



March 13, 2015

ENGROSSED HOUSE BILL No. 1062

DIGEST OF HB 1062 (Updated March 12, 2015 10:35 am - DI 97)

Citations Affected: IC 24-4.

Synopsis: Vehicle rentals. Specifies that certain costs and expenses related to vehicle rental are separate from an administrative charge. Specifies fixed administrative charges. Provides for rental company collection, from the renter, of a certain amount upon return of a damaged rental vehicle. Provides for: (a) collection of any excess liability from; and (b) refund of any overpayment to; the renter upon settlement of damages and liability.

Effective: July 1, 2015.

Lehman, Forestal

(SENATE SPONSORS — YODER, HOLDMAN)

January 6, 2015, read first time and referred to Committee on Commerce, Small Business and Economic Development.
February 12, 2015, amended, reported — Do Pass.
February 16, 2015, read second time, ordered engrossed. Engrossed.
February 17, 2015, read third time, passed. Yeas 86, nays 8.

SENATE ACTION

February 24, 2015, read first time and referred to Committee on Insurance & Financial Institutions.
March 12, 2015, amended, reported favorably — Do Pass.

EH 1062—LS 6614/DI 97



March 13, 2015

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1062

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 24-4-9-13, AS AMENDED BY P.L.19-2005,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 13. A rental company and renter may agree that
4 the renter will be responsible for no more than all of the following:
5 (1) Physical damage to the rented vehicle up to its fair market
6 value regardless of the cause of damage.
7 (2) Mechanical damage to the rental vehicle, up to and including
8 the rental vehicle's fair market value, resulting from:
9 (A) a collision;
10 (B) an impact; or
11 (C) another incident that is caused by the renter's or authorized
12 driver's deliberate act.
13 (3) Loss due to theft of the rental vehicle up to its fair market
14 value. However, the renter shall be presumed to have no liability
15 for any loss due to theft if the renter or authorized driver:

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- 1 (A) has possession of the ignition key furnished by the rental
 2 company or establishes that the ignition key furnished by the
 3 rental company was not in the vehicle at the time of the theft;
 4 and
 5 (B) files an official report of the theft with the police or other
 6 law enforcement agency within twenty-four (24) hours of
 7 learning of the theft and reasonably cooperates with the rental
 8 company, police, and other law enforcement agency in
 9 providing information concerning the theft.
 10 The presumption set forth in this subdivision is a presumption
 11 affecting the burden of proof, which the rental company may
 12 rebut by establishing that a renter or other authorized driver
 13 committed or aided and abetted in the commission of the theft.
 14 (4) Physical damage to the rented vehicle up to its fair market
 15 value resulting from vandalism occurring after, or in connection
 16 with, the theft of the rented vehicle. However, the renter is
 17 presumed to have no liability for any loss due to vandalism if the
 18 renter or authorized driver:
 19 (A) has possession of the ignition key furnished by the rental
 20 company or establishes that the ignition key furnished by the
 21 rental company was not in the vehicle at the time of the
 22 vandalism; and
 23 (B) files an official report of the vandalism with the police or
 24 other law enforcement agency within twenty-four (24) hours
 25 of learning of the vandalism and reasonably cooperates with
 26 the rental company, police, and other law enforcement agency
 27 in providing information concerning the vandalism.
 28 The presumption set forth in this subdivision is a presumption
 29 affecting the burden of proof, which the rental company may
 30 rebut by establishing that a renter or other authorized driver
 31 committed or aided and abetted in the commission of the
 32 vandalism.
 33 (5) Physical damage to the rented vehicle and loss of use of the
 34 rented vehicle up to its fair market value resulting from vandalism
 35 unrelated to the theft of the rented vehicle.
 36 (6) Loss of use of the rented vehicle, if the renter is liable for
 37 damage.
 38 (7) Actual charges for towing, storage, and impoundment fees
 39 paid by the rental company, if the renter is liable for damage.
 40 (8) Reasonable attorney's fees related to the enforcement of the
 41 rental agreement.
 42 (9) An administrative charge. ~~including~~



