

AMENDED IN SENATE JUNE 28, 2004
AMENDED IN ASSEMBLY MAY 12, 2004
AMENDED IN ASSEMBLY APRIL 27, 2004
AMENDED IN ASSEMBLY APRIL 1, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2761

Introduced by Assembly Member Leno

February 20, 2004

An act to ~~amend Section 1936 of~~ *add Section 1936.05* to the Civil Code, relating to vehicle rental agreements.

LEGISLATIVE COUNSEL'S DIGEST

AB 2761, as amended, 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 authorize a rental car company to separately quote, and separately impose, additional charges for the rental in connection with the *qualified business* rental of a passenger vehicle to a business renter of a business program sponsor, as defined, under the sponsor's business program.

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 1. Section 1936.05 is added to the Civil Code, to*
3 *read:*

4 *1936.05. (a) For purposes of this section:*

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

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

19 *(3) "Business program sponsor" means a legal entity, other*
20 *than a natural person, that is a corporation, limited liability*
21 *company, or partnership.*

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



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

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

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

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

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



1 (c) *Nothing in this section shall be interpreted to mean that a*
2 *rental company is not required to comply with the requirements of*
3 *paragraphs (2) to (6), inclusive, of subdivision (n) of Section 1936.*

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**All matter omitted in this version of the
bill appears in the bill as amended in the
Assembly, May 12, 2004 (JR 11)**

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