



Effective: August 10, 2005

United States Code Annotated [Currentness](#)

Title 49. Transportation ([Refs & Annos](#))

Subtitle VI. Motor Vehicle and Driver Programs

Part A. General

 [Chapter 301](#). Motor Vehicle Safety ([Refs & Annos](#))

 [Subchapter I](#). General

→ **§ 30106. Rented or leased motor vehicle safety and responsibility**

(a) In general.--An owner of a motor vehicle that rents or leases the vehicle to a person (or an affiliate of the owner) shall not be liable under the law of any State or political subdivision thereof, by reason of being the owner of the vehicle (or an affiliate of the owner), for harm to persons or property that results or arises out of the use, operation, or possession of the vehicle during the period of the rental or lease, if--

(1) the owner (or an affiliate of the owner) is engaged in the trade or business of renting or leasing motor vehicles; and

(2) there is no negligence or criminal wrongdoing on the part of the owner (or an affiliate of the owner).

(b) Financial responsibility laws.--Nothing in this section supersedes the law of any State or political subdivision thereof--

(1) imposing financial responsibility or insurance standards on the owner of a motor vehicle for the privilege of registering and operating a motor vehicle; or

(2) imposing liability on business entities engaged in the trade or business of renting or leasing motor vehicles for failure to meet the financial responsibility or liability insurance requirements under State law.

(c) Applicability and effective date.--Notwithstanding any other provision of law, this section shall apply with respect to any action commenced on or after the date of enactment of this section without regard to whether the harm that is the subject of the action, or the conduct that caused the harm, occurred before such date of enactment.

(d) Definitions.--In this section, the following definitions apply:

(1) **Affiliate.**--The term "affiliate" means a person other than the owner that directly or indirectly controls, is controlled by, or is under common control with the owner. In the preceding sentence, the term "control" means the power to direct the management and policies of a person whether through ownership of voting securities or otherwise.

(2) **Owner.**--The term "owner" means a person who is--

(A) a record or beneficial owner, holder of title, lessor, or lessee of a motor vehicle;

(B) entitled to the use and possession of a motor vehicle subject to a security interest in another person; or

(C) a lessor, lessee, or a bailee of a motor vehicle, in the trade or business of renting or leasing motor vehicles, having the use or possession thereof, under a lease, bailment, or otherwise.

(3) **Person.**--The term "person" means any individual, corporation, company, limited liability company, trust, association, firm, partnership, society, joint stock company, or any other entity.

CREDIT(S)

(Added [Pub.L. 109-59, Title X, § 10208\(a\)](#), Aug. 10, 2005, 119 Stat. 1935.)

Current through P.L. 111-2 approved 1-29-09

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MINNESOTA 2007 SESSION LAW SERVICE
Eighty-Fifth Legislature, 2007 Regular Session

Additions are indicated by **Text**; deletions by ~~Text~~. Changes in tables are made but not highlighted. Vetoed provisions within tabular material are not displayed.

CHAPTER 72
S.F. No. 744
INSURANCE--RENTAL VEHICLES--COVERAGE

An act relating to insurance; regulating certain rental vehicle coverage; amending Minnesota Statutes 2006, section 65B.49, subdivision 5a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 65B.49, subdivision 5a, is amended to read:

<< MN ST § 65B.49 >>

Subd. 5a. Rental vehicles. (a) Every plan of reparation security, **wherever issued,** insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3, and pickup trucks and vans as defined under section 168.011 must **;** (1) provide that all of the obligation for damage and loss of use to a rented private passenger vehicle, including pickup trucks and vans as defined under section 168.011, and rented trucks with a registered gross vehicle weight of 26,000 pounds or less would be covered by the property damage liability portion of the plan; **and (2) extend the plan's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverages to the operation or use of the rented motor vehicle.** This subdivision does not apply to plans of reparation security covering only motor vehicles registered under section 168.10, subdivision 1a, 1b, 1c, or 1d, or recreational vehicles as defined under section 168.011. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$35,000, the coverage available under the subdivision must be \$35,000. Other than as described in this paragraph ~~or in;~~ **paragraph (i), clause (2); or** paragraph (j), nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in this section.

