

AMENDED IN SENATE AUGUST 30, 2013

AMENDED IN ASSEMBLY MAY 13, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 359**

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**Introduced by Assembly Member Holden**  
**(Principal coauthor: Assembly Member Allen)**  
*(Coauthor: Assembly Member Wieckowski)*

February 14, 2013

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

LEGISLATIVE COUNSEL'S DIGEST

AB 359, as amended, Holden. Vehicle rental agreements: customer facility charge.

Existing law governs contracts between rental car companies and their customers. Existing law authorizes a company that rents passenger vehicles to the public to collect a customer facility charge, which means a fee that is required by an airport to be collected to finance, design, and construct airport car rental facilities, transportation systems, and terminal modifications, if specified circumstances apply. Existing law requires the aggregate amount collected from customer facility charges not exceed the reasonable costs, determined based on an independent audit, to finance, design, and construct those facilities. Existing law requires the audit to be conducted prior to the collection of the customer facility charge, prior to any increase of the charge, and every 3 years after the initial collection of the charge.

This bill would provide guidelines regarding the scope of the audit, would require the audit to be posted on the airport's Internet Web site

and to be reported to specified legislative committees, and would limit the requirement to conduct the audit every 3 years to those instances where the customer facility charge is used to either operate a common-use transportation system or acquire vehicles for that system.

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 32 of the Statutes of 2012, is amended to  
3 read:

4 1936. (a) For the purpose of this section, the following  
5 definitions shall apply:

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

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

11 (3) "Authorized driver" means (A) the renter, (B) the renter's  
12 spouse if that person is a licensed driver and satisfies the rental  
13 company's minimum age requirement, (C) the renter's employer  
14 or coworker if he or she is engaged in business activity with the  
15 renter, is a licensed driver, and satisfies the rental company's  
16 minimum age requirement, and (D) a person expressly listed by  
17 the rental company on the renter's contract as an authorized driver.

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

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

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

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

30 (B) The aggregate amount to be collected shall not exceed the  
31 reasonable costs, as determined by an audit, by an independent

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

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

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

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

1 (6) “Electronic surveillance technology” means a technological  
2 method or system used to observe, monitor, or collect information,  
3 including telematics, Global Positioning System (GPS), wireless  
4 technology, or location-based technologies. “Electronic  
5 surveillance technology” does not include event data recorders  
6 (EDR), sensing and diagnostic modules (SDM), or other systems  
7 that are used either:

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

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

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

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

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

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

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

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

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

39 (E) An employee designated to receive the form specified in  
40 subparagraph (C) of paragraph (1) of subdivision (t) is present at

1 the lot where the renter takes possession of the car, to receive any  
2 change in the rental agreement from the renter.

3 (10) "Passenger vehicle" means a passenger vehicle as defined  
4 in Section 465 of the Vehicle Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (6) The administrative charge described in paragraph (6) of  
40 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total

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

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

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

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

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

1 between the insurance carrier and the rental company. The renter  
2 shall remain responsible for payment to the rental car company  
3 for any loss sustained that the renter's applicable personal or  
4 business insurance policy does not cover.

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

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

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

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

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

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

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

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

38 (g) (1) A rental company that offers or provides a damage  
39 waiver for any consideration in addition to the rental rate shall  
40 clearly and conspicuously disclose the following information in

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

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

36 (3) The following is an example, for purposes of illustration  
37 and not limitation, of a notice fulfilling the requirements of  
38 paragraph (1) for a rental company that imposes liability on the  
39 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,” “subcompact car,” “compact car,” or another term

1 having similar meaning when offered for rental, or another vehicle  
2 having a manufacturer's suggested retail price of nineteen thousand  
3 dollars (\$19,000) or less, the rate shall not exceed nine dollars  
4 (\$9).

5 (2) For rental vehicles that have a manufacturer's suggested  
6 retail price from nineteen thousand one dollars (\$19,001) to  
7 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),  
8 inclusive, and that are also either vehicles of next year's model,  
9 or not older than the previous year's model, the rate shall not  
10 exceed fifteen dollars (\$15). For those rental vehicles older than  
11 the previous year's model-year, the rate shall not exceed nine  
12 dollars (\$9).

13 (i) The manufacturer's suggested retail prices described in  
14 subdivision (h) shall be adjusted annually to reflect changes from  
15 the previous year in the Consumer Price Index. For the purposes  
16 of this section, "Consumer Price Index" means the United States  
17 Consumer Price Index for All Urban Consumers, for all items.

