

SENATE BILL 1056

R7

7lr3580
CF HB 1520

By: **Senators Mathias and Smith**

Introduced and read first time: February 13, 2017

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Personal Motor Vehicle Rentals**

3 FOR the purpose of establishing provisions of law governing the rental of personal motor
4 vehicles to other persons in a certain manner; establishing that certain persons may
5 rent only certain classes of personal motor vehicles to other persons; prohibiting a
6 renter of a personal motor vehicle from using the motor vehicle for certain purposes;
7 prohibiting a person from renting a personal motor vehicle to another person unless
8 the motor vehicle is covered by certain security; requiring the Motor Vehicle
9 Administration to suspend the registration of a personal motor vehicle used for
10 rentals if the owner fails to maintain the required security; prohibiting certain
11 persons from renting a personal motor vehicle to another person who does not meet
12 certain driver's licensing standards; requiring a certain person that rents or
13 facilitates the rental of a personal motor vehicle to keep certain records; authorizing
14 the Administration or any police officer to inspect certain records; prohibiting under
15 certain circumstances certain persons from renting to another person a personal
16 motor vehicle for which any charge is based on the miles traveled; establishing
17 certain provisions governing rental rates and rental agreements for rented personal
18 motor vehicles; providing for the application of certain provisions of law governing
19 for-rent vehicles and personal motor vehicle rentals; establishing that certain
20 violations of this Act are unfair or deceptive trade practices subject to certain
21 enforcement actions; defining certain terms; and generally relating to personal motor
22 vehicle rentals.

23 BY repealing and reenacting, with amendments,
24 Article – Commercial Law
25 Section 13–301(14)(xiii)
26 Annotated Code of Maryland
27 (2013 Replacement Volume and 2016 Supplement)

28 BY adding to
29 Article – Transportation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 18–101.1; and 18–201 through 18–206 to be under the new subtitle “Subtitle
2 2. Personal Motor Vehicle Rentals”
3 Annotated Code of Maryland
4 (2012 Replacement Volume and 2016 Supplement)

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

7 **Article – Commercial Law**

8 13–301.

9 Unfair or deceptive trade practices include any:

10 (14) Violation of a provision of:

11 (xiii) Section 18–107 OR § 18–206 of the Transportation Article;

12 **Article – Transportation**

13 18–101.1.

14 **THIS SUBTITLE DOES NOT APPLY TO PERSONAL MOTOR VEHICLE RENTALS**
15 **GOVERNED UNDER SUBTITLE 2 OF THIS TITLE.**

16 **SUBTITLE 2. PERSONAL MOTOR VEHICLE RENTALS.**

17 18–201.

18 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (B) “PERSONAL MOTOR VEHICLE RENTAL” MEANS THE PAID USE OF A
21 PERSONAL PASSENGER MOTOR VEHICLE BY A PERSON OTHER THAN THE
22 REGISTERED OWNER OF THE MOTOR VEHICLE THROUGH THE USE OF A PERSONAL
23 MOTOR VEHICLE RENTAL PROGRAM.

24 (C) “PROGRAM” MEANS A PROGRAM OR PROCESS, WHETHER DIGITAL,
25 ELECTRONIC, OR OTHERWISE, THROUGH WHICH A PERSONAL MOTOR VEHICLE
26 RENTAL IS MADE OR FACILITATED.

27 (D) “PROVIDER” MEANS A PERSON THAT OPERATES OR ADMINISTERS A
28 PROGRAM.

1 **(E) “RENTER” MEANS A PERSON WHO RENTS A PERSONAL MOTOR VEHICLE**
2 **OWNED BY AND REGISTERED TO ANOTHER PERSON THROUGH THE USE OF A**
3 **PROGRAM.**

4 **18-202.**

5 **(A) THIS SUBTITLE APPLIES TO A PERSONAL MOTOR VEHICLE RENTAL FOR**
6 **A PERIOD NOT EXCEEDING 180 DAYS.**

7 **(B) (1) AN OWNER OR A PROVIDER MAY RENT TO ANOTHER PERSON ONLY**
8 **A PERSONAL CLASS A (PASSENGER) VEHICLE, A CLASS E (TRUCK) VEHICLE, OR A**
9 **CLASS M (MULTIPURPOSE) VEHICLE THROUGH THE USE OF A PROGRAM.**

10 **(2) A RENTER OF A PERSONAL CLASS A (PASSENGER) VEHICLE OR**
11 **CLASS M (MULTIPURPOSE) VEHICLE MAY NOT USE THE RENTED PERSONAL MOTOR**
12 **VEHICLE TO TRANSPORT INDIVIDUALS OR PROPERTY FOR HIRE.**

