

Committee on Infrastructure and Security

CS/CS/HB 977 — Motor Vehicle Dealers

by State Affairs Committee; Transportation and Infrastructure Subcommittee; and Rep. Rommel and others (CS/SB 1738 by Infrastructure and Security Committee and Senator Brandes)

The bill states that subjecting motor vehicle dealers and their leasing and rental affiliates to vicarious liability under the dangerous instrumentality doctrine when a temporary replacement vehicle is provided to a consumer is both unfair and economically disadvantageous in that it causes dealers and their affiliates to suffer higher insurance costs, which are then passed on to consumers.

Additionally, the bill provides that a motor vehicle dealer, or a motor vehicle dealer's leasing or rental affiliate, which provides a temporary replacement vehicle to a customer whose vehicle is being held for repair, service, or adjustment by the dealer is immune from vicarious liability in a civil proceeding. This immunity applies as long as there is no negligent or criminal wrongdoing by the dealer or affiliate. However, it does not apply when an agent or principal of a motor vehicle dealer or a motor vehicle dealer's leasing or rental affiliate is provided a temporary replacement vehicle. In addition, this immunity only applies to an employee of a motor vehicle dealer or a motor vehicle dealer's leasing or rental affiliate when they are provided a temporary replacement vehicle:

- While their personal vehicle is being repaired or serviced by the motor vehicle dealer;
- In the same manner as other customers who are provided a temporary replacement vehicle; and,
- The employee is not acting within the course and scope of their employment.

The bill provides that a motor vehicle dealer or affiliate must execute a written rental or use agreement and obtain a copy of the vehicle operator's driver license and insurance information to qualify for the immunity granted in the bill.

If approved by the Governor, these provisions take effect July 1, 2020.

Vote: Senate 39-0; House 111-0