MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document	**No. 201**

H.P. 149   House of Representatives, February 15, 1989

Reference to the Committee on Business Legislation suggested and ordered printed.

Ed Pert

EDWIN H. PERT, Clerk

Presented by Representative ALLEN of Washington.
    Cosponsored by Senator PERKINS of Hancock, Senator TWITCHELL of Oxford and Representative TUPPER of Orrington.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE

An Act Relating to Collision Damage Waivers for Rented Motor Vehicles.

1   **Be it enacted by the People of the State of Maine as follows:**

3   **10 MRSA c. 204-A** is enacted to read:

5   CHAPTER 204-A

7   MAINE COLLISION DAMAGE WAIVER ACT

9   §1191. Title

11   This Act shall be known and may be cited as the "Maine
     Collision Damage Waiver Act."
13
     §1192. Scope
15
        This Act applies to all persons and organizations renting
17   private passenger vehicles for no more than 30 days from
     locations in this State.
19
     §1193. Definitions
21
        As used in this chapter, unless the context otherwise
23   indicates, the following terms have the following meanings.

25   **1. Authorized driver.** "Authorized driver" means:

27   A. The renter;

29   B. The renter's spouse, if that person is a licensed driver
        meeting the rental company's minimum age requirement;
31
        C. The renter's employer or co-worker, if that person is
33   engaged in business activity with the renter and is a
        licensed driver meeting the rental company's minimum age
35   requirement;

37   D. A person who operates the vehicle during an emergency or
        while parking the vehicle in the course of that person's
39   employment at a commercial establishment; or

41   E. A person listed by the rental company on the rental
        agreement as an authorized driver.
43
        2. Damage. "Damage" means any damage or loss to the rented
45   vehicle, including loss of use and any expenses incident to the
     damage or loss.
47
        3. Private passenger vehicle. "Private passenger vehicle"
49   means a motor vehicle, including, but not limited to, an
     automobile, passenger van or minivan primarily intended for
51   transport of persons or a truck rented by a private,

noncommercial authorized driver primarily for transporting the driver's furniture or other personal belongings.

4. Rental agreement. "Rental agreement" means a written agreement setting forth the terms and conditions governing the use of a private passenger vehicle provided by a rental company.

5. Rental company. "Rental company" means any person or organization in the business of providing private passenger vehicles to the public.

6. Renter. "Renter" means any person or organization obtaining the use of a private passenger vehicle from a rental company under the terms of a rental agreement.

§1194. Practices prohibited

1. Authorized driver liability; exceptions. In rental agreements of no more than 30 continuous days, a rental company shall not hold an authorized driver liable for any damage, except when:

A. The damage is caused intentionally by an authorized driver or as a result of the driver's willful and wanton misconduct;

B. The damage arises out of an authorized driver's operation of the vehicle while legally intoxicated or under the influence of any illegal drug as defined or determined under the law of the state where the damage occurred;

C. The damage is caused while the authorized driver is engaged in any speed contest regardless of whether the lawful speed limit is exceeded. Exceeding the lawful speed limit does not, by itself, constitute a speed contest;

D. The rental transaction is based on information supplied by the renter with the intent to defraud the rental company;

E. The damage arises out of the use of the vehicle by an authorized driver while committing or otherwise engaged in a criminal act in which the automobile usage is substantially related to the criminal activity excluding minor traffic violations;

F. The damage arises out of the use of the vehicle by an authorized driver to carry persons or property for hire; or

G. The damage arises out of the use of the vehicle by an authorized driver outside of the United States or Canada unless this use is specifically authorized by the rental agreement.

2. **Jurisdiction.** An action for damage shall not be brought
by a rental company against a renter who is a resident of the
United States except in the county of the renter's primary
residence.

          3. **Deposit prohibited.** A deposit in any form for damage
shall not be required or requested by the rental company during
the rental period or pending resolution of any dispute.

          4. **Waiver.** A waiver shall not be offered to provide
coverage for any of the exceptions set out in subsection 1 or, if
applicable, a deductible.

§1195. Civil forfeiture; unfair trade practice violation

          A person who engages in any act prohibited by this chapter
commits a civil violation for which a forfeiture of at least
$200, but not more than $500, for the first offense and at least
$500, but no more than $1,000, for each subsequent offense shall
be adjudged. In addition to the civil penalty provided in this
section, a violation of this chapter constitutes a violation of
Title 5, chapter 10.

STATEMENT OF FACT

          This bill prevents car rental companies from exploiting
consumers renting vehicles for not more than 30 days by creating
a contractual liability for collision damage and then selling a
waiver of liability for damage which, in most cases, the
consumer's personal automobile insurance already provides. This
bill prohibits the rental company from holding the renter liable
for damage to a rented vehicle except under certain conditions.