(b) A vehicle is rented for purposes of this subdivision:

(1) if the rate for the use of the vehicle is determined on a monthly, weekly, or daily basis; or

(2) during the time that a vehicle is loaned as a replacement for a vehicle being serviced or repaired regardless of whether the customer is charged a fee for the use of the vehicle.

A vehicle is not rented for the purposes of this subdivision if the rate for the vehicle's use is determined on a period longer than one month or if the term of the rental agreement is longer than one month. A vehicle is not rented for purposes of

this subdivision if the rental agreement has a purchase or buyout option or otherwise functions as a substitute for purchase of the vehicle.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to private passenger rental vehicles, including pickup trucks and vans as defined under section 168.011, and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability. If the person renting the motor vehicle is also covered by the person's employer's insurance policy or the employer's automobile self-insurance plan, the reparation obligor under the employer's policy or self-insurance plan has primary responsibility to pay claims arising from use of the rented vehicle.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice.

(f) When a motor vehicle is rented in this state, there must be attached to the rental contract a separate form containing a written notice in at least 10- point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy ~~issued in Minnesota~~ must : **(1) cover the rental of this motor vehicle against damage to the vehicle and against loss of use of the vehicle; and (2) extend the policy's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverages to the operation or use of a rented motor vehicle.** Therefore, purchase of any collision damage waiver or similar insurance affected in this rental contract is not necessary ~~if your policy was issued in Minnesota~~ . **In addition, purchase of any additional liability insurance is not necessary if your policy was issued in Minnesota unless you wish to have coverage for liability that exceeds the amount specified in your personal automobile insurance policy.**

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

(h) Compensation for the loss of use of a damaged rented motor vehicle is limited to a period no longer than 14 days.

(i)(1) For purposes of this ~~paragraph~~ **subdivision** , "rented motor vehicle" means a rented vehicle described in paragraph (a), using the definition of "rented" provided in paragraph (b).

(2) Notwithstanding section 169.09, subdivision 5a, an owner of a rented motor vehicle is not vicariously liable for legal damages resulting from the operation of the rented motor vehicle in an amount greater than \$100,000 because of bodily injury to one person in any one accident and, subject to the limit for one person, \$300,000 because of injury to two or more persons in any one accident, and \$50,000 because of injury to or destruction of property of others in any one accident, if the owner of the rented motor vehicle has in effect, at the time of the accident, a policy of insurance or self-insurance, as provided in section 65B.48, subdivision 3, covering losses up to at least the amounts set forth in this paragraph. Nothing in this paragraph alters or affects the obligations of an owner of a rented motor vehicle to comply with the requirements of compulsory insurance through a policy of insurance as provided in section 65B.48, subdivision 2, or through self-insurance as provided in section 65B.48, subdivision 3, **which policy of insurance or self-insurance must apply whenever the operator is not covered by a plan of reparation security as provided under paragraph (a)** ; or with the obligations arising from section 72A.125 for products sold in conjunction with the rental of a motor vehicle. Nothing in this paragraph alters or affects liability, other than vicarious liability, of an owner of a rented motor vehicle.

(3) The dollar amounts stated in this paragraph shall be adjusted for inflation based upon the Consumer Price Index for all urban consumers, known as the CPI-U, published by the United States Bureau of Labor Statistics. The dollar amounts stated in this paragraph are based upon the value of that index for July 1995, which is the reference base index for purposes of this paragraph. The dollar amounts in this paragraph shall change effective January 1 of each odd-numbered year based upon the percentage difference between the index for July of the preceding year and the reference base index, calculated to the nearest whole percentage point. The commissioner shall announce and publish, on or before September 30 of the preceding year, the changes in the dollar amounts required by this paragraph to take effect on January 1 of each odd-numbered year. The commissioner shall use the most recent revision of the July index available as of September 1. Changes in the dollar amounts must be in increments of \$5,000, and no change shall be made in a dollar amount until the change in the index requires at least a \$5,000 change. If the United States Bureau of Labor Statistics changes the base year upon which the CPI-U is based, the commissioner shall make the calculations necessary to convert from the old base year to the new base year. If the CPI-U is discontinued, the commissioner shall use the available index that is most similar to the CPI-U.

