

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2004

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES

Introduced By: Representative Charlene Lima

Date Introduced: February 11, 2004

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3 of chapter 115 of the 2003 Public Laws, entitled “An Act
2 Relating to Motor and Other Vehicles,” is hereby amended to read as follows:

3 SECTION 3. This act shall take effect upon passage and shall apply to any accident
4 occurring after the effective date of this act, and shall apply with respect to all accidents involving
5 a for hire motor vehicle or truck subject to a written rental or lease agreement throughout the
6 entire term of said agreement or thirty-nine (39) months, whichever is shorter, provided that:

7 (i) the accident occurred after the passage of this act, and

8 (ii) the agreement was in effect at the time of passage of this act, or the agreement is
9 entered into before 11:59 p.m. on June 30, ~~2004~~ 2005.

10 SECTION 2. Section 4 of chapter 115 of the 2003 Public Laws is hereby amended to
11 read as follows:

12 SECTION 4. Except as provided in Section 3 of this act, the amendments contained in
13 Sections 1 and 2 of this act shall be repealed on July 1, ~~2004~~ 2005.

14 Any written rental or lease agreement entered into on or after July 1, ~~2004~~ 2005 shall be
15 subject to the provisions of sections 31-33-5 and 31-34-4 in effect prior to the passage of this act.

16 SECTION 3. Section 3 of chapter 117 of the 2003 Public Laws, entitled “An Act
17 Relating to Motor and Other Vehicles,” is hereby amended to read as follows:

18 SECTION 3. This act shall take effect upon passage and shall apply to any accident
19 occurring after the effective date of this act, and shall apply with respect to all accidents involving

1 a for hire motor vehicle or truck subject to a written rental or lease agreement throughout the
2 entire term of said agreement or thirty-nine (39) months, whichever is shorter, provided that:

3 (i) the accident occurred after the passage of this act, and

4 (ii) the agreement was in effect at the time of passage of this act, or the agreement is
5 entered into before 11:59 p.m. on June 30, ~~2004~~ 2005.

6 SECTION 4. Section 4 of chapter 117 of the 2003 Public Laws is hereby amended as
7 follows:

8 SECTION 4. Except as provided in Section 3 of this act, the amendments contained in
9 Sections 1 and 2 of this act shall be repealed on July 1, ~~2004~~ 2005.

10 Any written rental or lease agreement entered into on or after July 1, ~~2004~~ 2005 shall be
11 subject to the provisions of sections 31-33-5 and 31-34-4 in effect prior to the passage of this act.

12 SECTION 5. Section 31-33-6 of the General Laws in Chapter 31-33 entitled "Safety
13 Responsibility Violations - General Provisions" is hereby amended to read as follows:

14 ~~**31-33-6. Owner's liability for acts of others. [Effective until July 1, 2004.] Owner's**~~

15 **liability for acts of others. [Effective until July 1, 2005.]** -- (a) Except as provided in
16 subsections (c), (d) and (e) below, whenever any motor vehicle shall be used, operated, or caused
17 to be operated upon any public highway of this state with the consent of the owner, lessee, or
18 bailee, expressed or implied, the driver of it, if other than the owner, lessee, or bailee, shall in the
19 case of an accident be deemed to be the agent of the owner, lessee, or bailee, of the motor vehicle
20 unless the driver shall have furnished proof of financial responsibility in the amount set forth in
21 chapter 32 of this title, prior to the accident.

22 (b) For the purposes of this section, the term "owner" includes any person, firm,
23 copartnership, association, or corporation having the lawful possession or control of a motor
24 vehicle under a written sale agreement.

25 (c) Notwithstanding the provisions of subsections (a) and (b) immediately above, the
26 liability of a lessor of a short-term rental motor vehicle or truck will be subject to a limit of two
27 hundred fifty thousand dollars (\$250,000) for bodily injury to or the death of one person in any
28 one accident, and subject to the limit for one person, to a limit of five hundred thousand dollars
29 (\$500,000) for bodily injury to or the death of two (2) or more persons in any one accident, and a
30 limit of twenty-five thousand dollars (\$25,000) because of injury to or destruction of property of
31 others in any one accident.

