

HOUSE BILL 1142

I4

0lr2107

By: **Delegate Fraser–Hidalgo**

Introduced and read first time: February 6, 2020

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 8, 2020

CHAPTER _____

1 AN ACT concerning

2 **Commercial Law – Rental Motor Vehicles – Collision Damage Waivers**

3 FOR the purpose of altering the definition of “passenger car” to include a certain Class E
4 (truck) vehicle for the purposes of the application of certain provisions of law
5 governing collision damage waivers for rental vehicles; and generally relating to
6 collision damage waivers for rental vehicles.

7 BY repealing and reenacting, with amendments,
8 Article – Commercial Law
9 Section 14–2101
10 Annotated Code of Maryland
11 (2013 Replacement Volume and 2019 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – Transportation
14 Section 13–917
15 Annotated Code of Maryland
16 (2012 Replacement Volume and 2019 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Commercial Law**

20 14–2101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (a) (1) In this section the following words have the meanings indicated.

2 (2) “Car sharing period” has the meaning stated in § 19–520 of the
3 Insurance Article.

4 (3) “Collision damage waiver” means:

5 (i) With respect to a rental agreement, any contract, whether
6 separate from or part of a rental agreement, in which the lessor agrees, for a charge, to
7 waive all or part of any claims against the lessee for damages to the rental motor vehicle
8 during the term of the rental agreement; and

9 (ii) With respect to a peer-to-peer car sharing program agreement,
10 a provision in the peer-to-peer car sharing program agreement in which it is agreed, for a
11 charge, that all or part of any claims against a shared vehicle driver for damages to a shared
12 motor vehicle during a car sharing period are waived.

13 (4) “Lessee” means any person obtaining the use of a rental motor vehicle
14 from a lessor under the terms of a rental agreement.

15 (5) “Lessor” means any person in the business of providing rental motor
16 vehicles to the public.

17 (6) “Passenger car” means any motor vehicle that is [a]:

18 (I) A Class A (passenger) vehicle under § 13–912 of the
19 Transportation Article[, or any motor vehicle that is a];

20 (II) A Class M (multipurpose) vehicle under § 13–937 of the
21 Transportation Article if the vehicle is used primarily for transporting passengers; OR

22 (III) **A CLASS E (TRUCK) VEHICLE THAT IS USED PRIMARILY FOR**
23 **PERSONAL, HOUSEHOLD, FAMILY, OR AGRICULTURAL PURPOSES AND THAT, UNDER**
24 **§ 13–917 OF THE TRANSPORTATION ARTICLE, DOES NOT EXCEED A**
25 **THREE-QUARTER TON CAPACITY OR 7,000 POUNDS GROSS VEHICLE WEIGHT.**

26 (7) “Peer-to-peer car sharing program agreement” has the meaning stated
27 in § 19–520 of the Insurance Article.

28 (8) “Rental agreement” means a written agreement setting forth the terms
29 and conditions governing the use of a rental motor vehicle by a lessee for a period of less
30 than 180 days.

31 (9) “Rental motor vehicle” means a passenger car which, on execution of a
32 rental agreement, is made available to a lessee for the lessee’s use.

1 (10) "Shared motor vehicle" has the meaning stated in § 19-520 of the
2 Insurance Article.

3 (11) "Shared vehicle driver" has the meaning stated in § 19-520 of the
4 Insurance Article.

5 (b) The Division shall develop a form for collision damage waivers for lessors and
6 for peer-to-peer car sharing programs, and shall make it available to all lessors and
7 peer-to-peer car sharing programs in the State.

8 (c) The form shall meet the requirements specified in subsection (e) of this
9 section.

10 (d) (1) A lessor may not deliver or issue for delivery in this State a rental motor
11 vehicle agreement containing a collision damage waiver, unless the lessor uses a separate
12 collision damage waiver form provided by the Division that meets the requirements
13 specified in subsection (e) of this section.

14 (2) A peer-to-peer car sharing program may not deliver or issue for
15 delivery in the State a peer-to-peer car sharing program agreement containing a collision
16 damage waiver, unless the peer-to-peer car sharing program uses a separate collision
17 damage waiver form provided by the Division that meets the requirements specified in
18 subsection (e) of this section.

19 (e) The collision damage waiver form shall contain the following requirements:

20 (1) The collision damage waiver shall be understandable and written in
21 simple and readable plain language;

22 (2) The terms of the collision damage waiver, including, but not limited to,
23 any conditions or exclusions applicable to the collision damage waiver, shall be prominently
24 displayed;

25 (3) All restrictions, conditions, or provisions in, or endorsed on, the collision
26 damage waiver are printed in type at least as large as Brevier or 10 point type;

27 (4) The collision damage waiver shall include a statement of the total
28 charge for the anticipated rental period or car sharing period or the anticipated total daily
29 charge;

30 (5) The agreement containing the collision damage waiver shall display the
31 following notice on the face of the agreement, set apart and in boldface type, and in type at
32 least as large as 10 point type:

33 "Notice:

1 This contract offers, for an additional charge, a collision damage waiver to cover your
 2 responsibility for damage to the vehicle. Before deciding whether to purchase the collision
 3 damage waiver, you may wish to determine whether your own automobile insurance affords
 4 you coverage for damage to the rental vehicle or shared motor vehicle and the amount of
 5 the deductible under your own insurance coverage. The purchase of this collision damage
 6 waiver is not mandatory and may be waived. Maryland law requires that all Maryland
 7 residents' insurance policies with collision coverage automatically extend that collision
 8 coverage to passenger cars rented or motor vehicles shared by the insureds named in the
 9 policy for a period of 30 days or less.”; and

10 (6) Any additional information that the Division considers reasonable and
 11 necessary to carry out the provisions of this subtitle.

12 (f) A failure by a lessor to comply with subsection (d) of this section is an unfair
 13 or deceptive trade practice within the meaning of Title 13, Subtitle 3 of this article.

14 Article – Transportation

15 13–917.

16 Notwithstanding § 13–916(b) of this subtitle, for any Class E (truck) vehicle, the
 17 annual registration fee is \$63.75 if:

18 (1) The manufacturer's rated capacity is 3/4 ton or less; and

19 (2) The maximum gross vehicle weight is 7,000 pounds or less.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 21 October 1, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.