18 (j) A rental company that disseminates in this state an  
19 advertisement containing a rental rate shall include in that  
20 advertisement a clearly readable statement of the charge for a  
21 damage waiver and a statement that a damage waiver is optional.

22 (k) (1) A rental company shall not require the purchase of a  
23 damage waiver, optional insurance, or another optional good or  
24 service.

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

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

1 (2) A rental company shall not engage in any unfair, deceptive,  
2 or coercive tactics in attempting to recover or in recovering on any  
3 claim arising out of damage to, or loss of, the rented vehicle.  
4 (m) (1) A customer facility charge may be collected by a rental  
5 company under the following circumstances:  
6 (A) Collection of the fee by the rental company is required by  
7 an airport operated by a city, a county, a city and county, a joint  
8 powers authority, a special district, or the San Diego County  
9 Regional Airport Authority formed pursuant to Division 17  
10 (commencing with Section 170000) of the Public Utilities Code.  
11 (B) The fee is calculated on a per contract basis or as provided  
12 in paragraph (2).  
13 (C) The fee is a user fee, not a tax imposed upon real property  
14 or an incidence of property ownership under Article XIII D of the  
15 California Constitution.  
16 (D) Except as otherwise provided in subparagraph (E), the fee  
17 shall be ten dollars (\$10) per contract or the amount provided in  
18 paragraph (2).  
19 (E) The fee for a consolidated rental car facility shall be  
20 collected only from customers of on-airport rental car companies.  
21 If the fee imposed by the airport is for both a consolidated rental  
22 car facility and a common-use transportation system, the fee  
23 collected from customers of on-airport rental car companies shall  
24 be ten dollars (\$10) or the amount provided in paragraph (2), but  
25 the fee imposed on customers of off-airport rental car companies  
26 who are transported on the common-use transportation system is  
27 proportionate to the costs of the common-use transportation system  
28 only. The fee is uniformly applied to each class of on-airport or  
29 off-airport customers, provided that the airport requires off-airport  
30 customers to use the common-use transportation system. For  
31 purposes of this subparagraph, “on-airport rental car company”  
32 means a rental company operating under an airport property lease  
33 or an airport concession or license agreement whose customers  
34 use or will use the consolidated rental car facility and the collection  
35 of the fee as to those customers is consistent with subparagraph  
36 (C).  
37 (F) Revenues collected from the fee do not exceed the reasonable  
38 costs of financing, designing, and constructing the facility and  
39 financing, designing, constructing, and operating any common-use

1 transportation system, or acquiring vehicles for use in that system,  
2 and shall not be used for any other purpose.

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

4 (H) This paragraph does not apply to fees which are governed  
5 by Section 50474.1 of the Government Code or Section 57.5 of  
6 the San Diego Unified Port District Act.

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

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

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

15 (II) How the funds are being spent.

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

19 (IV) Whether airport concession fees authorized by Section  
20 1936.01 have increased since the prior report, if any.

21 ~~(ii) (I) The airport shall complete the audit required by~~  
22 ~~subparagraph (B) of paragraph (4) of subdivision (a) prior to initial~~  
23 ~~collection of the customer facility charge and prior to any increase~~  
24 ~~pursuant to paragraph (2). An audit shall be completed every three~~  
25 ~~years after initial collection only if the customer facility charge is~~  
26 ~~used for the purpose of operating a common-use transportation~~  
27 ~~system or to acquire vehicles for use in such a system pursuant to~~  
28 ~~clause (ii) of subparagraph (A) of paragraph (4) of subdivision (a).~~  
29 ~~An audit conducted pursuant to this clause may be included in an~~  
30 ~~annual audit of an airport's finances. This obligation shall continue~~  
31 ~~until such time as the fee authorization becomes inoperative~~  
32 ~~pursuant to subparagraph (C) of paragraph (4) of subdivision (a).~~

33 *(ii) (I) The airport shall complete the audit required by*  
34 *subparagraph (B) of paragraph (4) of subdivision (a) prior to*  
35 *initial collection of the customer facility charge. Notwithstanding*  
36 *Section 10231.5 of the Government Code, copies of the audit shall*  
37 *be provided to the Assembly and Senate Committees on Judiciary,*  
38 *the Assembly Committee on Transportation, and the Senate*  
39 *Committee on Transportation and Housing and shall be posted*  
40 *on the airport's Internet Web site.*

1 (II) Prior to any increase pursuant to paragraph (2), the airport  
2 shall update the information provided in the initial collection audit  
3 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
4 Government Code, copies of the updated audit shall be provided  
5 to the Assembly and Senate Committees on Judiciary, the Assembly  
6 Committee on Transportation, and the Senate Committee on  
7 Transportation and Housing and shall be posted on the airport's  
8 Internet Web site.

