the rental.*

25 (B) *Any advertisement or charge made with respect to any such*  
26 *rental.*

27 (2) *For purposes of this subdivision, "business program*  
28 *sponsor" means either of the following:*

29 (A) *A legal entity other than a natural person, including, but*  
30 *not limited to, a corporation, limited liability company,*  
31 *partnership, government agency, or municipality.*

32 (B) *A for-profit business being conducted in the form of a sole*  
33 *proprietorship.*

34 (u) This section shall remain in effect only until January 1,  
35 2006, and as of that date is repealed, unless a later enacted statute,  
36 that is enacted before January 1, 2006, deletes or extends that date.

37 SEC. 2. Section 1936 of the Civil Code, as added by Section  
38 3 of Chapter 948 of the Statutes of 2002, is amended to read:

39 1936. (a) For the purpose of this section, the following  
40 definitions shall apply:



1 (1) “Rental company” means any person or entity in the  
2 business of renting passenger vehicles to the public.  
3 (2) “Renter” means any person in any manner obligated under  
4 a contract for the lease or hire of a passenger vehicle from a rental  
5 company for a period of less than 30 days.  
6 (3) “Authorized driver” means (A) the renter, (B) the renter’s  
7 spouse if that person is a licensed driver and satisfies the rental  
8 company’s minimum age requirement, (C) the renter’s employer  
9 or coworker if they are engaged in business activity with the renter,  
10 are licensed drivers, and satisfy the rental company’s minimum  
11 age requirement, and (D) any person expressly listed by the rental  
12 company on the renter’s contract as an authorized driver.  
13 (A) “Customer facility charge” means a fee required by an  
14 airport to be collected by a rental company from a renter for any  
15 of the following purposes:  
16 (i) The fee shall be used to finance, design, and construct  
17 consolidated airport car rental facilities.  
18 (ii) The fee shall be used to finance, design, construct, and  
19 provide common use transportation systems that move passengers  
20 between airport terminals and those consolidated car rental  
21 facilities.  
22 (B) The aggregate amount to be collected shall not exceed the  
23 reasonable costs, as determined by an independent audit paid for  
24 by the airport, to finance, design, and construct those facilities.  
25 Copies of the audit shall be provided to the Assembly and Senate  
26 Committees on Judiciary and Committees on Transportation. In  
27 the case of a transportation system, the audit shall also consider the  
28 reasonable costs of providing the transit system or busing network.  
29 At the Burbank Airport, and at all other airports, the fees  
30 designated as a Customer Facility Charge may not be used to pay  
31 for terminal expansion, gate expansion, runway expansion,  
32 changes in hours of operation, or changes in the number of flights  
33 arriving or departing from the airport.  
34 (C) The authorization given pursuant to this section for an  
35 airport to impose a customer facility charge shall become  
36 inoperative when the bonds used for financing are paid.  
37 (4) “Damage waiver” means a rental company’s agreement  
38 not to hold a renter liable for all or any portion of any damage or  
39 loss related to the rented vehicle, any loss of use of the rented



1 vehicle, or any storage, impound, towing, or administrative  
2 charges.

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

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

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

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

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

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

38 (3) 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 paragraph (2).

4 (4) 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 (5) Actual charges for towing, storage, and impound fees paid  
8 by the rental company if the renter is liable for damage or loss.

9 (6) 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 (c) The total amount of the renter's liability to the rental  
13 company resulting from damage to the rented vehicle shall not  
14 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. All discounts and  
17 price reductions or adjustments that are or will be received by the  
18 rental company shall be subtracted from the estimate to the extent  
19 not already incorporated in the estimate or otherwise promptly  
20 credited or refunded to the renter.

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

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

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

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

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



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

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

6 (6) The administrative charge described in paragraph (6) of  
7 subdivision (b) may not exceed (A) fifty dollars (\$50) if the total  
8 estimated cost for parts and labor is more than one hundred dollars  
9 (\$100) up to and including five hundred dollars (\$500), (B) one  
10 hundred dollars (\$100) if the total estimated cost for parts and  
11 labor exceeds five hundred dollars (\$500) up to and including one  
12 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
13 dollars (\$150) if the total estimated cost for parts and labor exceeds  
14 one thousand five hundred dollars (\$1,500). No administrative  
15 charge may be imposed if the total estimated cost of parts and labor  
16 is one hundred dollars (\$100) or less.

