

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 247
Finance

(Senator Jennings)

Economic Matters

**Rental and Replacement Vehicles - Age-Based Service Determinations -
Prohibition**

This bill prohibits a rental vehicle company, auto repair facility, or vehicle dealer from using the age of an individual as the sole basis for refusing to rent/loan a vehicle to the individual or charging the individual a higher fee than normally charged, but only if the individual is at least 18 years old and his or her primary vehicle is not in use because of a repair of the vehicle covered by a warranty, a recall of the vehicle, or a repair of the vehicle as a result of the recall.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: The Maryland Vehicle Law governs rental and replacement vehicles. A replacement vehicle is a type of rental vehicle that is loaned out to or rented temporarily by a person while the person's own vehicle is not in use because of a breakdown, repair, service, or damage. Generally, a violation of the Maryland Vehicle Law is a misdemeanor that carries a fine of up to \$500.

A person may not rent a motor vehicle, trailer, or semitrailer to any other person unless the individual who will operate the rented vehicle either (1) holds a driver's license issued by

the Motor Vehicle Administration (MVA) to drive or tow the class of vehicle being rented or (2) is a nonresident who has and keeps an appropriate driver's license from his or her state or country of origin and is at least the same age required of a resident to drive or tow the class of vehicle being rented. The lessor of the rented vehicle or the agent must inspect a renter's license to ensure it is valid and appropriate for the vehicle being rented. Each person who rents a motor vehicle to another person must keep specified records of the transaction, including the renter's name, address, and driver's license number. MVA or any police officer may inspect these records.

In order to drive a motor vehicle on a highway in the State, an individual must be licensed by the State, exempt from the State's driver's license requirements, or otherwise authorized to do so. A State resident must generally be licensed by MVA and obtain a learner's instructional permit, provisional license, or driver's license. If an individual otherwise qualifies, MVA may issue (1) a learner's instructional permit to an individual who is at least 15 years, 9 months old; (2) a provisional license to an individual who is at least 16 years, 6 months old; or (3) a driver's license to an individual who is at least 18 years old.

Background: Although Maryland residents are able to obtain a driver's license at age 18, many motor vehicle rental companies add restrictions, refuse to rent, or charge additional fees when a renter is younger than 25. For example, many companies will not rent a vehicle to someone who is younger than 21 and charge additional fees to renters who are between 21 and 24 years old.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Insurance Administration; Department of Legislative Services

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