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

31 (H)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (v) An airport subject to this paragraph shall initiate the process  
14 for obtaining the authority to require or increase the alternative  
15 fee no later than January 1, 2018. Any airport that obtains the  
16 authority to require or increase an alternative fee shall be authorized  
17 to continue collecting that fee until the fee authorization becomes  
18 inoperative pursuant to subparagraph (C) of paragraph (4) of  
19 subdivision (a).

20 (3) 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 another law whereby a local agency operating an airport  
25 requires a rental car company to collect a facility financing fee  
26 from its customers, are not subject to sales, use, or transaction  
27 taxes.

28 (n) (1) A rental company shall only advertise, quote, and charge  
29 a rental rate that includes the entire amount except taxes, a  
30 customer facility charge, if any, and a mileage charge, if any, that  
31 a renter must pay to hire or lease the vehicle for the period of time  
32 to which the rental rate applies. A rental company shall not charge  
33 in addition to the rental rate, taxes, a customer facility charge, if  
34 any, and a mileage charge, if any, any fee that is required to be  
35 paid by the renter as a condition of hiring or leasing the vehicle,  
36 including, but not limited to, required fuel or airport surcharges  
37 other than customer facility charges, nor a 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 charges,  
2 if any, and mileage charges, if any, a rental company may charge  
3 for an item or service provided in connection with a particular  
4 rental transaction if the renter could have avoided incurring the  
5 charge by choosing not to obtain or utilize the optional item or  
6 service. Items and services for which the rental company may  
7 impose an additional charge include, but are not limited to, optional  
8 insurance and accessories requested by the renter, service charges  
9 incident to the renter's optional return of the vehicle to a location  
10 other than the location where the vehicle was hired or leased, and  
11 charges for refueling the vehicle at the conclusion of the rental  
12 transaction in the event the renter did not return the vehicle with  
13 as much fuel as was in the fuel tank at the beginning of the rental.  
14 A rental company also may impose an additional charge based on  
15 reasonable age criteria established by the rental company.

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

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

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

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

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

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

26 (o) 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 one week  
37 after the contracted return date, or by one week following the end  
38 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 (p) 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 (q) 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 (r) 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 (s) A waiver of any of the provisions of this section shall be  
26 void and unenforceable as contrary to public policy.

27 (t) (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  
21 now decline it.

22  
23  If I previously declined the collision damage waiver, I now  
24 accept it.”

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

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

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

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

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

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

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

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

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

1 (w) This section shall remain in effect only until January 1,  
2 2015, and as of that date is repealed, unless a later enacted statute,  
3 that is enacted before January 1, 2015, deletes or extends that date.

4 SEC. 2. Section 1936 of the Civil Code, as amended by Section  
5 3 of Chapter 32 of the Statutes of 2012, is amended to read:

6 1936. (a) For the purpose of this section, the following  
7 definitions shall apply:

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

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

13 (3) “Authorized driver” means (A) the renter, (B) the renter’s  
14 spouse if that person is a licensed driver and satisfies the rental  
15 company’s minimum age requirement, (C) the renter’s employer  
16 or coworker if he or she is engaged in business activity with the  
17 renter, is a licensed driver, and satisfies the rental company’s  
18 minimum age requirement, and (D) a person expressly listed by  
19 the rental company on the renter’s contract as an authorized driver.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (9) “Membership program” means a service offered by a rental  
18 company that permits customers to bypass the rental counter and  
19 go directly to the car previously reserved. A membership program  
20 shall meet all of the following requirements:

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

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

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

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

32 (E) An employee designated to receive the form specified in  
33 subparagraph (C) of paragraph (1) of subdivision (t) is present at  
34 the lot where the renter takes possession of the car, to receive any  
35 change in the rental agreement from the renter.