32 (d) Notwithstanding the provisions of subsections (a) and (b) above, if a person, firm,
33 copartnership, association, or corporation:

34 (1) (A) Holds title to a long-term lease motor vehicle or truck as lessor; or

1 (B) Is the successor to or assignee of the lessor's interest in a long-term lease motor
2 vehicle or truck and holds title thereto; and

3 (2) At the time of the accident, the lessee holds valid motor vehicle liability insurance on
4 the vehicle which contains limits in an amount equal to or greater than one hundred thousand
5 dollars (\$100,000) for bodily injuries to any one person, three hundred thousand dollars
6 (\$300,000) for bodily injuries in any one accident, and fifty thousand dollars (\$50,000) for
7 damage to property of others in any accident or a combined single limit of three hundred
8 thousand dollars (\$300,000) or greater; then the lessee shall, for the purposes of this section, be
9 the "owner" and the title holder will neither be the "owner" for the purposes of this section nor
10 otherwise responsible under this section.

11 (e) Notwithstanding subsections (a) and (b) above, if a person, firm, copartnership,
12 association, or corporation:

13 (1) (A) Holds title to a long-term lease motor vehicle or truck as lessor; or

14 (B) Is the successor to or assignee of the lessor's interest in a long-term lease motor
15 vehicle or truck and holds title thereto; and

16 (2) At the time of the accident, the lessee does not hold valid motor vehicle liability
17 insurance on the vehicle which contains limits in an amount equal to or greater than one hundred
18 thousand dollars (\$100,000) for bodily injuries to any one person, three hundred thousand dollars
19 (\$300,000) for bodily injuries in any one accident, and fifty thousand dollars (\$50,000) for
20 damage to property of others in any accident or a combined single limit of three hundred
21 thousand dollars (\$300,000) or greater; then the title holder's financial responsibility as "owner"
22 of the motor vehicle or truck will be limited to the difference between: (1) the motor vehicle
23 liability insurance limit actually maintained by the lessee at the time of the accident; and (2) one
24 hundred thousand dollars (\$100,000) for bodily injuries to any one person, three hundred
25 thousand dollars (\$300,000) for bodily injuries in any one accident, and fifty thousand dollars
26 (\$50,000) for damage to property of others in any accident.

27 (f) "Lessor" includes any entity in the business of renting and/or leasing motor vehicles
28 pursuant to a written rental and/or lease agreement.

29 (g) "Short-term rental motor vehicle or truck" means, for the purposes of this section, a
30 motor vehicle or truck that is leased by a lessor, pursuant to a written lease or rental agreement,
31 for an initially agreed-upon term of less than twelve (12) months.

32 (h) "Long-term lease motor vehicle or truck" means, for the purposes of this section, a
33 motor vehicle or truck that is leased by a lessor, pursuant to a written lease or rental agreement,
34 for an initially agreed-upon term of twelve (12) months or longer.

1 (i) Sunset provision: The amendments contained in chapter 115 of the 2003 public laws
2 shall be repealed July 1, 2005 and shall apply to any accident occurring after July 7, 2003, and
3 shall apply with respect to all accidents involving a for hire motor vehicle or truck subject to a
4 written rental or lease agreement throughout the entire term of said agreement or thirty-nine (39)
5 months, whichever is shorter, provided that:

6 (i) the accident occurred after July 7, 2003; and

7 (ii) the agreement was in effect at the time the accident occurred, and the agreement is
8 entered into before 11:59 p.m. on June 30, 2005.

9 SECTION 6. Section 31-34-4 of the General Laws in Chapter 31-34 entitled
10 "Responsibility of Owners of Rental Vehicles" is hereby amended to read as follows:

11 ~~**31-34-4. Liability of owner for negligence of operator. [Effective until July 1, 2004.]**~~

12 **Liability of owner for negligence of operator. [Effective until July 1, 2005.]** -- (a) Except as
13 provided below, any owner of a for hire motor vehicle or truck who has given proof of financial
14 responsibility under this chapter or who in violation of this chapter has failed to give proof of
15 financial responsibility, shall be jointly and severally liable with any person operating the vehicle
16 for any damages caused by the negligence of any person operating the vehicle by or with the
17 permission of the owner.