(j) The plan of reparation security covering the owner of a rented motor vehicle is excess of any residual liability coverage insuring an operator of a rented motor vehicle ~~if the vehicle is loaned as a replacement for a vehicle being serviced or repaired, regardless of whether a fee is charged for use of the vehicle, provided that the vehicle so loaned is owned by the service or repair business.~~

Presented to the governor May 11, 2007.

Approved May 14, 2007.

MN LEGIS 72 (2007)

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H

United States Court of Appeals, Eleventh Circuit.
Maria D. GARCIA, as surviving Spouse, as Administrator and Personal Representative of the Estate of Jose Garcia, and on behalf of her minor children Gabriela Garcia and Luis Garcia, Plaintiff-Cross-Defendant-Appellant,
Santos Ruiz, individually, and as administrator and personal representative of the Estate of Nelson Ruiz, and on behalf of and as legal guardian of the minor Nelson Xavier Ruiz, et al., Plaintiffs,

v.

VANGUARD CAR RENTAL USA, INC., a Delaware corporation, National Rental (US), Inc., a Delaware corporation, f.k.a. National Car Rental, Alamo Financing, L.P., a foreign limited partnership, Alamo Rent-A-Car (Canada) Inc., a Florida corporation, et. al., Defendants-Cross-Plaintiffs-Appellees, Vanguard Rental (Belgium), Inc., a Florida corporation, et. al., Defendants-Appellees, United States of America, Intervenor, Gregory Davis, et al., Defendants.
No. 07-12235.

Aug. 19, 2008.

Background: Administrators and personal representatives of estates of two people killed in three-car accident involving rental car brought wrongful death action against car rental company. Action was consolidated with rental car company's declaratory judgment action against estates and injured passenger seeking ruling that Graves Amendment preempted Florida law imposing vicarious liability on motor vehicle lessors. The United States District Court for the Middle District of Florida, No. 06-00220-CV-OC-10-GRJ, Wm. Terrell Hodges, J., 510 F.Supp.2d 821, granted summary judgment in favor of lessors. Appeal was taken.

Holdings: The Court of Appeals, Kravitch, Circuit Judge, held that:

(1) wrongful death claims at issue were clearly within scope of Graves Amendment's preemption clause;
(2) Florida's vicarious liability regime was not part of financial responsibility scheme so as to fall within Graves Amendment's savings clause; and
(3) Graves Amendment was within Congress's power to regulate interstate commerce.

Affirmed.

West Headnotes

[1] States 360 18.5

360 States

360I Political Status and Relations

360I(B) Federal Supremacy; Preemption

360k18.5 k. Conflicting or Conforming Laws or Regulations. Most Cited Cases
Valid federal statute preempts any state law with which it actually conflicts.

[2] Automobiles 48A 192(1)

48A Automobiles

48AV Injuries from Operation, or Use of Highway

48AV(A) Nature and Grounds of Liability

48Ak183 Persons Liable

48Ak192 Owner's Liability for Acts of Third Person in General

48Ak192(1) k. In General. Most Cited Cases

Under "dangerous instrumentality doctrine," Florida common law imposes strict vicarious liability upon owner of motor vehicle who voluntarily entrusts that motor vehicle to individual whose negligent operation causes damage to another.

[3] Automobiles 48A 192(6)

48A Automobiles

48AV Injuries from Operation, or Use of Highway

48AV(A) Nature and Grounds of Liability

48Ak183 Persons Liable

48Ak192 Owner's Liability for Acts of Third Person in General

48Ak192(6) k. Borrower or Hirer.
Most Cited Cases

Automobiles 48A 391

48A Automobiles

48AVIII Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations

48Ak386 Renting Out of Vehicle by Auto Liverymen

48Ak391 k. Injuries to Third Persons. Most Cited Cases

Under Florida law, dangerous instrumentality doctrine applies to commercial motor vehicle lessors.