- 1 **(10)** The cost of appraisal and all other costs and expenses
 2 incident to the damage, loss, loss of use, repair, or replacement of
 3 the rented vehicle.
- 4 SECTION 2. IC 24-4-9-14 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 14. (a) The total
 6 amount of the renter's liability to the rental company resulting from
 7 damage to the rented vehicle may not exceed the sum of the following:
- 8 (1) The estimated cost of replacement parts that the rental
 9 company would have to pay to replace damaged vehicle parts, less
 10 all discounts and price reductions or adjustments that will be
 11 received by the rental company.
- 12 (2) The estimated cost of labor to replace damaged vehicle parts,
 13 which may not exceed the product of:
- 14 (A) the rate for labor usually paid by the rental company to
 15 replace vehicle parts of the type that were damaged; and
 16 (B) the estimated time for replacement;
- 17 less all discounts and price reductions or adjustments that will be
 18 received by the rental company.
- 19 (3) The estimated cost of labor to repair damaged vehicle parts,
 20 which may not exceed the lesser of the following:
- 21 (A) The product of the rate for labor usually paid by the rental
 22 company to repair vehicle parts of the type that were damaged
 23 and the estimated time for repair.
- 24 (B) The sum of the estimated labor and parts costs determined
 25 under subdivisions (1) and (2) to replace the same vehicle
 26 parts.
- 27 All discounts and price reductions or adjustments that will be
 28 received by the rental company must be taken into account in
 29 determining the figure under this subdivision.
- 30 (4) Except as otherwise provided for, the loss of the use of the
 31 rented vehicle, which may not exceed the product of:
- 32 (A) the rental rate stated in the rental agreement for the
 33 particular vehicle rented, excluding optional charges; and
 34 (B) the total of the estimated time for replacement and
 35 estimated time for repair.
- 36 (5) Actual charges for towing, storage, and impound fees paid by
 37 the rental company.
- 38 (b) Under any circumstances described in this chapter, liability for
 39 the rental company's loss of use of the rented vehicle may not exceed
 40 the product of:
- 41 (1) the rental rate stated in the rental agreement for the particular
 42 vehicle rented, excluding all optional charges; and



1 (2) eighty percent (80%) of the period from the date of the
 2 accident to the date the vehicle is ready to be returned to rental
 3 service.

4 However, a renter is not liable to a rental company for the loss of use
 5 of a damaged vehicle unless the **renter rental company** uses its best
 6 efforts to effect repairs and return the vehicle to rental service.

7 (c) The administrative charge described in section 13(9) of this
 8 chapter may not exceed:

9 (1) ~~ten percent (10%) of fifty dollars (\$50) if the total estimated~~
 10 ~~cost for parts and labor if the damage is one thousand five~~
 11 ~~hundred dollars (\$1,500) or is less or~~

12 (2) ~~the amount specified in subdivision (1) plus seven and~~
 13 ~~one-half percent (7 1/2%) of the amount in excess of one~~
 14 ~~thousand five hundred dollars (\$1,500); if the total estimated cost~~
 15 ~~for parts and labor exceeds one thousand five hundred dollars~~
 16 ~~(\$1,500); than five hundred dollars (\$500);~~

17 (2) **one hundred dollars (\$100) if the total estimated cost for**
 18 **parts and labor is at least five hundred dollars (\$500) and less**
 19 **than one thousand five hundred dollars (\$1,500); or**

20 (3) **one hundred fifty dollars (\$150) if the total estimated cost**
 21 **for parts and labor is at least one thousand five hundred**
 22 **dollars (\$1,500).**

23 SECTION 3. IC 24-4-9-16 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 16. (a) A rental
 25 company may not require a deposit or advance charge against the credit
 26 card of a renter, in any form, for damage to a rental vehicle that is in
 27 the care, custody, or control of the renter or other authorized driver.

28 (b) ~~If a renter's insurance deductible cannot be ascertained, a~~
 29 ~~rental company may: not~~

30 (1) ~~at the time that care, custody, or control of a rental vehicle~~
 31 ~~is restored to the rental company; and~~

32 (2) ~~in an amount that may not exceed five hundred dollars~~
 33 ~~(\$500);~~

34 require any payment by the renter for damage to the rental vehicle.
 35 until

36 (c) ~~If a renter's insurance deductible can be ascertained, the~~
 37 ~~rental company may charge the renter an amount that may not~~
 38 ~~exceed the renter's insurance deductible for damage to the rental~~
 39 ~~vehicle.~~

40 (d) After the cost of the damage and liability for the damage
 41 described in subsections (b) and (c) is agreed to between the rental
 42 company and renter or is determined under law, **the rental company:**



1 **(1) may require payment by the renter of any cost of the**
2 **damage that exceeds the amount paid by the renter; and**
3 **(2) shall refund to the renter any overpayment received from**
4 **the renter;**
5 **under subsection (b) or (c).**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Small Business and Economic Development, to which was referred House Bill 1062, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 28, delete "A" and insert "**If a renter's insurance deductible cannot be ascertained, a**".

Page 4, line 35, after "(c)" insert "**If a renter's insurance deductible can be ascertained, the rental company may charge the renter only up to the renter's deductible amount for damage to the rental vehicle.**

(d)".

Page 4, line 36, delete "subsection (b)" and insert "**subsections (b) and (c)**".

Page 4, line 41, delete "subsection (b)." and insert "**subsections (b) or (c)**".

and when so amended that said bill do pass.

(Reference is to HB 1062 as introduced.)

SMALTZ

Committee Vote: yeas 12, nays 0.

 COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred House Bill No. 1062, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 4, line 5, strike "renter" and insert "**rental company**".

Page 4, line 37, delete "only up to" and insert "**an amount that may not exceed**".

Page 4, line 37, after "renter's" insert "**insurance**".

Page 4, line 38, delete "amount".

Page 5, line 1, delete "five hundred dollars (\$500);" and insert "**the**



amount paid by the renter;".

Page 5, line 3, delete "under subsections" and insert "**under subsection**".

and when so amended that said bill do pass.

(Reference is to HB 1062 as printed February 13, 2015.)

HOLDMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

