

MOTOR VEHICLES

Motor Vehicle Rental

Summary

Wisconsin law regulates car rental company damage claims against consumers (see Wisconsin Statutes sections 344.57 to 344.579). This law applies to private passenger cars rented for less than 30 days. It does not apply to a long-term lease, or to a car that a dealer rents to a consumer while the dealer repairs or services the consumer's car.

- A car rental company may hold a renter liable for any of the following unless the company gives the renter a “damage waiver” (the law provides some limitations):
 - Car damage caused by an accident that occurs while the car is under the rental agreement.
 - Car damage caused by the intentional, reckless or wanton misconduct of the renter or an authorized driver of the rental car.
- If a company offers a “damage waiver” for a price, the “damage waiver” must comply with certain requirements. The company must give the renter a written notice explaining renter liability (see below).
- If a company advertises its car rental rates, it must disclose any “damage waiver” charge. It must also disclose that purchase of a “damage waiver” is optional.
- A company may use a renter's credit card as a deposit for the estimated cost of the rental, which is the daily rate (including any “damage waiver” payment) multiplied by the number of rental days. But a company may *not* use a renter's credit card as a deposit for car damages.
- A company may use a renter's credit card to pay for damages for which the renter is liable *only if* the company obtains the renter's authorization *before* the company processes the payment and *after* the renter's total liability is determined.

Renter Liability Notice

A car rental company that offers “damage waivers” for a price must conspicuously display the following notice at the rental site (see Wisconsin Administrative Code chapter ATCP 118):

WHAT IF YOU DAMAGE A RENTAL CAR?

We Must Provide You With An Important Notice About Your Liability For Damage To A Rental Car

A car rental company that offers “damage waivers” for a price must also provide each renter with a written notice before the renter signs a rental agreement (ATCP 118). The renter must sign the notice, which must be printed on a separate piece of paper in a specified format. The company must give the renter one copy and keep another copy for 6 years. The notice must look like this:

NOTICE ABOUT LIABILITY FOR DAMAGE TO THE RENTAL CAR

The State of Wisconsin requires us to provide the following information about your liability for damage to a rental car and the purchase of a damage waiver.

LIABILITY FOR DAMAGE TO THE RENTAL CAR

The rental agreement makes you and any authorized driver liable for any damage to the rental car caused by an accident or intentional, reckless or wanton misconduct. Total liability for any damage is limited to:

- 1) reasonable repair costs, less discounts available to us, or the fair market value of the car, whichever is less, and**
- 2) actual and reasonable towing and up to two days storage costs.**

INSURANCE OR CREDIT CARD COVERAGE

Liability for any damage may be covered by your personal insurance policy or credit card agreement. Check your insurance policy or credit card agreement about coverage.

DAMAGE WAIVER COVERAGE

A damage waiver is not insurance coverage. If you purchase a damage waiver for _____ per day, we will waive our right to hold you or any authorized driver liable for damage. Even if you buy a damage waiver, you and any authorized driver will remain liable for damage if any of the following apply:

- 1) **The damage is caused by you, or any authorized driver, intentionally or by reckless or wanton misconduct.**
- 2) **The damage occurs while you, or any authorized driver, operates the car in this state while under the influence of an intoxicant or other drug, as described by the laws of this state.**
- 3) **The damage occurs while you, or any authorized driver, operates the car in another state while under the influence of an intoxicant or other drug, as described by the laws of that state.**
- 4) **The damage occurs while you, or any authorized driver, is engaged in a race, speed, or endurance contest.**
- 5) **The damage occurs while you or any authorized driver is using, or has direct another to use, the car in the commission of a misdemeanor, or a felony, as defined by s. 939.60, Stats.**
- 6) **The damage occurs while you, or any authorized driver, use the car to carry persons or property for hire.**
- 7) **The damage occurs while you or any authorized driver is using the car outside the United States and Canada, unless use outside of these countries is permitted under the rental agreement.**
- 8) **The damage occurs while the car is operated on a surface not intended for use by private passenger vehicles.**
- 9) **You provide us misleading or false information in order to rent the car, which causes us to rent you the car when we would not have otherwise done so, or on terms to which we would not have otherwise agreed.**
- 10) **You, or an authorized driver, who was operating the car when an accident occurred, fail to promptly report, to us and the police, the accident resulting in damage to the car.**

NOTICE OF RIGHT TO INSPECT DAMAGE

If the car is damaged, we may not collect any amount for the damage unless you, or an authorized driver against whom we claim liability, have been promptly notified of your and your insurers' right to inspect the unrepaired car within two working days after we were notified of the damage. If you request, we must also give you copies of two estimates we have obtained from repair shops regarding any damage claim.

COMPLAINTS

If you have any complaints about our attempt to hold you liable for damages or would like a copy of the state law that fully sets forth your rights and obligations, contact:

**Wisconsin Consumer Protection Bureau
PO Box 8911, Madison, WI 53718-8911
608-224-4953 or toll-free 1-800-422-7128**

Date: _____ **Renter's Signature** _____

Enforcement

The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) enforces Wisconsin Statutes sections 344.57 to 344.579. DATCP also enforces the disclosure rules under Wisconsin Administrative Code chapter ATCP 118. DATCP adopted these rules under authority of Wisconsin Statutes section 344.576(3)(c).

Injunction and Restitution

DATCP may seek a court order, under Wisconsin Statutes section 344.579(2)(a), enjoining law violations and ordering restitution to consumers. The Department of Justice or a district attorney may represent DATCP in court.

Civil Forfeiture

DATCP may initiate a court action, under Wisconsin Statutes section 344.579(2)(b), to recover a civil forfeiture from a law violator. The court may impose a civil forfeiture of not less than \$500 nor more than \$1000 for each violation. The Department of Justice or a district attorney may represent DATCP in court.