[4] Automobiles 48A 391

[48A](#) Automobiles

[48AVIII](#) Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations

[48Ak386](#) Renting Out of Vehicle by Auto Liverymen

[48Ak391](#) k. Injuries to Third Persons. [Most Cited Cases](#)

States 360 18.61

[360](#) States

[360I](#) Political Status and Relations

[360I\(B\)](#) Federal Supremacy; Preemption

[360k18.61](#) k. Motor Vehicles; Highways.

[Most Cited Cases](#)

Wrongful death claims against Florida motor vehicle lessor were clearly within scope of Graves Amendment's preemption clause; lessor was in rental car business, owned rental car driven by allegedly negligent motorist and leased it to him, accident occurred during lease period, and plaintiffs sought to recover solely under vicarious liability theory. [49 U.S.C.A. § 30106\(a\)](#).

[5] Statutes 361 192

[361](#) Statutes


[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k187](#) Meaning of Language

[361k192](#) k. Technical Terms. [Most](#)

[Cited Cases](#)

Statutes 361 212.6

[361](#) Statutes

[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k212](#) Presumptions to Aid Construction

[361k212.6](#) k. Words Used. [Most Cited](#)

[Cases](#)

When statutory terms are undefined, court typically infers that Congress intended them to have their common and ordinary meaning, unless it is apparent from context that the disputed term is a term of art.

[6] Statutes 361 212.6

[361](#) Statutes

[361VI](#) Construction and Operation


[361VI\(A\)](#) General Rules of Construction

[361k212](#) Presumptions to Aid Construction

[361k212.6](#) k. Words Used. [Most Cited](#)

[Cases](#)

When Congress employs a “term of art,” it presumptively adopts the meaning and cluster of ideas that the term has accumulated over time.

[7] Statutes 361 190

[361](#) Statutes

[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k187](#) Meaning of Language

[361k190](#) k. Existence of Ambiguity.

[Most Cited Cases](#)

In construing ambiguous statute, court employs canons of construction which embody sound generalizations about Congressional intent.

[8] Statutes 361 193

[361](#) Statutes

[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k187](#) Meaning of Language

[361k193](#) k. Associated Words. [Most](#)

[Cited Cases](#)

Canon of construction “*noscitur a sociis*” is commonsense principle that statutory terms, ambiguous when considered alone, should be given related meaning when grouped together.

[9] Statutes 361 212.6

[361](#) Statutes

[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k212](#) Presumptions to Aid Construction

[361k212.6](#) k. Words Used. [Most Cited](#)

[Cases](#)

Under presumption against surplusage, court strives to give effect to every word and provision in statute when possible.

[10] Statutes 361 217.4

[361](#) Statutes

[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k213](#) Extrinsic Aids to Construction

[361k217.4](#) k. Legislative History in

General. [Most Cited Cases](#)

In addition to canons of construction, court may turn to legislative history as interpretive aid; court may consult legislative history to elucidate statute's ambiguous or vague terms, but legislative history cannot be used to contradict unambiguous statutory text or to

read ambiguity into statute which is otherwise clear on its face.

[\[11\] Statutes 361](#) 🔑217.4

[361](#) Statutes

[361VI](#) Construction and Operation

[361VI\(A\)](#) General Rules of Construction

[361k213](#) Extrinsic Aids to Construction

[361k217.4](#) k. Legislative History in General. [Most Cited Cases](#)

When court consults legislative history, it does so with due regard for its well-known limitations and dangers.

[\[12\] Automobiles 48A](#) 🔑185

[48A](#) Automobiles

[48AV](#) Injuries from Operation, or Use of Highway

[48AV\(A\)](#) Nature and Grounds of Liability

[48Ak183](#) Persons Liable

[48Ak185](#) k. Statutory and Local Regulations. [Most Cited Cases](#)

[Automobiles 48A](#) 🔑363

[48A](#) Automobiles

[48AVIII](#) Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations

[48Ak363](#) k. Statutory and Local Regulations.

