

**CHAPTER 1024**

**H.B. No. 2480**

**AN ACT**

relating to provisions in an automobile rental agreement.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 4(a), Article 9026, Revised Statutes, is amended to read as follows:

(a) A rental company in a rental agreement may not offer for sale in this state a loss damage waiver under which the rental company agrees to limit the amount of the renter's liability to the rental company unless the renter agrees to the loss damage waiver in writing

at the time the rental agreement is executed. A rental company is not required to exclude any type of damage from its loss damage waiver. However, should a rental company choose to exclude some types of damage, the agreement may contain only the following exclusions and no others:

(1) damage is caused intentionally by an authorized driver or as a result of wilful and wanton misconduct of an authorized driver;

(2) damage arises out of any authorized driver's operation of a private passenger automobile while legally intoxicated or under the influence of any illegal drug or chemical as defined or determined under the law of the state in which the damage occurred;

(3) damage is caused while the authorized driver is engaged in a speed contest;

(4) the rental transaction is based on information supplied by the renter with the intent to defraud the rental company;

(5) damage arises out of the use of the private passenger automobile while committing or otherwise engaged in a criminal act in which the automobile usage is substantially related to the nature of the criminal activity;

(6) damage arises out of the use of the private passenger automobile to transport persons or property for hire;

(7) damage arises out of the use of the private passenger automobile outside the United States or Canada unless the use is specifically authorized by the rental agreement;

(8) damage arises out of the use of the private passenger automobile while towing or pushing anything; [~~or~~]

(9) damage is caused to the vehicle while it is being driven other than on a regularly maintained roadway; *or*

(10) *the private passenger automobile is stolen and the renter has facilitated the theft by leaving the ignition key in the automobile while the automobile is unoccupied.*

SECTION 2. This Act applies to the rental of private passenger automobiles by rental companies under rental agreements executed on and after the effective date of this Act. Rental of private passenger automobiles by rental companies under rental agreements executed before the effective date of this Act are governed by the law as it existed at the time the parties executed the rental agreement and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 1993.

SECTION 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 14, 1993, by a non-record vote; passed by the Senate on May 26, 1993, by a viva-voce vote.

Approved June 19, 1993.

Effective Sept. 1, 1993.