

BILL ANALYSIS

Senate Research Center
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S.B. 72
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Business & Commerce
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As Filed

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 motor vehicle for a period of up to 180 days for consideration, but the 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. S.B. 72 would align the definition of "rental" in the damage waiver to mean a rental as an agreement for the use of a motor vehicle up to 180 days for consideration. This change would provide financial security to consumers by ensuring they have the option to voluntarily purchase damage waivers when renting a motor vehicle for more than 30 days.

As proposed, S.B. 72 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 & Commerce Code, to redefine "rental agreement" and "rental company."

SECTION 2. Amends Subchapter B, Chapter 91, Business & Commerce Code, by adding Section 91.057, as follows:

Sec. 91.057. REFUND OF DAMAGE WAIVER CHARGE. Requires the rental company, if a renter returns a rented motor vehicle before the conclusion of the rental term, to issue a pro rata refund of the damage waiver charge from the date the vehicle is returned.

SECTION 3. Makes application of this Act prospective.

SECTION 4: Effective date: September 1, 2025.