

By: Lujan

H.B. No. 1395

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of private passenger vehicle rental companies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 91.001(6) and (7), Business & Commerce Code, are amended to read as follows:

(6) "Rental agreement" means an agreement for 180 [~~30~~] days or less that states the terms governing the use of a private passenger vehicle rented by a rental company.

(7) "Rental company" means a person in the business of renting private passenger vehicles to the public for 180 [~~30~~] days or less. The term does not include a person who holds a license under Chapter 2301, Occupations Code, and whose primary business activity is not renting private passenger vehicles.

SECTION 2. Subchapter B, Chapter 91, Business & Commerce Code, is amended by adding Section 91.057 to read as follows:

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

SECTION 3. The changes in law made by this Act apply only to a rental agreement entered into on or after the effective date of this Act. A rental agreement entered into before the effective date of this Act is governed by the law in effect on the date the contract

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1 was entered into, and the former law is continued in effect for that
2 purpose.

3 SECTION 4. This Act takes effect September 1, 2025.