[Most Cited Cases](#)

[States 360](#) 🔑18.61

[360](#) States

[360I](#) Political Status and Relations

[360I\(B\)](#) Federal Supremacy; Preemption

[360k18.61](#) k. Motor Vehicles; Highways.

[Most Cited Cases](#)

Congress used term “financial responsibility law” in Graves Amendment’s savings clause to denote state laws which impose insurance-like requirements on owners or operators of motor vehicles, but permit them to carry, in lieu of liability insurance per se, its financial equivalent, such as bond or self-insurance. [49 U.S.C.A. § 30106\(b\)](#).

[\[13\] Automobiles 48A](#) 🔑363

[48A](#) Automobiles

[48AVIII](#) Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations

[48Ak363](#) k. Statutory and Local Regulations.

[Most Cited Cases](#)

[States 360](#) 🔑18.61

[360](#) States

[360I](#) Political Status and Relations

[360I\(B\)](#) Federal Supremacy; Preemption

[360k18.61](#) k. Motor Vehicles; Highways.

[Most Cited Cases](#)

Florida legislature’s endorsement of and limitations on rental car company’s vicarious liability for negligent acts of its lessee would not be construed as part of “financial responsibility laws,” so as to fall within Graves Amendment’s savings clause. [49 U.S.C.A. § 30106\(b\)](#); [West’s F.S.A. § 324.021\(9\)\(b\)\(2\)](#).

[\[14\] Commerce 83](#) 🔑82.6

[83](#) Commerce

[83II](#) Application to Particular Subjects and Methods of Regulation

[83II\(J\)](#) Offenses and Prosecutions

[83k82.5](#) Federal Offenses and Prosecutions

[83k82.6](#) k. In General. [Most Cited](#)

[Cases](#)

Congress may not regulate noneconomic, violent criminal conduct based solely on that conduct’s aggregate effect on interstate commerce. [U.S.C.A. Const. Art. 1, § 8, cl. 3](#).

[\[15\] Commerce 83](#) 🔑7(2)

[83](#) Commerce

[83I](#) Power to Regulate in General

[83k2](#) Constitutional Grant of Power to Congress

[83k7](#) Internal Commerce of States

[83k7\(2\)](#) k. Activities Affecting Interstate Commerce. [Most Cited Cases](#)

When an economic activity has a substantial effect on interstate commerce, regulation of that activity must be sustained. [U.S.C.A. Const. Art. 1, § 8, cl. 3](#).

[\[16\] Commerce 83](#) 🔑5

[83](#) Commerce

[83I](#) Power to Regulate in General

[83k2](#) Constitutional Grant of Power to Congress

[83k5](#) k. Commerce Among the States. [Most](#)

[Cited Cases](#)

Commerce power includes not only the ability to regulate interstate markets, but the ability to facilitate interstate commerce by removing intrastate burdens

and obstructions to it. [U.S.C.A. Const. Art. 1, § 8, cl. 3.](#)

[\[17\] Commerce 83](#) 🔑12

[83](#) Commerce

[83I](#) Power to Regulate in General

[83k11](#) Powers Remaining in States, and Limitations Thereon

[83k12](#) k. In General. [Most Cited Cases](#)

Commerce 83 🔑13.5

[83](#) Commerce

[83I](#) Power to Regulate in General

[83k11](#) Powers Remaining in States, and Limitations Thereon

[83k13.5](#) k. Local Matters Affecting Commerce. [Most Cited Cases](#)

There is no reason in principle why state laws or lawsuits cannot themselves constitute a burden on interstate commerce. [U.S.C.A. Const. Art. 1, § 8, cl. 3.](#)

[\[18\] Automobiles 48A](#) 🔑363

[48A](#) Automobiles

[48AVIII](#) Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations

[48Ak363](#) k. Statutory and Local Regulations. [Most Cited Cases](#)

Commerce 83 🔑82.20

[83](#) Commerce

[83II](#) Application to Particular Subjects and Methods of Regulation

[83II\(K\)](#) Miscellaneous Subjects and Regulations

[83k82.20](#) k. Subjects and Regulations in General. [Most Cited Cases](#)

Graves Amendment, a federal tort reform statute purporting to shield rental car companies from certain vicarious liability suits, is within Congress's power to regulate interstate commerce; commercial leasing of cars is, in the aggregate, an economic activity with substantial effects on interstate commerce. [U.S.C.A. Const. Art. 1, § 8, cl. 3](#); [49 U.S.C.A. § 30106](#).