36 (10) “Passenger vehicle” means a passenger vehicle as defined  
37 in Section 465 of the Vehicle Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (6) The administrative charge described in paragraph (6) of  
32 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total  
33 estimated cost for parts and labor is more than one hundred dollars  
34 (\$100) up to and including five hundred dollars (\$500), (B) one  
35 hundred dollars (\$100) if the total estimated cost for parts and  
36 labor exceeds five hundred dollars (\$500) up to and including one  
37 thousand five hundred dollars (\$1,500), and (C) one hundred fifty  
38 dollars (\$150) if the total estimated cost for parts and labor exceeds  
39 one thousand five hundred dollars (\$1,500). An administrative

1 charge shall not be imposed if the total estimated cost of parts and  
2 labor is one hundred dollars (\$100) or less.

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

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

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

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

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

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

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

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

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

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

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

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

31 (g) (1) A rental company that offers or provides a damage  
32 waiver for any consideration in addition to the rental rate shall  
33 clearly and conspicuously disclose the following information in  
34 the rental contract or holder in which the contract is placed and,  
35 also, in signs posted at the place, such as the counter, where the  
36 renter signs the rental contract, and, for renters who are enrolled  
37 in the rental company's membership program, in a sign that shall  
38 be posted in a location clearly visible to those renters as they enter  
39 the location where their reserved rental cars are parked or near the  
40 exit of the bus or other conveyance that transports the enrollee to

1 a reserved car: (A) the nature of the renter’s liability, such as  
 2 liability for all collision damage regardless of cause, (B) the extent  
 3 of the renter’s liability, such as liability for damage or loss up to  
 4 a specified amount, (C) the renter’s personal insurance policy or  
 5 the credit card used to pay for the car rental transaction may  
 6 provide coverage for all or a portion of the renter’s potential  
 7 liability, (D) the renter should consult with his or her insurer to  
 8 determine the scope of insurance coverage, including the amount  
 9 of the deductible, if any, for which the renter is obligated, (E) the  
 10 renter may purchase an optional damage waiver to cover all  
 11 liability, subject to whatever exceptions the rental company  
 12 expressly lists that are permitted under subdivision (f), and (F) the  
 13 range of charges for the damage waiver.

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

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

33  
 34 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY  
 35 AND OPTIONAL DAMAGE WAIVER  
 36

37 You are responsible for all collision damage to the rented vehicle  
 38 even if someone else caused it or the cause is unknown. You are  
 39 responsible for the cost of repair up to the value of the vehicle,  
 40 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 (A) When the above notice is printed in the rental contract or  
15 holder in which the contract is placed, the following shall be printed  
16 immediately following the notice:

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

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

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

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

27 (1) For rental vehicles that the rental company designates as an  
28 “economy car,” “subcompact car,” “compact car,” or another term  
29 having similar meaning when offered for rental, or another vehicle  
30 having a manufacturer’s suggested retail price of nineteen thousand  
31 dollars (\$19,000) or less, the rate shall not exceed nine dollars  
32 (\$9).

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

1 (i) The manufacturer’s suggested retail prices described in  
2 subdivision (h) shall be adjusted annually to reflect changes from  
3 the previous year in the Consumer Price Index. For the purposes  
4 of this section, “Consumer Price Index” means the United States  
5 Consumer Price Index for All Urban Consumers, for all items.

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (H) This paragraph does not apply to fees which are governed  
32 by Section 50474.1 of the Government Code or Section 57.5 of  
33 the San Diego Unified Port District Act.

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

37 (i) Notwithstanding Section 10231.5 of the Government Code,  
38 the airport shall provide reports on an annual basis to the Senate  
39 and Assembly Committees on Judiciary detailing all of the  
40 following:

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

2 (II) How the funds are being spent.

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

6 (IV) Whether airport concession fees authorized by Section  
7 1936.01 have increased since the prior report, if any.

