

Date of Hearing: March 26, 2019

ASSEMBLY COMMITTEE ON PRIVACY AND CONSUMER PROTECTION

Ed Chau, Chair

AB 1203 (O'Donnell) – As Introduced February 21, 2019

SUBJECT: Rental passenger vehicle transactions

SUMMARY: This bill would update cross-references made to an obsolete section of the Civil Code within a specified section of the Business & Professions Code governing rental passenger vehicle transactions and the San Diego Unified Port District Act.

EXISTING LAW:

- 1) Sets forth operative definitions for and rules governing contracts between rental car companies and their customers on a variety of matters, including, but not limited to, the manner in which rental car companies advertise and quote rental charges and additional fees, the renter's liability or for damages to a rental vehicle, the amount that rental car companies may charge for damage waivers and the manner in which they are offered, and the conditions under which a rental car company may access, obtain, and use geo-location and other information from the rental vehicle's electronic surveillance technology. (Civ. Code Sec. 1936.01.)
- 2) Grants the Department of Agriculture general supervision over weights and measures, as specified, and creates specific requirements for rental vehicles subject to that authority. (Bus. & Prof. Code Sec. 12100 et seq.)
- 3) Governs fees collected by specified transportation vendors, including fees that must be collected by a rental car company. (San Diego Unified Port District Act Sec. 57.5.)

FISCAL EFFECT: None. This bill has been keyed nonfiscal by the Legislative Counsel.

COMMENTS:

- 1) **Purpose of the bill:** This bill would make non-controversial and technical changes to update obsolete cross-references. This bill is author-sponsored.
- 2) **Author's Statement:** According to the author:

In 2016, the Legislature passed and the Governor signed AB 2051, which sought to modernize the law governing rental vehicle transactions. Part of this modernization included repealing Section 1936 and recasting its provisions in a new chapter spread over multiple sections.

Unfortunately, the legislation failed to update every part of the law that referenced the original Section 1936 that no longer existed. These few out-of-date portions of law leave the modernization of AB 2051 incomplete and open the law up to legal challenge.

[This bill] revises two cross-references to the nonexistent Section 1936 of the Civil Code to instead reference Chapter 1.5 of the Civil Code, the chapter governing passenger rental vehicle transactions. The first cross reference is in Section 12240 of the Business and

Professions code as part of a description of which rental vehicle odometers are subject to registration fees as part of a county's weights and measures program. The second cross reference is in the uncodified San Diego Unified Port District Act as part of a description of a rental car company's obligations when collecting fees to fund a parking structure at the San Diego International Airport.

- 3) **Corrects inaccurate cross-references:** As acknowledged by the author, above, in 2016, AB 2051 (O'Donnell, Ch. 183, Stats. 2016) repealed the former statutory framework governing agreements between a rental car company and its customers, and revised and recast those provisions within a new framework beginning at Civil Code Section 1939.01 that: (1) eliminated duplicative and inoperative sections; (2) added and updated definitions; and, (3) modified certain substantive requirements relating to disclosure requirements and restrictions on the use of a rental vehicle's electronic surveillance technology. In doing so, and of particular relevance to this bill, AB 2051 repealed former Section 1936 of the Civil Code. Unfortunately, four cross-references to that now-obsolete section remain within the Business & Professions Code and the San Diego Unified Port District Act. This bill now seeks to correct those erroneous cross-references, consistent with the changes made by AB 2051, to reflect the new code sections in the Civil Code that replaced Section 1936.

- 4) **Prior Legislation:** AB 2051 (O'Donnell, Ch. 183, Stats. 2016) *See* Comment 3.

AB 675 (Alejo Ch. 333, Stats. 2015), revised statutes governing agreements between rental car companies and their customers in order to allow a rental car company to better distinguish rental fees from government-imposed charges and achieve other relatively non-controversial changes.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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