West Codenotes

Preempted [West's F.S.A. § 324.021\(9\)\(b\)\(2\)](#)

Negative Treatment Reconsidered [49 U.S.C.A. § 30106\(a\)](#)

*1244 [John Vail](#), Andre Mura, Center for Constitutional Litigation, P.C., Washington, DC, for Garcia.

[Mark Andrew Perry](#), Gibson, Dunn & Crutcher, LLP, Washington, DC, [James P. Waczewski](#), Luks, Santaniello, Perez, Petrillo & Gold, Tallahassee, FL, [Paul S. Jones](#), Luks, Santaniello, Perez, Petrillo & Gold, Orlando, FL, [David Clark Borucke](#), [Steven L. Brannock](#), Holland & Knight, LLP, Tampa, FL, for Appellees.

[Richard P. Schweitzer](#), [Richard P. Schweitzer](#), PLLC, Washington, DC, for Amicus Curiae Truck Renting and Leasing Ass'n.

Charles W. Scarborough, [Mark B. Stern](#), U.S. Dept. of Justice, Civ. App. Staff, Washington, DC, for U.S., Intervenor.

Appeal from the United States District Court for the Middle District of Florida.

Before [EDMONDSON](#), Chief Judge, and [KRAVITCH](#) and [ALARCÓN](#),^{FN*} Circuit Judges.

^{FN*} Honorable [Arthur L. Alarcón](#), United States Circuit Judge for the Ninth Circuit, sitting by designation.

[KRAVITCH](#), Circuit Judge:

These consolidated declaratory judgment and wrongful death actions require us to interpret the Graves Amendment, [49 U.S.C. § 30106](#), a federal tort reform statute which purports to shield rental car companies from certain vicarious liability suits. We conclude that the tort claims at *1245 issue are within the Amendment's preemption clause and not within its savings clause. We further conclude the statute is within Congress's Article I powers. Accordingly, we affirm the grant of summary judgment in favor of the rental car companies.

I.

The pertinent facts are undisputed. The appellee rental car companies^{FN1} leased a car to Gregory Davis on February 2, 2005. They were not negligent or otherwise at fault in so doing. Davis rented the car in Orlando, Florida and drove it north towards Georgia. The record does not establish whether Davis embarked on his trip intending for it to be an interstate journey. On the trip, Davis was involved in a three-car accident in Marion County, Florida, for which he was allegedly at fault. The collision caused the deaths of Jose Garcia, appellant's decedent, and Nelson Ruiz, whose estate was a party in the district court but has not appealed. Israel Lopez was also severely injured, but fortunately was not killed.

[FN1](#). The appellees, referred to as Vanguard hereafter, own interests in the rental car at issue.

Anticipating a suit alleging vicarious liability for Davis' negligence, Vanguard filed a declaratory judgment action in the district court against Lopez and the estates and surviving spouses of Garcia and Ruiz. Jurisdiction was based on diversity. The Vanguard companies sought a declaration that the Graves Amendment preempted any claims against them for wrongful death or bodily injury caused by their lessee Davis. The estates and surviving spouses of Garcia and Ruiz then filed separate wrongful death actions in Florida state court. The state court actions were removed and consolidated with the declaratory judgment action, and the district court dismissed several corporate parties it found were fraudulently joined to defeat diversity jurisdiction. On cross-motions for summary judgment, the district court issued a thorough and well-written opinion holding that the Graves Amendment validly preempted all the tort claims, and thus, it granted summary judgment for the rental car companies in all three cases. This appeal ensued.