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

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

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

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



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

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

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

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

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

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

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

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



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

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

23 (2) In addition to the requirements of paragraph (1), a rental  
24 company that offers or provides damage waiver shall, on that part  
25 of the contract where the renter indicates his or her acceptance or  
26 declination of the damage waiver, indicate that the purchase of the  
27 damage waiver is optional.

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

32

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

35

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



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

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

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

14  
15 (A) When the above notice is printed in the contract or  
16 contractholder, the following shall be printed immediately  
17 following the notice:

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

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

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

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

32 (1) For rental vehicles that the rental company designates as an  
33 “economy car,” “subcompact car,” “compact car,” or any other  
34 term having similar meaning when offered for rental, or any other  
35 vehicle having a manufacturer’s suggested retail price of nineteen  
36 thousand dollars (\$19,000) or less, the rate may not exceed nine  
37 dollars (\$9).

38 (2) For rental vehicles that have a manufacturer’s suggested  
39 retail price from nineteen thousand one dollars (\$19,001) to  
40 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),



1 inclusive, and that is also either a vehicle of the next year's model  
2 year or not older than the previous year's model year, the rate may  
3 not exceed fifteen dollars (\$15). For those rental vehicles older  
4 than the previous year's model year, the rate may not exceed nine  
5 dollars (\$9).

6 (i) On or after January 1, 2003, the manufacturer's suggested  
7 retail prices described in subdivision (h) shall be adjusted annually  
8 to reflect changes from the previous year in the Consumer Price  
9 Index. For the purposes of this section, "Consumer Price Index"  
10 means the United States Consumer Price Index for All Urban  
11 Consumers, for all items.

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

16 (k) (1) A rental company may not require the purchase of a  
17 damage waiver, optional insurance, or any other optional good or  
18 service.

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

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

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

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



1 (A) Collection of the fee by the rental company is required by  
2 an airport operated by a city, a county, a city and county, a joint  
3 powers authority, or a special district.

4 (B) The fee is calculated on a per-contract basis.

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

8 (D) Except as otherwise provided in subparagraph (E), the fee  
9 shall be ten dollars (\$10) per contract.

10 (E) If the fee imposed by the airport is for both a consolidated  
11 rental car facility and a common use transportation system, the fee  
12 collected from customers of on-airport rental car companies shall  
13 be ten dollars (\$10), but the fee imposed on customers of  
14 off-airport rental car companies who are transported on the  
15 common use transportation system is proportionate to the costs of  
16 the common use transportation system only. The fee is uniformly  
17 applied to each class of on-airport or off-airport customers,  
18 provided the airport requires off-airport customers to use the  
19 common use transportation system.

20 (F) Revenues collected from the fee do not exceed the  
21 reasonable costs of financing, designing, constructing, or  
22 operating the facility or services and may not be used for any other  
23 purpose.

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

25 (H) This paragraph does not apply to airports whose fees are  
26 governed by Section 1936.5 of the Civil Code, Section 50474.1 of  
27 the Government Code, or Section 57.5 of the San Diego Unified  
28 Port District Act.

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

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



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

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

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

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

36 (5) (A) When a rental rate is stated in an advertisement,  
37 quotation, or reservation in connection with a car rental at an  
38 airport where a customer facility charge is imposed, the rental  
39 company shall clearly disclose the existence and amount of the  
40 customer facility charge. For the purposes of this subparagraph,



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

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

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

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



1 (p) A rental company that brings an action against a renter for  
2 loss due to theft of the vehicle shall bring the action in the county  
3 in which the renter resides or if the renter is not a resident of this  
4 state in the jurisdiction in which the renter resides.

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

7 (r) (1) *This section, other than paragraph (2) of subdivision*  
8 *(m), does not apply to either of the following:*

9 (A) *A rental company's rental of a passenger vehicle to a*  
10 *business renter of a business program if, at or before the*  
11 *commencement of the rental, the renter identifies, including*  
12 *through the use of an identifying number or program name, the*  
13 *business program as being applicable to the rental.*

14 (B) *Any advertisement or charge made with respect to any such*  
15 *rental.*

16 (2) *For purposes of this subdivision, "business program*  
17 *sponsor" means either of the following:*

18 (A) *A legal entity other than a natural person, including, but*  
19 *not limited to, a corporation, limited liability company,*  
20 *partnership, government agency, or municipality.*

21 (B) *A for-profit business being conducted in the form of a sole*  
22 *proprietorship.*

