

103^D CONGRESS
2^D SESSION

H. R. 3741

To prohibit rental car companies from imposing liability on renters with certain exceptions, to prohibit such companies from selling collision damage waivers in connection with private passenger automobile rental agreements of not more than 30 days, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1994

Mrs. COLLINS of Illinois introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To prohibit rental car companies from imposing liability on renters with certain exceptions, to prohibit such companies from selling collision damage waivers in connection with private passenger automobile rental agreements of not more than 30 days, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Collision Damage
5 Waiver Act”.

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act:

1 (1) The term “rental car company” means any
2 person in the business of renting vehicles to the pub-
3 lic.

4 (2) The term “renter” means any person ob-
5 taining the use of a vehicle from a rental car com-
6 pany under the terms of a rental agreement.

7 (3) The term “rental agreement” means any
8 written agreement setting forth the terms and condi-
9 tions governing the use of a vehicle provided by a
10 rental car company.

11 (4) The term “damage” means any damage to
12 or loss of the rented vehicle, including loss of use
13 and any costs and expenses incident to the damage
14 or loss.

15 (5) The term “vehicle” means a motor vehicle
16 of the private passenger type (including passenger
17 vans and minivans) that are primarily intended for
18 transport of persons.

19 (6) The term “authorized driver” means—

20 (A) the individual to whom the vehicle is
21 rented,

22 (B) such individual’s spouse, if the spouse
23 is a licensed driver and satisfies the rental car
24 company’s minimum age requirement,

1 (C) such individual's employer or coworker,
2 if such vehicle was rented for a business activity
3 and if such individual's employer or coworker is
4 a licensed driver and satisfies the rental car
5 company's minimum age requirement,

6 (D) any individual who operates the vehicle
7 during an emergency situation or while parking
8 the vehicle at a commercial establishment, or

9 (E) any individual expressly listed by the
10 rental car company on the rental agreement as
11 an authorized driver.

12 **SEC. 3. PROHIBITED ACTIVITY.**

13 (a) IN GENERAL.—No rental car company shall, in
14 rental agreements of 30 continuous days or less, hold any
15 authorized driver liable for any damage, except in any case
16 in which—

17 (1) the damage is caused intentionally by an
18 authorized driver or as a result of such driver's will-
19 ful and wanton misconduct,

20 (2) the damage arises out of the authorized
21 driver's operation of the vehicle while legally intoxi-
22 cated or under the influence of any illegal drug as
23 defined or determined under the law of the State in
24 which the damage occurred,

1 (3) the damage is caused while the authorized
2 driver is engaged in any speed contest,

3 (4) the rental transaction is based on informa-
4 tion supplied by the renter with the intent to de-
5 fraud the rental car company,

6 (5) the damage arises out of the use of the ve-
7 hicle while committing or otherwise engaged in a
8 criminal act in which the automobile usage is sub-
9 stantially related to the nature of the criminal activ-
10 ity,

11 (6) the damage arises out of the use of the ve-
12 hicle to carry individuals or property for hire, or

13 (7) the damage arises out of the use of the ve-
14 hicle outside of the United States or Canada unless
15 such use is specifically authorized by the rental
16 agreement.

17 (b) SECURITY DEPOSIT REQUEST PROHIBITED.—No
18 security deposit, in any form, for damage may be required
19 or requested by the rental car company during the rental
20 period or pending resolution of any dispute.

21 (c) WAIVERS PROHIBITED.—No waiver may be of-
22 fered or sold for any exception described in paragraphs
23 (1) through (7) of subsection (a).

1 **SEC. 4. PENALTIES.**

2 Any rental car company found by a court of com-
3 petent jurisdiction or the appropriate agency enforcing
4 this Act in any State to have violated section 3 shall be
5 subject to a civil penalty of not less than \$500 nor more
6 than \$1,000 for each violation.

7 **SEC. 5. EFFECTIVE DATE.**

8 This Act shall become effective 90 days after the date
9 of its enactment.

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