



STATE FISCAL IMPACT

Drafting Number: LLS 14-0675
Prime Sponsor(s): Rep. Swalm
 Sen. Todd

Date: February 7, 2014
Bill Status: House Business, Labor, Economic,
 and Workforce Development
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SHORT TITLE: DAMAGES FOR RENTAL MOTOR VEHICLES

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal workload change.	
FTE Position Change		
Appropriation Required:		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill limits the amount a rental company can recover in court from an authorized driver for damages to a rental motor vehicle to an amount reasonably and rationally related to the actual loss incurred. A rental company is required to mitigate damages where possible, not profit from the loss, charge no more than \$100 to administer the claim, and limit the claim made for loss of use to the daily rental rate, multiplied by the estimated repair time, divided by eight. A rental company is prohibited from making a claim for loss of use if the rental motor vehicle is not repaired.

State Expenditures

This bill does not create a new cause of action but clarifies the damages that a rental company can recover in an existing cause of action against an authorized driver. While it gives the courts in the Judicial Branch more standards to consider when assessing damages, by limiting the recoverable damages, the bill may reduce the amount of time to adjudicate a claim. Lower damage totals may also cause rental companies and authorized drivers to settle claims without court involvement. As such, the bill will have minimal impact on the courts and not require new appropriations.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Municipalities
 Judicial

Counties
 Personnel and Administration