13 **18-203.**

14 **(A) (1) AN OWNER OR A PROVIDER MAY NOT RENT A PERSONAL MOTOR**
15 **VEHICLE TO ANOTHER PERSON UNDER THIS SUBTITLE UNLESS THE MOTOR VEHICLE**
16 **IS SECURED IN THE SAME FORM AND PROVIDING FOR THE SAME MINIMUM BENEFITS**
17 **AS REQUIRED UNDER TITLE 17 OF THIS ARTICLE.**

18 **(2) AN OWNER OF A MOTOR VEHICLE WHO RENTS THE MOTOR**
19 **VEHICLE TO ANOTHER PERSON UNDER THIS SUBTITLE MAY SATISFY THE SECURITY**
20 **REQUIREMENT BY MAINTAINING THE REQUIRED SECURITY DESCRIBED IN § 17-103**
21 **OF THIS ARTICLE THAT IS SECONDARY TO ANY OTHER VALID AND COLLECTABLE**
22 **COVERAGE OF THE RENTER THAT EXTENDS COVERAGE TO THE RENTED PERSONAL**
23 **MOTOR VEHICLE IN AMOUNTS REQUIRED UNDER § 17-103(B) OF THIS ARTICLE**
24 **DURING THE RENTAL PERIOD.**

25 **(3) IF AN OWNER OF A RENTED PERSONAL MOTOR VEHICLE PROVIDES**
26 **COVERAGE IN ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION, THE**
27 **AGREEMENT FOR THE RENTED PERSONAL MOTOR VEHICLE SHALL CONTAIN A**
28 **CONSPICUOUS DISCLOSURE THAT INFORMS THE RENTER THAT THE RENTER’S**
29 **PERSONAL VEHICLE INSURANCE IS THE PRIMARY COVERAGE FOR THE RENTED**
30 **PERSONAL MOTOR VEHICLE AND THE COVERAGE MAINTAINED BY THE OWNER ON**
31 **THE RENTED PERSONAL MOTOR VEHICLE IS SECONDARY.**

32 **(B) NOTWITHSTANDING ANY PROVISION OF THE RENTAL AGREEMENT TO**
33 **THE CONTRARY, THE SECURITY REQUIRED UNDER THIS SECTION SHALL COVER THE**
34 **OWNER OF THE MOTOR VEHICLE, EACH INDIVIDUAL WHO OPERATES THE MOTOR**

1 VEHICLE WITH THE PERMISSION OF THE OWNER OR RENTER, AND EACH PASSENGER
2 IN THE MOTOR VEHICLE.

3 (C) IF THE ADMINISTRATION FINDS THAT A MOTOR VEHICLE OWNER THAT
4 RENTS THE MOTOR VEHICLE UNDER THIS SUBTITLE HAS FAILED TO MAINTAIN THE
5 REQUIRED SECURITY, THE ADMINISTRATION SHALL SUSPEND THE REGISTRATION
6 OF THE MOTOR VEHICLE.

7 18-204.

8 (A) AN OWNER OR A PROVIDER MAY NOT RENT A PERSONAL MOTOR
9 VEHICLE UNDER THIS SUBTITLE TO ANOTHER PERSON UNLESS EACH INDIVIDUAL
10 WHO WILL OPERATE THE RENTED MOTOR VEHICLE:

11 (1) HOLDS A DRIVER'S LICENSE ISSUED UNDER TITLE 16 OF THIS
12 ARTICLE, AUTHORIZING THE INDIVIDUAL TO DRIVE A VEHICLE OF THE CLASS
13 RENTED; OR

14 (2) IS A NONRESIDENT WHO:

15 (I) KEEPS WITH THE INDIVIDUAL A DRIVER'S LICENSE ISSUED
16 TO THE INDIVIDUAL BY THE STATE OR COUNTRY OF THE INDIVIDUAL'S RESIDENCE,
17 AUTHORIZING THE INDIVIDUAL IN THAT STATE OR COUNTRY TO DRIVE VEHICLES OF
18 THE CLASS RENTED; AND

19 (II) IS AT LEAST 16 YEARS, 6 MONTHS OLD.

