



## 2005 ASSEMBLY BILL 1024

February 16, 2006 - Introduced by Representatives STONE, HAHN, KRAWCZYK, ALBERS, PETROWSKI, TOWNSEND, MONTGOMERY and McCORMICK, cosponsored by Senators DARLING and A. LASEE. Referred to Committee on Highway Safety.

1     **AN ACT to repeal** 344.578 (2); **to renumber and amend** 344.57 (1) and 344.578  
2           (1); **to amend** 344.574 (2) (a) 2., 344.574 (4) (b), 344.576 (3) (a) (intro.), 344.576  
3           (3) (b), 344.576 (3) (c) and 344.579 (3); and **to create** 344.57 (1) (a) and (b) and  
4           344.576 (2) (k) of the statutes; **relating to:** damages to rental vehicles, and  
5           granting rule-making authority.

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### *Analysis by the Legislative Reference Bureau*

Under current law, a vehicle rental company may hold a renter liable for damages to a rented vehicle if an accident occurs during the rental period or if the renter of an authorized vehicle causes the damage by reckless or wanton misconduct. Current law defines an "accident" as a collision or other upset to the private passenger vehicle while the vehicle is in operation. The renter is liable for actual and reasonable costs of repairing the vehicle or the fair market value of the vehicle, and for actual and reasonable costs incurred by the rental company for towing and storing the vehicle for up to two days. However, to collect the amount of liability, the rental company must obtain and make available to the renter or his or her insurance company at least two estimates of the cost of repairs from competing repair shops.

Current law allows a rental company to offer or sell a damage waiver to a renter that would eliminate or limit the renter's liability for damages unless the damage is caused by certain reckless, intentional, prohibited, or illegal acts by the renter. A copy of the damage waiver must be provided to the renter and must explain the details of the waiver, including the limits of liability, exceptions to the waiver, and

**ASSEMBLY BILL 1024**

an explanation of the renter’s rights and responsibilities under the damage waiver agreement.

Under current law, a rental company may not use credit available pursuant to a credit card belonging to a renter as a deposit for damages for which the renter may be held liable, but it may use credit available pursuant to a credit card belonging to a renter as a deposit for the cost of the vehicle rental.

This bill changes the definition of “accident” to include a collision, theft or loss of the vehicle, or other upset to the vehicle that is not caused intentionally by the renter. A renter is presumed not to have intentionally caused theft or loss to the vehicle if he or she has possession of the ignition key or establishes that the key was not left in the vehicle when the theft or loss occurred, he or she files an official report of the theft or loss with law enforcement authorities, and he or she cooperates in any investigation of the theft or loss.

The bill eliminates the two-day limit on charging storage fees for a vehicle, and eliminates the requirement that a rental agency obtain and furnish a second estimate from competing repair shops before assessing damages against a renter. Rather, under the bill, the rental company must obtain and furnish a second estimate upon request. The bill allows a rental company to use credit available pursuant to a credit card belonging to the rental as a deposit for damages to the vehicle, the cost of the vehicle rental, and any other charges that are agreed to in a rental agreement.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 344.57 (1) of the statutes is renumbered 344.57 (1) (intro.) amended  
2 to read:

3           344.57 (1) (intro.) “Accident” means collision of a private passenger vehicle  
4 with another object, theft or loss of the private passenger vehicle, or other upset of  
5 the private passenger vehicle ~~while in operation.~~ not caused intentionally by the  
6 renter. A renter is presumed to have not caused theft or loss to the vehicle  
7 intentionally if all of the following apply:

8           **SECTION 2.** 344.57 (1) (a) and (b) of the statutes are created to read:

9           344.57 (1) (a) The renter or authorized driver has possession of the ignition key  
10 furnished by the rental company or establishes that the ignition key furnished by the  
11 rental company was not in the vehicle at the time of the theft or loss.

**ASSEMBLY BILL 1024**

1 (b) The renter or authorized driver files an official report of the theft or loss with  
2 the police or other law enforcement agency within 24 hours of learning of the theft  
3 or loss and reasonably cooperates with the rental company, police, and other law  
4 enforcement agencies in providing information concerning the theft or loss.