8 ~~(ii) (I) The airport shall complete the audit required by  
9 subparagraph (B) of paragraph (4) of subdivision (a) prior to initial  
10 collection of the customer facility charge and prior to any increase  
11 pursuant to paragraph (2). An audit shall be completed every three  
12 years after initial collection only if the customer facility charge is  
13 used for the purpose of operating a common-use transportation  
14 system or to acquire vehicles for use in such a system pursuant to  
15 clause (ii) of subparagraph (A) of paragraph (4) of subdivision (a).  
16 An audit conducted pursuant to this clause may be included in an  
17 annual audit of an airport's finances. This obligation shall continue  
18 until such time as the fee authorization becomes inoperative  
19 pursuant to subparagraph (C) of paragraph (4) of subdivision (a).~~

20 *(ii) (I) The airport shall complete the audit required by  
21 subparagraph (B) of paragraph (4) of subdivision (a) prior to  
22 initial collection of the customer facility charge. Notwithstanding  
23 Section 10231.5 of the Government Code, copies of the 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 *(II) Prior to any increase pursuant to paragraph (2), the airport  
29 shall update the information provided in the initial collection audit  
30 pursuant to subclause (I). Notwithstanding Section 10231.5 of the  
31 Government Code, copies of the updated audit shall be provided  
32 to the Assembly and Senate Committees on Judiciary, the Assembly  
33 Committee on Transportation, and the Senate Committee on  
34 Transportation and Housing and shall be posted on the airport's  
35 Internet Web site.*

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

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

18 ~~(H)~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (v) An airport subject to this paragraph shall initiate the process  
40 for obtaining the authority to require or increase the alternative

1 fee no later than January 1, 2018. Any airport that obtains the  
2 authority to require or increase an alternative fee shall be authorized  
3 to continue collecting that fee until the fee authorization becomes  
4 inoperative pursuant to subparagraph (C) of paragraph (4) of  
5 subdivision (a).

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

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

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

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

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

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

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

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

10 (o) A rental company shall not use, access, or obtain any  
11 information relating to the renter's use of the rental vehicle that  
12 was obtained using electronic surveillance technology, except in  
13 the following circumstances:

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

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

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

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

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

1 codes necessary to read the record. A rental company shall not be  
2 required to maintain a record if electronic surveillance technology  
3 is activated to recover a rental vehicle that is stolen or missing at  
4 a time other than during a rental period.

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

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

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

22 (5) This subdivision does not prohibit a rental company from  
23 equipping rental vehicles with electronic surveillance technology  
24 that allows the company to provide roadside assistance, such as  
25 towing, flat tire, or fuel services, at the request of the renter, 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 as necessary to provide the requested  
29 roadside assistance.

30 (6) This subdivision does not prohibit a rental company from  
31 obtaining, accessing, or using information from electronic  
32 surveillance technology for the sole purpose of determining the  
33 date and time the vehicle is returned to the rental company, and  
34 the total mileage driven and the vehicle fuel level of the returned  
35 vehicle. This paragraph, however, shall apply only after the renter  
36 has returned the vehicle to the rental company, and the information  
37 shall only be used for the purpose described in this paragraph.

38 (p) A rental company shall not use electronic surveillance  
39 technology to track a renter in order to impose fines or surcharges  
40 relating to the renter’s use of the rental vehicle.

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

5 (r) A rental company that brings an action against a renter for  
6 loss due to theft of the vehicle shall bring the action in the county  
7 in which the renter resides or, if the renter is not a resident of this  
8 state, in the jurisdiction in which the renter resides.

9 (s) A waiver of any of the provisions of this section shall be  
10 void and unenforceable as contrary to public policy.

11 (t) (1) A rental company's disclosure requirements shall be  
12 satisfied for renters who are enrolled in the rental company's  
13 membership program if all of the following conditions are met:

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

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

19 (ii) An Internet Web site address, as well as a contact number  
20 or address, where the enrollee can learn of changes to the rental  
21 agreement or to the laws of this state governing rental agreements  
22 since the effective date of the rental company's most recent  
23 restatement of the rental agreement and distribution of that  
24 restatement to its members.

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

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

38 The hanger shall provide the renter a box to initial if he or she  
39 (not his or her employer) has previously accepted or declined the  
40 collision damage waiver and that he or she now wishes to change

1 his or her decision to accept or decline the collision damage waiver,  
2 as follows:

3 “ If I previously accepted the collision damage waiver, I  
4 now decline it.

5  If I previously declined the collision damage waiver, I now  
6 accept it.”

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

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

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

22 (u) The amendments made to this section during the 2001–02  
23 Regular Session of the Legislature do not affect litigation pending  
24 on or before January 1, 2003, alleging a violation of Section 22325  
25 of the Business and Professions Code as it read at the time the  
26 action was commenced.

27 (v) This section shall become operative on January 1, 2015.