

CHAMBER ACTION

1 The Insurance Committee recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to financial responsibility for operation
7 of motor vehicles; amending s. 324.021, F.S.; revising the
8 definition of "rental company" for purposes of an
9 exclusion from an exemption from application of certain
10 limits of liability provisions to include certain related
11 rental or leasing companies and certain holders of a motor
12 vehicle title or an equity interest in a motor vehicle
13 title under certain circumstances; providing an effective
14 date.

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16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Paragraph (c) of subsection (9) of section
19 324.021, Florida Statutes, is amended to read:

20 324.021 Definitions; minimum insurance required.--The
21 following words and phrases when used in this chapter shall, for
22 the purpose of this chapter, have the meanings respectively

23 ascribed to them in this section, except in those instances
24 where the context clearly indicates a different meaning:

25 (9) OWNER; OWNER/LESSOR.--

26 (c) Application.--

27 1. The limits on liability in subparagraphs (b)2. and 3.
28 do not apply to an owner of motor vehicles that are used for
29 commercial activity in the owner's ordinary course of business,
30 other than a rental company that rents or leases motor vehicles.
31 For purposes of this paragraph, the term "rental company"
32 includes only an entity that is engaged in the business of
33 renting or leasing motor vehicles to the general public and that
34 rents or leases a majority of its motor vehicles to persons with
35 no direct or indirect affiliation with the rental company. The
36 term also includes a motor vehicle dealer that provides
37 temporary replacement vehicles to its customers for up to 10
38 days. The term "rental company" also includes:

39 a. A related rental or leasing company that is a
40 subsidiary of the same parent company as that of the renting or
41 leasing company that rented or leased the vehicle.

42 b. The holder of a motor vehicle title or an equity
43 interest in a motor vehicle title if the title or equity
44 interest is held pursuant to or to facilitate an asset-backed
45 securitization of a fleet of motor vehicles used solely in the
46 business of renting or leasing motor vehicles to the general
47 public and under the dominion and control of a rental company,
48 as described in this subparagraph, in the operation of such
49 rental company's business.

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50 2. Furthermore, with respect to commercial motor vehicles
51 as defined in s. 627.732, the limits on liability in
52 subparagraphs (b)2. and 3. do not apply if, at the time of the
53 incident, the commercial motor vehicle is being used in the
54 transportation of materials found to be hazardous for the
55 purposes of the Hazardous Materials Transportation Authorization
56 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq., and that is
57 required pursuant to such act to carry placards warning others
58 of the hazardous cargo, unless at the time of lease or rental
59 either:

60 a. The lessee indicates in writing that the vehicle will
61 not be used to transport materials found to be hazardous for the
62 purposes of the Hazardous Materials Transportation Authorization
63 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or

64 b. The lessee or other operator of the commercial motor
65 vehicle has in effect insurance with limits of at least
66 \$5,000,000 combined property damage and bodily injury liability.

67 Section 2. This act shall take effect July 1, 2005.