

CHAPTER 1147**MOTOR VEHICLE RENTAL COLLISION DAMAGE WAIVERS***H.F. 653*

AN ACT relating to issuance of collision damage waivers in motor vehicle rental agreements, making penalties applicable, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. NEW SECTION. 516C.1 TITLE.

This chapter shall be known and may be cited as the "Iowa Collision Damage Waiver Act".

Sec. 2. NEW SECTION. 516C.2 SCOPE.

This chapter applies to a person in the business of renting a motor vehicle for a period of sixty days or less from a location in this state under an agreement which imposes upon the customer an obligation to pay for any damages caused to, or loss due to theft of, the rented vehicle. This chapter applies solely to the collision damage waiver portion of the rental agreement.

Sec. 3. NEW SECTION. 516C.3 DEFINITIONS.

As used in this chapter, unless the context requires otherwise:

1. "Collision damage waiver" means a contract or contractual provision, whether separate from or a part of a motor vehicle rental agreement, whereby the rental company agrees, for a charge, to waive any and all claims against the customer for any damages to, or loss due to theft of, the rental vehicle during the term of the rental agreement.

2. "Rental company" means a person in the business of providing rental motor vehicles to customers.

3. "Customer" means a person obtaining the use of a rental motor vehicle from a rental company under the terms of a rental agreement.

4. "Rental agreement" means a written agreement containing the terms and conditions for the use of the rental motor vehicle by the customer for a term of sixty days or less.

5. "Rental motor vehicle" means a private passenger type vehicle which, upon execution of a rental agreement, is made available to a customer for its use.

Sec. 4. NEW SECTION. 516C.4 PROHIBITIONS.

A rental company shall not deliver or issue for delivery in this state a rental agreement containing a collision damage waiver unless:

1. The rental agreement contains the terms of the collision damage waiver in simple and readable words with common meanings and the collision damage waiver is understandable.

2. All restrictions, conditions, and exclusions are printed in the rental agreement in eight-point type, or larger; or written in pen and ink or typewritten in or on the face of the rental agreement in a blank space provided therefore.* The collision damage waiver may exclude the following:

a. Damages caused intentionally by the customer or as a result of the customer's willful or wanton misconduct.

b. Damages caused by driving while intoxicated or under the influence of a controlled substance.

The collision damage waiver may not exclude simple negligence.

3. The collision damage waiver includes a statement of the total charge for the waiver period.

4. The rental agreement displays in boldface capitals in eight-point type, or larger, the following notice:

*According to enrolled Act

NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE, A COLLISION DAMAGE WAIVER TO COVER YOUR RESPONSIBILITY* FOR DAMAGE TO THE VEHICLE.

BEFORE DECIDING WHETHER TO PURCHASE THE COLLISION DAMAGE WAIVER, YOU MAY WISH TO DETERMINE WHETHER YOUR OWN AUTOMOBILE INSURANCE AFFORDS YOU COVERAGE FOR DAMAGE TO THE RENTAL VEHICLE AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOUR OWN INSURANCE COVERAGE. THE PURCHASE OF THIS COLLISION DAMAGE WAIVER IS NOT MANDATORY AND MAY BE DECLINED.

The disclosures required to be made as part of a rental agreement pursuant to this chapter shall be made on a separate sheet or handout given to the customer prior to entering into the rental agreement. The separate sheet or handout must be acknowledged by the customer as being received prior to entering into the rental agreement.

Sec. 5. NEW SECTION. 516C.5 UNFAIR OR DECEPTIVE ACTS OR PRACTICES.

Unfair or deceptive acts or practices in the advertisement or sale of collision damage waivers are prohibited. Unfair and deceptive practices include, but are not limited to, the following:

1. The representation in connection with the sale or advertisement of a rental agreement or collision damage waiver that the purchase of a collision damage waiver is mandatory.
2. The failure to provide disclosures as required in this chapter.
3. The failure to disclose in a manner likely to be noticed and comprehended in any advertisement, as defined in section 714.16, subsection 1, paragraph "a", if a collision damage waiver is available, and the cost of the waiver.

Sec. 6. NEW SECTION. 516C.6 ENFORCEMENT.

A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "a". The provisions of section 714.16, including, but not limited to, provisions relating to investigation, injunctive relief, and penalties, apply to violations of this chapter.

Approved May 3, 1988

CHAPTER 1148

GRAIN TRADING REGULATION

S.F. 2135

AN ACT relating to the issuance of grain bargaining permits and limiting the assets of the grain depositors and sellers indemnity fund, providing for penalties for certain delinquent payments, and providing for an early effective date and date of applicability.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 542A.2, Code 1987, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The department may deny an application for a permit to a person licensed as a grain dealer under chapter 542 if the grain dealer license is under suspension or has been revoked pursuant to section 542.10. If information or a complaint is filed with the department against the person as a grain dealer in accordance with section 542.10, the department may delay approving the application for a permit until after a hearing is provided under that section.

*According to enrolled Act