

House Study Bill 240 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act relating to unfair or deceptive acts or practices in the
2 rental of vehicles and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 516D.7, subsection 8, paragraph b, Code
2 2023, is amended to read as follows:

3 b. Placing a block or charge against a portion or the
4 entirety of the credit limit of the card or otherwise placing
5 a block or charge against the card in excess of the estimated
6 total daily or weekly charges and rental deposits, including
7 taxes and charges of optional services accepted by the
8 customer, stated in the rental agreement multiplied by the
9 number of days of the estimated rental if rented on a daily
10 basis or, if rented on a weekly basis, multiplied by the number
11 of weeks of the estimated rental.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with
14 the explanation's substance by the members of the general assembly.

15 This bill relates to unfair or deceptive acts or practices in
16 the rental of vehicles.

17 Current law provides that it is an unfair or deceptive act or
18 practice in the rental of vehicles to place a block or charge
19 against a customer's credit card in excess of the estimated
20 total daily or weekly charges stated in the rental agreement
21 multiplied by the number of days of the estimated rental if
22 rented on a daily basis or, if rented on a weekly basis,
23 multiplied by the number of weeks of the estimated rental. The
24 bill modifies this provision by providing that it is an unfair
25 or deceptive act or practice for the amount of the block or
26 charge to exceed the estimated total daily or weekly charges
27 and rental deposits stated in the rental agreement.

28 A violation of Code section 516D.7 constitutes an unlawful
29 practice under Code section 714.16 (consumer fraud). Several
30 types of remedies are available if a court finds that a person
31 has committed an unlawful practice, including injunctive
32 relief, disgorgement of moneys or property, and a civil penalty
33 not to exceed \$40,000 per violation.