20 (B) A PROVIDER THAT RENTS OR FACILITATES A PERSONAL MOTOR
21 VEHICLE RENTAL TO ANOTHER PERSON SHALL KEEP A RECORD OF:

22 (1) THE REGISTRATION NUMBER OF THE RENTED PERSONAL MOTOR
23 VEHICLE;

24 (2) THE NAME AND ADDRESS OF THE RENTER;

25 (3) THE DRIVER'S LICENSE NUMBER OF ANY INDIVIDUAL WHO WILL
26 OPERATE THE RENTED PERSONAL MOTOR VEHICLE; AND

27 (4) THE DATE AND PLACE OF ISSUANCE OF THE DRIVER'S LICENSE OF
28 ANY INDIVIDUAL WHO WILL DRIVE THE RENTED PERSONAL MOTOR VEHICLE.

29 (C) THE ADMINISTRATION OR ANY POLICE OFFICER MAY INSPECT THE
30 RECORDS KEPT UNDER SUBSECTION (B) OF THIS SECTION.

1 18-205.

2 (A) AN OWNER OR A PROVIDER MAY NOT, WITH INTENT TO DEFRAUD, RENT
3 TO ANOTHER PERSON A PERSONAL MOTOR VEHICLE FOR WHICH ANY CHARGE IS
4 BASED ON THE DISTANCE TRAVELED, IF THE OWNER OR PROVIDER KNOWS THAT THE
5 MOTOR VEHICLE'S ODOMETER DOES NOT RECORD CORRECTLY THE ACTUAL
6 ACCUMULATED MILEAGE OF THE MOTOR VEHICLE.

7 (B) AN OWNER OR A PROVIDER MAY NOT OTHERWISE RENT TO ANOTHER
8 PERSON ANY MOTOR VEHICLE FOR WHICH ANY CHARGE IS BASED ON THE DISTANCE
9 TRAVELED AND DECEIVE THAT OTHER PERSON AS TO THE DISTANCE THAT THE
10 MOTOR VEHICLE TRAVELED DURING THE RENTAL PERIOD.

11 18-206.

12 (A) AN OWNER OR A PROVIDER THAT RENTS A PERSONAL MOTOR VEHICLE
13 TO ANOTHER PERSON SHALL:

14 (1) COMPUTE THE DAILY RENTAL RATE BASED ON A 24-HOUR
15 PERIOD, STARTING AT THE TIME THE RENTAL PERIOD BEGINS;

16 (2) MAKE A NOTATION ON THE RENTAL AGREEMENT OF THE TIME
17 THE RENTAL PERIOD BEGINS; AND

18 (3) INFORM THE RENTER THAT:

19 (I) THE DAILY RENTAL FEE IS BASED ON A 24-HOUR PERIOD;
20 AND

21 (II) THE TIME THE RENTAL PERIOD BEGINS IS NOTED ON THE
22 RENTAL AGREEMENT.

23 (B) (1) REGARDLESS OF WHETHER A RENTER COMPLIES WITH A
24 REQUIREMENT BY AN OWNER OR A PROVIDER TO NOTIFY THE OWNER OR PROVIDER
25 IN ADVANCE OF INTENT TO RETURN THE PERSONAL MOTOR VEHICLE, THE OWNER
26 OR PROVIDER MAY NOT CHARGE FOR THE USE OF A RENTED PERSONAL MOTOR
27 VEHICLE AFTER THE MOTOR VEHICLE HAS BEEN RETURNED.

28 (2) IF A RENTAL AGREEMENT REQUIRES THE RENTER TO NOTIFY THE
29 OWNER OR PROVIDER IN ADVANCE OF INTENT TO RETURN THE PERSONAL MOTOR
30 VEHICLE, THE OWNER OR PROVIDER SHALL MAKE THE FOLLOWING CONSPICUOUS
31 DISCLOSURE TO THE RENTER IN THE RENTAL AGREEMENT:

1 **“REGARDLESS OF WHETHER YOU COMPLY WITH A REQUIREMENT BY THE**
2 **(OWNER OR PROVIDER) TO NOTIFY THE (OWNER OR PROVIDER) IN ADVANCE OF**
3 **YOUR INTENT TO RETURN THE MOTOR VEHICLE, THE (OWNER OR PROVIDER) MAY**
4 **NOT CHARGE FOR THE USE OF THE MOTOR VEHICLE AFTER YOU HAVE RETURNED**
5 **THE MOTOR VEHICLE.”**

6 **(C) IN ADDITION TO ANY REMEDIES OTHERWISE AVAILABLE AT LAW, A**
7 **VIOLATION OF THIS SECTION SHALL BE AN UNFAIR OR DECEPTIVE TRADE PRACTICE**
8 **UNDER TITLE 13, SUBTITLE 3 OF THE COMMERCIAL LAW ARTICLE.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2017.