18 (b) The liability of a lessor of a short-term rental motor vehicle or truck under this
19 section shall be subject to a limit of two hundred fifty thousand dollars (\$250,000) for bodily
20 injury to or the death of one person, and subject to the limit for one person, to a limit of five
21 hundred thousand dollars (\$500,000) for bodily injury to or the death of two or more persons in
22 any one accident, and a limit of twenty-five thousand dollars (\$25,000) because of injury to or
23 destruction of property of others in any one accident.

24 (c) With respect to any long-term lease motor vehicle or truck:

25 (1) The owner and/or lessor (and/or its successors or assignees) of a long term lease
26 motor vehicle or truck who is not the operator of the vehicle at the time of an accident shall not be
27 jointly and severally liable with the operator and/or the lessee of the vehicle for any damages
28 caused by the negligence of any person operating the vehicle if, at the time of the accident, the
29 lessee has valid motor vehicle liability insurance which contains limits in an amount equal to or
30 greater than one hundred thousand dollars (\$100,000) for bodily injuries to any one person in any
31 one accident, three hundred thousand dollars (\$300,000) for bodily injuries in any one accident,
32 and fifty thousand dollars (\$50,000) for damage to property of others in any accident or a
33 combined single limit of three hundred thousand dollars (\$300,000) or greater;

34 (2) If the lessee of a long-term lease motor vehicle or truck does not have insurance in

1 the amounts set forth in subsection (c)(1) above, then the liability of the owner and/or lessor
2 (and/or its successors or assignees) of a long-term lease motor vehicle or truck shall not exceed
3 the difference between: (1) the motor vehicle liability insurance limits actually maintained by the
4 lessee of the long-term lease motor vehicle or truck at the time of the accident; and (2) one
5 hundred thousand dollars (\$100,000) for bodily injuries to any one person, three hundred
6 thousand dollars (\$300,000) for bodily injuries in any one accident, and fifty thousand dollars
7 (\$50,000) for damage to property of others in any accident.

8 (d) Nothing in this section shall be construed to prevent an owner who has furnished
9 proof of financial responsibility or any person operating the vehicle from making defense in an
10 action upon the ground of comparative negligence to the extent to which the defense is allowed in
11 other cases.

12 (e) Notwithstanding the provisions of subsection (a) of this section, or any provisions
13 contained under title 31 to the contrary, the operator's valid collectable liability or self-insurance
14 providing coverage or liability protection for any third party liability claims shall be primary, and
15 the valid and collectable liability or self-insurance providing coverage or liability protection for
16 any third-party liability claims for the owner and/or lessor arising out of the operation of the
17 vehicle shall be excess. This shall be stated in ten (10) point type on the face of any short-term
18 rental agreement.

19 (f) "Lessor" includes any entity in the business of renting and/or leasing motor vehicles
20 pursuant to a written rental and/or lease agreement.

21 (g) "Short-term rental motor vehicle or truck" means, for the purposes of this section, a
22 motor vehicle or truck that is leased by a lessor, pursuant to a written lease or rental agreement,
23 for an initially agreed-upon term of less than twelve (12) months.

24 (h) "Long-term lease motor vehicle or truck" means, for the purposes of this section, a
25 motor vehicle or truck that is leased by a lessor, pursuant to a written lease or rental agreement,
26 for an initially agreed-upon term of twelve (12) months or longer.

27 (i) Sunset provision: The amendments contained in chapter 115 of the 2003 public laws
28 shall be repealed July 1, 2005 and shall apply to any accident occurring after July 7, 2003, and
29 shall apply with respect to all accidents involving a for hire motor vehicle or truck subject to a
30 written rental or lease agreement throughout the entire term of said agreement or thirty-nine (39)
31 months, whichever is shorter, provided that:

32 (i) the accident occurred after July 7, 2003; and

33 (ii) the agreement was in effect at the time the accident occurred, and the agreement is
34 entered into before 11:59 p.m. on June 30, 2005.

1 SECTION 7. This act shall take effect upon passage.

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LC01502/SUB A/3
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO MOTOR AND OTHER VEHICLES

- 1 This act would extend the sunset provision by 1 year with respect to sections of the
2 general laws regarding a vehicle owner's liability for the safety responsibility violations of others.
3 This act would take effect upon passage.

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LC01502/SUB A/3
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