

By Senator Flores

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1 A bill to be entitled
2 An act relating to motor vehicle liability insurance;
3 amending s. 324.021, F.S.; revising proof of financial
4 responsibility for damages for crashes arising out of
5 the use of certain motor vehicles; providing insurance
6 coverage requirements for certain lessors of a motor
7 vehicle; deleting a requirement that the lessor of a
8 motor vehicle is deemed the owner of the vehicle for
9 the purpose of determining liability under certain
10 conditions; revising liability of the lessee or
11 operator of the motor vehicle; revising applicability;
12 providing applicability; providing an effective date.

13
14 Be It Enacted by the Legislature of the State of Florida:
15

16 Section 1. Subsections (7) and (9) of section 324.021,
17 Florida Statutes, are amended to read:

18 324.021 Definitions; minimum insurance required.—The
19 following words and phrases when used in this chapter shall, for
20 the purpose of this chapter, have the meanings respectively
21 ascribed to them in this section, except in those instances
22 where the context clearly indicates a different meaning:

23 (7) PROOF OF FINANCIAL RESPONSIBILITY.—That proof of
24 ability to respond in damages for liability on account of
25 crashes arising out of the use of a motor vehicle:

26 (a) In the amount of \$10,000 because of bodily injury to,
27 or death of, one person in any one crash;

28 (b) Subject to such limits for one person, in the amount of
29 \$20,000 because of bodily injury to, or death of, two or more

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30 persons in any one crash;

31 (c) In the amount of \$10,000 because of injury to, or
32 destruction of, property of others in any one crash; ~~and~~

33 (d) With respect to commercial motor vehicles and nonpublic
34 sector buses, in the amounts specified in ss. 627.7415 and
35 627.742, respectively; and

36 (e) With respect to rented or leased motor vehicles, in the
37 amounts specified in paragraph (9) (b).

38 (9) OWNER; OWNER/LESSOR.—

39 (a) *Owner.*—A person who holds the legal title of a motor
40 vehicle; or, in the event a motor vehicle is the subject of an
41 agreement for the conditional sale or lease thereof with the
42 right of purchase upon performance of the conditions stated in
43 the agreement and with an immediate right of possession vested
44 in the conditional vendee or lessee, or in the event a mortgagor
45 of a vehicle is entitled to possession, then such conditional
46 vendee or lessee or mortgagor is ~~shall be~~ deemed the owner for
47 the purpose of this chapter.

48 (b) *Owner/lessor.*—Notwithstanding any other provision of
49 the Florida Statutes or existing case law:

50 1. The lessor, under an agreement to lease a motor vehicle
51 for 1 year or longer which requires the lessee to obtain
52 insurance acceptable to the lessor which contains limits not
53 less than \$100,000 per person and \$300,000 per incident for
54 \$100,000/\$300,000 bodily injury ~~liability~~ and \$50,000 for
55 property damage ~~liability~~ or not less than \$500,000 for combined
56 property damage ~~liability~~ and bodily injury ~~liability~~, shall not
57 be deemed the owner of said motor vehicle for the purpose of
58 determining financial responsibility for the operation of said

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59 motor vehicle or for the acts of the operator in connection
60 therewith; further, this subparagraph applies ~~shall be~~
61 ~~applicable~~ so long as the insurance meeting these requirements
62 is in effect. The insurance meeting such requirements may be
63 obtained by the lessor or lessee, provided, if such insurance is
64 obtained by the lessor, the combined coverage for bodily injury
65 liability and property damage liability shall contain limits of
66 not less than \$1 million and may be provided by a lessor's
67 blanket policy.

68 2. The lessor, under an agreement to rent or lease a motor
69 vehicle for a period of less than 1 year to a nonresident as
70 defined in s. 324.021(5), shall require that the nonresident
71 lessee be covered by insurance to respond in damages for
72 liability arising out of the use of the motor vehicle due to the
73 negligence of the nonresident lessee, or any permissive user of
74 the motor vehicle, with limits of not less than \$100,000 per
75 person and \$300,000 per incident for bodily injury and \$50,000
76 for property damage. The lessor may provide coverage in such
77 amounts to the nonresident lessee and may charge the nonresident
78 lessee for such coverage if the amount of such charge is
79 separately set forth in the rental agreement. Notwithstanding s.
80 627.7275(2)(b), coverage complying with this subparagraph may
81 provide coverage for a motor vehicle that is rented or leased by
82 the nonresident lessee for only up to 1 year. The lessor has a
83 continuing duty to ensure that the nonresident lessee is covered
84 by insurance consistent with this subparagraph ~~be deemed the~~
85 ~~owner of the motor vehicle for the purpose of determining~~
86 ~~liability for the operation of the vehicle or the acts of the~~
87 ~~operator in connection therewith only up to \$100,000 per person~~

