

BILL ANALYSIS

Senate Research Center
88R4550 JES-F

H.B. 2884
By: Lujan (Zaffirini)
Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

At times, persons may need to rent a car for more than 30 days for long-term travel, temporary transportation while a personal vehicle is unavailable due to repairs or other factors, or business use. Consumers also may want to purchase a damage waiver, which is offered by rental car companies to protect renters from financial liability in the event of damage to the vehicle.

Currently, Chapter 152, Tax Code, defines a rental as an agreement for the use of a car for a period of up to 180 days, but the collision damage waiver statute in Chapter 91, Business and Commerce Code, defines a rental agreement as an agreement of 30 days or less. Accordingly, consumers may not have the option to purchase a damage waiver beyond the initial 30-day period.

H.B. 2884 would align the definition of "rental" in the collision damage waiver to mean a rental as an agreement for the use of a car up to 180 days. This change would provide financial security to consumers by ensuring they have the option to purchase damage waivers when renting a vehicle for more than 30 days.

H.B. 2884 amends current law relating to the regulation of private passenger vehicle rental companies.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 91.001(6) and (7), Business and Commerce Code, as follows:

(6) Redefines "rental agreement" to mean an agreement for 180 days, rather than 30 days, or less that states the terms governing the use of a private passenger vehicle rented by a rental company.

(7) Redefines "rental company" to mean a person in the business of renting private passenger vehicles to the public for 180 days, rather than 30 days, or less.

SECTION 2. Makes application of Sections 91.001(6) and (7), Business and Commerce Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2023.