II.

[\[1\]](#) We must first determine whether the Graves Amendment, by its terms, preempts these wrongful death actions. Of course, a valid federal statute preempts any state law with which it actually conflicts. See, e.g., [Foley v. Luster](#), 249 F.3d 1281, 1286 (11th Cir.2001).

[\[2\]\[3\]](#) These suits were brought against Vanguard, which concededly was not culpable in renting a car to Davis, because of the so-called dangerous instrumentality doctrine. Through that doctrine, Florida common law “imposes strict vicarious liability upon the owner of a motor vehicle who voluntarily entrusts that motor vehicle to an individual whose negligent operation causes damage to another.” [Aurbach v. Gallina](#), 753 So.2d 60, 62 (Fla.2000) (citing [Southern Cotton Oil Co. v. Anderson](#), 80 Fla. 441, 86 So. 629, 637 (1920)). The doctrine applies to commercial motor vehicle lessors such as Vanguard.

In 1999, the Florida legislature imposed statutory caps on the amount of vicarious liability rental car companies could face under the dangerous instrumentality doctrine. As pertinent here, the statute provides that

The lessor, under an agreement to rent or lease a

motor vehicle for a period of less than 1 year, shall be deemed the owner of the vehicle for the purpose of determining liability for the operation of the vehicle or the acts of the operator in connection therewith only up to \$100,000 *1246 per person and up to \$300,000 per incident for bodily injury and up to \$50,000 for property damage. If the lessee or operator of the vehicle is uninsured or has any insurance with limits less than \$500,000 combined property damage and bodily injury liability, the lessor shall be liable for up to an additional \$500,000 in economic damages only arising out of the use of the motor vehicle.

[Fla. Stat. § 324.021\(9\)\(b\)\(2\)](#). Thus, the statute explicitly countenances the type of lawsuits at issue here—those imposing strict liability against a rental car company for the negligent acts of its lessee—while imposing a damages cap on them. It also reduces the rental company's liability exposure if a lessee is insured for \$500,000 or more.

[\[4\]](#) The Graves Amendment takes aim at precisely these types of lawsuits. The Amendment has two operative provisions, a preemption clause and a savings clause. The preemption clause provides as follows:

An owner of a motor vehicle that rents or leases the vehicle to a person (or an affiliate of the owner) shall not be liable under the law of any State or political subdivision thereof by reason of being the owner of the vehicle (or an affiliate of the owner) for harm to persons or property that results or arises out of the use, operation, or possession of the vehicle during the period of the rental or lease, if (1) the owner (or an affiliate of the owner) is engaged in the trade or business of renting or leasing motor vehicles, and (2) there is no negligence or criminal wrongdoing on the part of the owner (or an affiliate of the owner).

[49 U.S.C. § 30106\(a\)](#). The instant wrongful death claims are clearly within the scope of this provision. Vanguard and its affiliates are in the rental car business. Vanguard owned the rental car driven by Davis and leased it to him, and the accident occurred during the lease period. Plaintiffs seek to recover solely under a vicarious liability theory: Vanguard is allegedly liable “by reason of being the owner of the vehicle” negligently driven by Davis, not because of any negligent entrustment or other wrongdoing of its own. Thus, assuming for now that the statute is constitutional, these wrongful death suits are preempted by [§ 30106\(a\)](#) unless they are within the statute's savings

clause. It provides that

Nothing in this section supersedes the law of any state or political subdivision thereof-

(1) imposing financial responsibility or insurance standards on the owner of a motor vehicle for the privilege of registering and operating a motor vehicle; or

(2) imposing liability on business entities engaged in the trade or business of renting or leasing motor vehicles for failure to meet the financial responsibility or liability insurance requirements under state law.

[49 U.S.C. § 30106\(b\)](#). Appellants contend their suits are within the savings clause because Florida's imposition of vicarious liability on rental car companies for the negligence of their lessees is a financial responsibility law. To evaluate this argument, we must review the pertinent law of statutory interpretation.

