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AB-1374 Rental passenger vehicle transactions: third parties. (2025-2026)





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## Assembly Bill No. 1374

## CHAPTER 349

An act to amend Section 1939.19 of the Civil Code, relating to rental passenger vehicle transactions.

Approved by Governor October 06, 2025. Filed with Secretary of State October 06, 2025.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1374, Berman. Rental passenger vehicle transactions: third parties.

Existing law authorizes a rental company, when providing a quote, or imposing charges for a rental, to separately state the rental rate, additional mandatory charges, if any, and a mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies, and authorizes the rental company to impose other additional charges, as specified. Existing law prohibits a rental company from charging in addition to the rental rate, additional mandatory charges, or a mileage charge, as those may be applicable, any other fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle. Existing law requires, if a rental company states a rental rate in print advertisement or in a quotation, the rental company to disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, as specified, and requires all rate advertisements to include a prominently displayed disclaimer providing that additional specified mandatory charges may be imposed.

This bill would additionally apply the above-described provisions to third parties. The bill would also specify that mandatory thirdparty service fees are included in the additional mandatory charges that a rental company or third party shall not charge in addition to the rental rate. The bill would additionally require a rental company or third party to provide the total charges estimate for the entire rental, including all taxes and fees imposed by a government, as soon as specified information about the rental is provided to the rental company or third party. The bill would require a rental company or third party to clearly indicate the fuel source, as defined, of the vehicle prior to completion of a reservation.

Existing law requires rental companies that impose additional mandatory charges to comply with certain requirements, including providing the person receiving the quote with a good faith estimate of the rental rate and all additional mandatory charges, as well as the total charges for the entire rental, as specified.

This bill would instead require a rental company to provide the person receiving the quote with a total charges estimate of the rental rate and all additional mandatory charges for the entire rental, as specified. The bill would also require a third party that imposes additional mandatory charges to comply with specified requirements.

Existing law requires a person or entity other than a rental company, including a passenger carrier or a seller of travel services, to clearly disclose the existence and amount of additional mandatory charges, as applicable, and provides that the rental car company is not responsible for the failure of that person or entity to comply with this provision if a rental company provides the person or entity with rental rate and additional mandatory charges information.

This bill would instead provide that, with regard to specified requirements on imposing charges for a rental, a rental company is not responsible for the failure of a third party to comply with those requirements if the rental company provides the third party with information about certain charges, and also that, if a rental company fails to comply with those requirements when providing a third party with information about certain charges or fails to provide the third party with additional mandatory charges and fuel source information along with the rental rate information, the third party is not responsible for that failure.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1939.19 of the Civil Code is amended to read:

- **1939.19.** (a) When providing a quote, or imposing charges for a rental, the rental company or third party may separately state the rental rate, additional mandatory charges, if any, and a mileage charge, if any, that a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. A rental company or third party shall not charge in addition to the rental rate, additional mandatory charges including mandatory third party service fees, or a mileage charge, as those may be applicable, any other fee that is required to be paid by the renter as a condition of hiring or leasing the vehicle. The rental company or third party shall provide the total charges estimate for the entire rental, including all taxes and fees imposed by a government, as soon as dates, location, and vehicle type or class, which can include all vehicles, for the rental are provided to the rental company or third party.
- (b) (1) If additional mandatory charges are imposed, the rental company shall do all of the following:
  - (A) At the time the quote is given, provide the person receiving the quote with the total charges estimate of the rental rate and all additional mandatory charges for the entire rental. The total charges, if provided on an internet website page, shall be displayed in a typeface at least as large as any rental rate disclosed on that page and shall be provided on a page that the person receiving the quote may reach by following a link directly from the page on which the rental rate is first provided. The total charges estimate may exclude mileage charges and charges for optional items that cannot be determined prior to completing the reservation based upon the information provided by the person.
  - (B) At the time and place the rental commences, clearly and conspicuously disclose in the rental contract, or that portion of the contract that is provided to the renter, the total of the rental rate and additional mandatory charges, for the entire rental, exclusive of charges that cannot be determined at the time the rental commences. Charges imposed pursuant to this paragraph shall be no more than the amount of the quote provided in a confirmed reservation, unless the person changes the terms of the rental contract subsequent to making the reservation.
  - (C) Provide each person, other than those persons within the rental company, offering quotes to actual or prospective customers, access to information about additional mandatory charges, as well as access to information about when those charges apply. Any person providing quotes to actual or prospective customers for the hire or lease of a vehicle from a rental company shall provide the quotes in the manner described in subparagraph (A).
  - (2) If additional mandatory charges are imposed, a third party shall do both of the following:
    - (A) At the time the quote is given, provide the person receiving the quote with the total charges estimate of the rental rate and all additional mandatory charges for the entire rental. The total charges, if provided on an internet website page, shall be displayed in a typeface at least as large as any rental rate disclosed on that page and shall be provided on a page that the person receiving the quote may reach by following a link directly from the page on which the rental rate is first provided. The total charges estimate may exclude mileage charges and charges for optional items that cannot be determined prior to completing the reservation based upon the information provided by the person.
    - (B) Provide each person, other than those persons within the third party, offering quotes to actual or prospective customers, access to information about additional mandatory charges, as well as access to information about when those charges apply. Any person providing quotes to actual or prospective customers for the hire or lease of a vehicle from a third party shall provide the quotes in the manner described in subparagraph (A).
- (c) In addition to the rental rate, taxes, additional mandatory charges, if any, and mileage charges, if any, a rental company or third party may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company or third party may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

- (d) A rental company or third party may charge a fee for an authorized driver, in addition to the rental charge for an individual renter, unless the authorized driver is either of the following:
  - (1) The renter's spouse, as described in paragraph (2) of subdivision (e) of Section 1939.01, the renter's child or person for whom the renter is a legal guardian, the renter's sibling, or the renter's parent or grandparent.
  - (2) The renter's employer or coworker, as described in paragraph (3) of subdivision (e) of Section 1939.01.
- (e) In the event that a rental company or third party learns that an additional driver who was not previously authorized in the rental agreement has driven the rental car, the rental company or third party may charge up to twice the authorized driver fee.
- (f) If a rental company or third party states a rental rate in print advertisement or in a quotation, the rental company or third party shall disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.
- (g) All rate advertisements, including those by third parties, shall include a disclaimer, which shall be prominently displayed, providing that additional mandatory charges may be imposed, including, but not limited to, airport fees, tourism fees, vehicle license recovery fees, or other government imposed taxes or fees, and indicating that this information, including an estimate of the total rental cost, is displayed on the rental company's or third party's internet website. All rate advertisements shall also include a statement that additional charges may apply if an optional good or service, such as a damage waiver, is purchased.
- (h) If a rental company provides a third party with rental rate, additional mandatory charges information, and fuel source information, the rental company is not responsible for the failure of that third party to comply with this section. If a rental company provides a third party with rental rate, additional mandatory charges information, and fuel source information in a manner that does not comply with this section or the rental company fails to provide the third party with additional mandatory charges information and fuel source information along with the rental rate information, the third party is not responsible for the failure of the rental company to comply with this section.
- (i) If a rental company delivers a vehicle to a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter an amount for the rental for the period before the delivery of the vehicle. If a rental company picks up a rented vehicle from a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter an amount for the rental for the period after the renter notifies the rental company to pick up the vehicle.
- (j) Except as otherwise permitted pursuant to the customer facility charge, a rental company shall not separately charge, in addition to the rental rate, a fee for transporting the renter to a location where the rented vehicle will be delivered to the renter.
- (k) A rental company or third party shall clearly indicate the fuel source of the vehicle prior to completion of a reservation. For purposes of this subdivision, "fuel source" has the same definition as the term "engine fuel" in Section 13400 of the Business and Professions Code.