

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 14-0675.01 Jerry Barry x4341

HOUSE BILL 14-1187

HOUSE SPONSORSHIP

Swalm, Gardner, Waller, Pettersen, McLachlan, Vigil

SENATE SPONSORSHIP

Todd,

House Committees

Business, Labor, Economic, & Workforce Development

Judiciary

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING CONSUMER PROTECTION FROM EXCESS DAMAGES FOR**
102 **REPAIR OF RENTAL VEHICLES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)

The bill limits the damages that a vehicle rental company can recover from an authorized driver to amounts reasonably related to the loss incurred by the rental company.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 13-21-128 as
3 follows:

4 **13-21-128. Civil damages related to rental motor vehicles.** ANY
5 CLAIM RESULTING FROM DAMAGE TO OR LOSS OF A RENTAL MOTOR
6 VEHICLE, AS DEFINED IN SECTION 6-1-201, C.R.S., MUST BE REASONABLY
7 AND RATIONALLY RELATED TO THE ACTUAL LOSS INCURRED. A RENTAL
8 COMPANY SHALL MITIGATE DAMAGES WHERE POSSIBLE AND SHALL NOT
9 ASSERT OR COLLECT ANY CLAIM FOR PHYSICAL DAMAGE THAT EXCEEDS
10 THE LESSER OF THE ACTUAL COST OF THE REPAIR, INCLUDING ALL
11 DISCOUNTS OR PRICE REDUCTIONS, OR THE ACTUAL CASH VALUE OF THE
12 VEHICLE IMMEDIATELY BEFORE THE LOSS, LESS ANY PROCEEDS FROM THE
13 VEHICLE'S DISPOSAL AFTER THE LOSS. **FOR PURPOSES OF THIS SECTION,**
14 **"PHYSICAL DAMAGE" DOES NOT INCLUDE ANY DIMINISHMENT IN VALUE**
15 **WHICH MAY RESULT SOLELY FROM THE FACT OF THE VEHICLE HAVING**
16 **BEEN IN AN ACCIDENT.** A RENTAL COMPANY'S ADMINISTRATIVE FEE IS
17 LIMITED TO THE REASONABLE ADMINISTRATIVE COSTS, NOT TO EXCEED
18 ONE HUNDRED DOLLARS, ASSOCIATED WITH PROCESSING THE DAMAGE
19 CLAIM. A CLAIM MADE FOR LOSS OF USE MAY NOT EXCEED THE DAILY
20 RENTAL RATE STATED IN THE RENTAL AGREEMENT, EXCLUDING OPTIONAL
21 CHARGES, MULTIPLIED BY THE NUMBER OF HOURS ESTIMATED TO REPAIR
22 THE VEHICLE, DIVIDED BY **SIX.** A RENTAL COMPANY SHALL NOT MAKE A
23 CLAIM FOR LOSS OF USE IF THE RENTAL MOTOR VEHICLE IS NOT REPAIRED.

24 **SECTION 2. Act subject to petition - effective date -**
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
26 the expiration of the ninety-day period after final adjournment of the
27 general assembly (August 6, 2014, if adjournment sine die is on May 7,

1 2014); except that, if a referendum petition is filed pursuant to section 1
2 (3) of article V of the state constitution against this act or an item, section,
3 or part of this act within such period, then the act, item, section, or part
4 will not take effect unless approved by the people at the general election
5 to be held in November 2014 and, in such case, will take effect on the
6 date of the official declaration of the vote thereon by the governor.

7 (2) This act applies to causes of action accruing on or after the
8 applicable effective date of this act.