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88 and up to ~~\$300,000 per incident for bodily injury and up to~~
89 ~~\$50,000 for property damage.~~ If liability arises out of the use
90 of the motor vehicle and the nonresident lessee or the operator
91 of the motor vehicle is uninsured or has any insurance with
92 limits of less than \$100,000 per person and \$300,000 per
93 incident for \$500,000 combined property damage and bodily injury
94 and \$50,000 for property damage liability, the lessor ~~is~~ shall
95 ~~be~~ liable for up to \$100,000 per person and \$300,000 per
96 incident for bodily injury, up to \$50,000 for property damage,
97 and up to an additional \$500,000 in economic damages only
98 arising out of the use of the motor vehicle. The additional
99 specified liability of the lessor for economic damages shall be
100 reduced by amounts actually recovered from the lessee, from the
101 operator, and from any insurance or self-insurance covering the
102 lessee or operator. If the nonresident lessee does not obtain
103 coverage consistent with this subparagraph, the lessor is liable
104 for up to \$100,000 per person and \$300,000 per incident for
105 bodily injury, up to \$50,000 for property damage, and up to an
106 additional \$500,000 in economic damages only arising out of the
107 use of the motor vehicle by the nonresident lessee or the acts
108 of the operator in connection with the use of the motor vehicle.
109 ~~Nothing in~~ This subparagraph ~~does not shall be construed to~~
110 affect the liability of the lessor for its own negligence.

111 3. The owner who is a natural person and loans a motor
112 vehicle to any permissive user ~~is~~ shall be liable for the
113 operation of the vehicle or the acts of the operator in
114 connection therewith only up to \$100,000 per person and up to
115 \$300,000 per incident for bodily injury and up to \$50,000 for
116 property damage. If the permissive user of the motor vehicle is

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117 uninsured or has any insurance with limits less than \$500,000
118 combined property damage and bodily injury liability, the owner
119 is ~~shall be~~ liable for up to an additional \$500,000 in economic
120 damages only arising out of the use of the motor vehicle. The
121 additional specified liability of the owner for economic damages
122 shall be reduced by amounts actually recovered from the
123 permissive user and from any insurance or self-insurance
124 covering the permissive user. ~~Nothing in~~ This subparagraph does
125 not ~~shall be construed to~~ affect the liability of the owner for
126 his or her own negligence.

127 (c) *Application.*—

128 1. The financial responsibility requirements and limits on
129 liability in subparagraphs (b)2. and 3. do not apply to an owner
130 of motor vehicles that are used for commercial activity in the
131 owner's ordinary course of business, other than a rental company
132 that rents or leases motor vehicles. For purposes of this
133 paragraph, the term "rental company" includes only an entity
134 that is engaged in the business of renting or leasing motor
135 vehicles to the general public and that rents or leases a
136 majority of its motor vehicles to persons with no direct or
137 indirect affiliation with the rental company. The term also
138 includes a motor vehicle dealer that provides temporary
139 replacement vehicles to its customers for up to 10 days. The
140 term "rental company" also includes:

141 a. A related rental or leasing company that is a subsidiary
142 of the same parent company as that of the renting or leasing
143 company that rented or leased the vehicle.

144 b. The holder of a motor vehicle title or an equity
145 interest in a motor vehicle title if the title or equity

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146 interest is held pursuant to or to facilitate an asset-backed
147 securitization of a fleet of motor vehicles used solely in the
148 business of renting or leasing motor vehicles to the general
149 public and under the dominion and control of a rental company,
150 as described in this subparagraph, in the operation of such
151 rental company's business.

152 2. ~~Furthermore,~~ With respect to commercial motor vehicles
153 as defined in s. 627.732, the financial responsibility
154 requirements and limits on liability in subparagraphs (b)2. and
155 3. do not apply if, at the time of the incident, the commercial
156 motor vehicle is being used in the transportation of materials
157 found to be hazardous for the purposes of the Hazardous
158 Materials Transportation Authorization Act of 1994, as amended,
159 49 U.S.C. ss. 5101 et seq., and that is required pursuant to
160 such act to carry placards warning others of the hazardous
161 cargo, unless at the time of lease or rental either:

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

166 b. The lessee or other operator of the commercial motor
167 vehicle has in effect insurance with limits of at least
168 \$5,000,000 combined property damage and bodily injury liability.

169 Section 2. The amendments made by this act to s. 324.021,
170 Florida Statutes, are intended to clarify that Florida law
171 imposes financial responsibility, as that term is used in 49
172 U.S.C. s. 30106(b), for lessors and nonresident lessees of a
173 motor vehicle.

174 Section 3. This act shall take effect July 1, 2015.