

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 894 (Delegate Kagan)

Economic Matters

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**Consumer Protection - Rental of Motor Vehicles**

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This bill prohibits a person from refusing to rent a motor vehicle to a consumer who meets the licensing requirements under current law and who is at least 18 years of age. The bill allows a person who rents a motor vehicle to a consumer under the age of 25 to charge the consumer a reasonable surcharge, provided that the person discloses that a surcharge is being imposed, and the amount of the surcharge, when providing information concerning rental fees and in the rental agreement.

Violations of the bill's provisions constitute an unfair and deceptive trade practice.

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**Fiscal Summary**

**State Effect:** Any cost recovery by the Attorney General resulting from actions brought under the unfair and deceptive trade practices recovery provisions is indeterminate. Assuming that the Consumer Protection Division receives fewer than 50 complaints each year as a result of this bill, any increase in workload could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful effect.

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## Fiscal Analysis

**Small Business Effect:** This bill could meaningfully affect small car rental companies in the State. Currently, many companies will not rent cars to people under age 25 because younger drivers have higher risk profiles. The bill prohibits these companies from refusing to rent a motor vehicle to a consumer who meets the licensing requirements under current law and who is at least 18 years of age. This bill would meaningfully affect small business car rental companies to the extent that rental companies are required to change their business practices to rent to younger drivers.

While the bill requires car rental companies to rent cars to people over 18 years old, the bill allows car rental companies to impose a reasonable surcharge on younger drivers to reflect their higher risk profile. While the bill does not specify the amount of the surcharge that a company can impose, the bill does require the surcharge to be “reasonable.” Requiring the surcharge to be reasonable prevents a company from raising the surcharge high enough to ensure that drivers under age 25 do not rent cars.

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**Information Sources:** Attorney General’s Office (Consumer Protection Division),  
Department of Transportation

**Fiscal Note History:** First Reader - March 11, 1998

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