5 **SECTION 3.** 344.574 (2) (a) 2. of the statutes is amended to read:

6 344.574 (2) (a) 2. Actual and reasonable costs incurred by the rental company  
7 for towing the private passenger vehicle and for storage of the private passenger  
8 vehicle ~~for no more than 2 days~~ after the renter notifies the rental company of the  
9 damage to the vehicle.

10 **SECTION 4.** 344.574 (4) (b) of the statutes is amended to read:

11 344.574 (4) (b) ~~Obtains at least 2 estimates from competing repair shops an~~  
12 estimate on the costs of repairing the private passenger vehicle, makes a copy of each  
13 the estimate available upon request to the renter or authorized driver who may be  
14 liable under sub. (1) (b) or the insurer of the renter or authorized driver who may be  
15 liable under sub. (1) (b) and submits a copy of each the estimate with any claim to  
16 collect the amount described in sub. (2) (a). Upon request the rental company shall  
17 obtain a 2nd estimate and make a copy available to the requester.

18 **SECTION 5.** 344.576 (2) (k) of the statutes is created to read:

19 344.576 (2) (k) The damage occurs while the private passenger vehicle is  
20 operated by someone other than an authorized driver as defined in s. 344.57 (2). This  
21 paragraph does not apply if the vehicle has been lost or a theft has occurred and the  
22 renter is presumed to have not caused the theft or loss intentionally under s. 344.57  
23 (1).

24 **SECTION 6.** 344.576 (3) (a) (intro.) of the statutes is amended to read:

**ASSEMBLY BILL 1024****SECTION 6**

1           344.576 (3) (a) (intro.) A rental company that offers or sells a damage waiver  
2 shall provide to each renter a written notice that is ~~in the form required by part of~~  
3 the rental agreement or on a separate form described in the rule under par. (c) and  
4 that includes all of the following:

5           **SECTION 7.** 344.576 (3) (b) of the statutes is amended to read:

6           344.576 (3) (b) A rental company that offers or sells a damage waiver shall  
7 provide the notice described in par. (a) to each renter before the renter enters into a  
8 rental agreement. ~~The~~ If a separate form is used to give notice under par. (a), the  
9 rental company shall give ~~the~~ each renter one copy of the notice signed by ~~the renter~~  
10 him or her and shall retain one copy in its files.

11           **SECTION 8.** 344.576 (3) (c) of the statutes is amended to read:

12           344.576 (3) (c) ~~The department of agriculture, trade and consumer protection~~  
13 ~~shall promulgate rules specifying the form of the notice required under par. (a),~~  
14 ~~including the size of the paper and the type size and any highlighting of the~~  
15 ~~information described in par. (a). The rule may~~ department shall promulgate rules  
16 that specify additional information that must be included in the notice in a clear and  
17 conspicuous manner that is reasonably designed to be noticed and readily  
18 understood by the consumer, and the precise language that must be used.

19           **SECTION 9.** 344.578 (1) of the statutes is renumbered 344.578 and amended to  
20 read:

21           **344.578** ~~PROHIBITED DEPOSITS; COLLECTION OF DAMAGES.~~ A If authorized by the  
22 renter, a rental company may ~~not~~ use credit available pursuant to a credit card  
23 belonging to a renter as a deposit for damages for which the renter may be held liable  
24 under s. 344.574 (2) (a) or for any other charges, ~~except as provided in sub. (2)~~  
25 provided for in the rental agreement. If a rented private passenger vehicle is

**ASSEMBLY BILL 1024**

1 damaged, the rental company may use credit available pursuant to a credit card  
2 belonging to the renter as payment for the damages for which the renter is liable  
3 under s. 344.574 (2) (a) only if the rental company obtains the renter's authorization  
4 to use that credit and the authorization is obtained after the total amount of the  
5 renter's liability is determined and before the rental company processes the credit  
6 card charge.

7 **SECTION 10.** 344.578 (2) of the statutes is repealed.

8 **SECTION 11.** 344.579 (3) of the statutes is amended to read:

9 344.579 (3) DEFENSE. Proof by a rental company that the rental company began  
10 an action to impose liability upon a renter or authorized driver, ~~even though~~ without  
11 regard to whether the renter had purchased a damage waiver sold under s. 344.576,  
12 because of a good-faith mistake that an exception under s. 344.576 (2) (a) to (j) (k)  
13 applied is a defense to a prosecution for a violation of the terms of the damage waiver  
14 under s. 344.576 (2).

15 (END)