

**SB0436/587777/1**

BY: Finance Committee

AMENDMENTS TO SENATE BILL 436  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “primary” in line 4 down through the first “and” in line 5; in line 6, after “circumstances” insert “and subject to a certain exception; providing that security maintained by the owner of a rental vehicle or replacement vehicle is primary under certain circumstances”; strike beginning with “establishing” in line 6 down through “circumstances;” in line 7; in line 20, after “exception;” insert “providing that a motor vehicle rental company shall be required to provide certain security on a primary basis for certain claims under certain circumstances;”; and in the same line, after “terms;” insert “providing for a delayed effective date; providing for the application for this Act;”.

On page 2, in line 5, after “17–104.3” insert “and 18–106”.

AMENDMENT NO. 2

On page 3 in lines 25 and 29, and on page 8 in lines 6 and 10, in each instance, after “a” insert “RENTAL VEHICLE OR”.

On page 3, in line 25, after “(2)” insert “**THIS SUBSECTION DOES NOT APPLY TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE IF THE COVERAGE MAINTAINED BY THE RENTER OR DRIVER IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND.**”

(3);

in the same line, strike “(3)” and substitute “(5)”; in the same line, after “subsection,” insert “SUBSECTION (F) OF THIS SECTION, AND § 18–106 OF THIS ARTICLE,”; in line

(Over)

30, strike “(3)” and substitute “**(4)**”; in line 31, strike “(2)” and substitute “**(3)**”; and after line 36, insert:

**“(5) IF COVERAGE MAINTAINED BY THE RENTER OR INDIVIDUAL TO WHOM THE VEHICLE IS LOANED HAS LAPSED OR DOES NOT PROVIDE THE REQUIRED COVERAGE:**

**(i) SECURITY MAINTAINED BY THE OWNER OF THE RENTAL VEHICLE OR REPLACEMENT VEHICLE SHALL:**

**1. BE PRIMARY; AND**

**2. PROVIDE THE COVERAGE REQUIRED BEGINNING WITH THE FIRST DOLLAR OF A CLAIM; AND**

**(ii) THE OWNER OF THE RENTAL VEHICLE OR REPLACEMENT VEHICLE SHALL HAVE THE DUTY TO DEFEND THE CLAIM.”**

On pages 3 through 5, strike in their entirety the lines beginning with line 37 on page 3 through line 8 on page 5, inclusive.

On page 5, in line 9, strike “(4)” and substitute “**(F)**”; in line 10, strike “PARAGRAPH (2)” and substitute “**SUBSECTION (E)(3)**”; in the same line, strike “SUBSECTION” and substitute “**SECTION**”; and in line 14, after “FUND” insert “**WITH RESPECT TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE**”.

On page 8, in line 6, after “(ii)” insert “**THIS PARAGRAPH DOES NOT APPLY TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE IF THE COVERAGE MAINTAINED BY THE RENTER OR DRIVER IS PROVIDED BY THE MARYLAND AUTOMOBILE INSURANCE FUND.**”

(III)”;

in the same line, strike “subparagraph (iii) of this”; in the same line, after “paragraph” insert “(3) OF THIS SUBSECTION, § 18–106 OF THIS SUBTITLE, AND § 17–104(E)(5) OF THIS ARTICLE”; in line 11, strike “(iii)” and substitute “(IV)”; and in line 12, strike “(ii)” and substitute “(III)”.

On pages 8 and 9, strike in their entirety the lines beginning with line 18 on page 8 through line 25 on page 9, inclusive.

On page 9, in line 26, strike “(IV)” and substitute “(3)”; in line 27, strike “SUBPARAGRAPH (II)” and substitute “PARAGRAPH (2)”; in the same line, strike “PARAGRAPH” and substitute “SUBSECTION”; and in line 31, after “FUND” insert “WITH RESPECT TO A RENTAL VEHICLE THAT IS NOT A REPLACEMENT VEHICLE”.

On page 10, after line 4, insert:

“18–106.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “AUTHORIZED DRIVER” MEANS A PERSON, OTHER THAN THE RENTER, WHO USES OR OPERATES A RENTAL VEHICLE WITH THE PERMISSION OF THE MOTOR VEHICLE RENTAL COMPANY.

(3) “MOTOR VEHICLE RENTAL COMPANY” HAS THE MEANING STATED IN § 17–104.3 OF THIS ARTICLE.

(Over)

**(4) "RENTAL AGREEMENT" HAS THE MEANING STATED IN § 17-104.3 OF THIS ARTICLE.**

**(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION APPLIES ONLY TO:**

**(I) RENTAL VEHICLE TRANSACTIONS ORIGINATING IN THE STATE; AND**

**(II) THIRD-PARTY CLAIMS AGAINST A RENTER OR AN AUTHORIZED DRIVER OF A RENTAL VEHICLE ARISING OUT OF THE SECURITY REQUIREMENT UNDER § 18-102(A)(2) OF THIS SUBTITLE OR § 17-104(E) OF THIS ARTICLE.**

**(2) THIS SECTION DOES NOT APPLY TO A REPLACEMENT VEHICLE UNDER § 18-102(A)(2) OF THIS SUBTITLE OR § 17-104(E) OF THIS ARTICLE.**

**(C) A MOTOR VEHICLE RENTAL COMPANY SHALL BE RESPONSIBLE FOR PROVIDING THE REQUIRED SECURITY UNDER § 17-103 OF THIS ARTICLE ON A PRIMARY BASIS FOR A THIRD-PARTY LIABILITY CLAIM IF THE MOTOR VEHICLE RENTAL COMPANY:**

**(1) FAILS TO DELIVER NOTICE OF THE CLAIM;**

**(2) FAILS TO COOPERATE WITH THE INSURER;**

**(3) PREJUDICED THE HANDLING OF THE THIRD-PARTY CLAIM BEFORE THE INSURER ASSUMED THE HANDLING OF THE CLAIM;**

(4) HAS PROVIDED LIABILITY, PROPERTY DAMAGE, UNINSURED MOTORIST, OR OTHER COVERAGE TO THE INSURED THAT IS APPLICABLE TO THE THIRD-PARTY CLAIM AS A BENEFIT UNDER EITHER:

(I) THE RENTAL AGREEMENT; OR

(II) AN INSURANCE POLICY SOLD TO THE RENTER IN CONNECTION WITH, AND INCIDENTAL TO, THE RENTAL OF THE MOTOR VEHICLE; OR

(5) FAILS TO PROVIDE THE NOTICES REQUIRED UNDER § 18-102(A)(3) OF THIS SUBTITLE OR § 17-104(F) OF THIS ARTICLE.

(D) A MOTOR VEHICLE RENTAL COMPANY SHALL BE RESPONSIBLE FOR PROVIDING THE REQUIRED SECURITY UNDER § 17-103 OF THIS ARTICLE ON A PRIMARY BASIS FOR A THIRD-PARTY LIABILITY CLAIM IF THE DRIVER OF THE RENTAL VEHICLE IS AN INDIVIDUAL WHO IS NOT THE RENTER OR AN AUTHORIZED DRIVER.”;

and in line 6, strike “October 1, 2019.” and substitute “January 1, 2020, and shall apply to all claims arising in the State on or after January 1, 2020.”.