

2016 Regular Session

HOUSE BILL NO. 669

BY REPRESENTATIVE HUNTER

CONSUMERS/PROTECTION: Prohibits rental car companies from charging a fee for additional authorized drivers

1 AN ACT

2 To enact R.S. 51:1429, relative to motor vehicle rental agreements; to prohibit certain fees;
3 to require certain insurance options; to classify each violation as an unfair trade
4 practice; to provide for penalties; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 51:1429 is hereby enacted to read as follows:

7 §1422. Unfair trade practice; motor vehicle rental agreements; prohibitions;
8 violations and penalties

9 A. As used in this Section, the following terms have the meanings hereinafter
10 ascribed to them:

11 (1) "Authorized driver" means any of the following persons who are licensed
12 drivers and who meet any applicable age requirement imposed by the rental
13 company:

14 (a) The renter.

15 (b) Any family member of the renter.

16 (c) Any person engaged in business activity with the renter.

17 (d) Any person expressly listed as an authorized driver by the renter on the
18 rental contract.

19 (2) "Rental company" means any person who is engaged in the business of
20 renting or leasing motor vehicles, as defined in R.S. 32:1252, to the public.

1 (3) "Renter" means any person to whom a motor vehicle is rented or leased.

2 B. It shall be unlawful for any rental company conducting business in this
3 state to do any of the following:

4 (1) Charge a fee for authorized drivers in addition to the rental charge
5 typically charged for an individual renter.

6 (2) Fail to offer an additional insurance option that the renter may elect to
7 purchase, at an additional and reasonable cost, that acts as the primary liability
8 insurance policy applicable to the rental motor vehicle.

9 C.(1) Any violation of this Section shall be a deceptive and unfair trade
10 practice and shall subject the violator to any and all actions and penalties provided
11 for in this Chapter.

12 (2) For the purpose of this Section, a violation shall occur each time a rental
13 company charges a fee for authorized drivers in addition to the rental charge
14 typically charged for an individual renter.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 669 Original

2016 Regular Session

Hunter

Abstract: Prohibits rental car companies from charging a fee for additional authorized drivers.

Proposed law provides for definitions.

Proposed law declares that it shall be unlawful for any rental company conducting business in La. to charge a fee for authorized drivers in addition to the rental charge typically charged for an individual renter. Proposed law declares that it shall be unlawful for any rental company conducting business in La. to fail to offer an additional insurance option that the renter may elect to purchase, at an additional and reasonable cost, that acts as the primary liability insurance policy applicable to the rental motor vehicle.

Proposed law establishes that any violation of proposed law shall be a deceptive and unfair trade practice and shall subject the violator to any and all actions and penalties provided for in present law (Ch.13 of Title 51). Further, proposed law clarifies that a violation occurs each time a rental company charges a fee for authorized drivers in addition to the rental charge typically charged for an individual renter.

(Adds R.S. 51:1429)