

HOUSE BILL No. 4479

March 21, 1989, Introduced by Rep. Bennett and referred to the Committee on Consumers.

A bill to limit the liability of persons who rent motor vehicles; to prohibit certain activities of motor vehicle rental companies; to require motor vehicle rental companies to make certain disclosures; and to provide for remedies and penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Authorized driver" means a person who meets the rental
3 company's minimum driver requirements and is any 1 of the
4 following:

5 (i) The person to whom the vehicle is rented.

6 (ii) The renter's spouse.

7 (iii) The renter's employer, employee, or co-worker if they
8 are engaged in business activity.

9 (iv) A person who operates the vehicle during an emergency
10 situation.

1 (v) A person parking the vehicle at a commercial
2 establishment.

3 (vi) A person expressly listed in the rental agreement as an
4 authorized driver.

5 (b) "Motor vehicle" or "vehicle" means a device which is
6 self-propelled but not operated upon rails.

7 (c) "Person" means an individual, firm, corporation, part-
8 nership, association, or other legal entity.

9 (d) "Rental vehicle" means a vehicle which is rented for 30
10 or fewer days from a person in the business of renting vehicles
11 and is evidenced by a written rental agreement or contract.

12 Sec. 2. A person who rents a vehicle to another person
13 shall not hold the renter liable for any damage or loss to the
14 rental vehicle unless 1 of the following applies:

15 (a) The damage is the result of intentional, willful, or
16 wanton misconduct of the authorized driver.

17 (b) The damage arises out of the authorized driver's opera-
18 tion of the vehicle while under the influence of alcohol or
19 drugs.

20 (c) The damage arises out of the use of the vehicle while
21 committing or otherwise involved in a criminal act.

22 (d) The damage arises out of an unauthorized use of the
23 vehicle to carry, push, or tow persons or property.

24 (e) The damage arises out of the use of the vehicle by a
25 person other than an authorized driver.

26 (f) The damage arises out of use of the vehicle in activity
27 expressly prohibited by the rental agreement.

1 (g) The rental transaction is based on fraudulent or false
2 information supplied by the person to whom the vehicle is
3 rented.

4 Sec. 3. (1) Except for taxes, a person shall not advertise,
5 quote, or charge a rental rate which does not include the entire
6 amount the renter must pay to rent the vehicle.

7 (2) A person shall not charge an amount greater than the
8 rental rate as provided in subsection (1) for any fee or sur-
9 charge which must be paid by the renter as a condition of renting
10 the vehicle.

11 (3) A person may charge an amount greater than the rental
12 rate as provided in subsection (1) for an item or service pro-
13 vided in connection with the rental transaction if the renter can
14 avoid the additional charge by choosing not to obtain or utilize
15 the optional item or service.

16 (4) For any additional amounts allowed under subsection (3)
17 the rental company shall fully disclose to the renter all of the
18 terms, conditions, and amounts chargeable for the item or service
19 prior to the renter reserving or renting the rental vehicle.

20 Sec. 4. (1) A rental agreement or other contract inconsis-
21 tent with the provisions of this act shall be void as against
22 public policy.

23 (2) A person who violates any provision of this act shall be
24 guilty of a misdemeanor punishable by imprisonment for not more
25 than 90 days, or by a fine of not less than \$500.00 or more than
26 \$1,000.00, or both.