[\[5\]\[6\]\[7\]\[8\]\[9\]\[10\]\[11\]](#) The Graves Amendment does not define the term “financial responsibility.” When statutory terms are undefined, we typically infer that Congress intended them to have their common and ordinary meaning, unless it is apparent from context that the disputed term is a term of art. [Konikov v. Orange Cty., Fla., 410 F.3d 1317, 1329 \(11th Cir.2005\)](#) (citation omitted). When Congress employs a term of art, it presumptively adopts the meaning and “cluster of ideas” that the term has accumulated over time. *[1247Medical Transport. Mgmt. Corp. v. Comm'r, Internal Revenue Service, 506 F.3d 1364, 1368-69 \(11th Cir.2007\)](#) (citations omitted). In construing an ambiguous statute, we also employ canons of construction which embody sound generalizations about Congressional intent. One such canon is *noscitur a sociis*, which is the commonsense principle that statutory terms, ambiguous when considered alone, should be given related meaning when grouped together. See, e.g., [S.D. Warren Co. v. Maine Bd. Of Env. Protection, 547 U.S. 370, 378, 126 S.Ct. 1843, 164 L.Ed.2d 625 \(2006\)](#) (citations omitted). By construing proximate statutory terms in light of one another, courts avoid giving “unintended breadth to the acts of Congress.” [Gustafson v. Alloyd Co. Inc., 513 U.S. 561, 575, 115 S.Ct. 1061, 131 L.Ed.2d 1 \(1995\)](#) (quoting [Jarecki v. G.D. Searle & Co., 367 U.S. 303, 307, 81 S.Ct. 1579, 6 L.Ed.2d 859 \(1961\)](#)). Another pertinent canon is the presumption against surplusage: we strive to give effect to every word and provision in a statute when possible. [Lowery v. Alabama Power Co., 483 F.3d 1184, 1204 \(11th Cir.2007\)](#) (citations omitted). In addition to canons of

construction, we may turn to legislative history as an interpretive aid. We may consult legislative history to elucidate a statute's ambiguous or vague terms, but legislative history cannot be used to contradict unambiguous statutory text or to read an ambiguity into a statute which is otherwise clear on its face. [Id. at 1205](#) (citations omitted). Moreover, when we consult legislative history, we do so with due regard for its well-known limitations and dangers. See [Exxon Mobil Corp. v. Allapattah Svcs., Inc., 545 U.S. 546, 568-70, 125 S.Ct. 2611, 162 L.Ed.2d 502 \(2005\)](#) (discussing potential pitfalls in employing legislative history).

[\[12\]](#) With these interpretive principles in mind, we conclude that Congress used the term “financial responsibility law” to denote state laws which impose insurance-like requirements on owners or operators of motor vehicles, but permit them to carry, in lieu of liability insurance per se, its financial equivalent, such as a bond or self-insurance.^{FN2} First, statutory context and the *noscitur a sociis* canon suggest as much. Both provisions of the savings clause strongly imply that financial responsibility is closely linked to insurance requirements: the savings clause exempts from preemption laws “imposing financial responsibility or insurance standards,”[§ 30106\(b\)\(1\)](#), or laws penalizing the “failure to meet the financial responsibility or liability insurance requirements under state law.”[§ 30106\(b\)\(2\)](#). This pairing of terms strongly suggests that “financial responsibility” refers to insurance-like requirements.

^{FN2}. Such duties may arise as a condition of licensing or registration, or, as in Florida, after a motorist has been involved in an accident. See [Fla. Stat. § 324.011](#); see also [Lynch-Davidson Motors v. Griffin, 182 So.2d 7, 8 \(Fla.1966\)](#).

[\[13\]](#) Second, the most common legal usage of the term “financial responsibility” is to refer to state laws which require either liability insurance or a functionally equivalent financial arrangement. Florida law is representative in providing that the owner of a motor vehicle “may prove his or her financial responsibility” by furnishing proof of liability insurance, posting a bond, furnishing a certificate showing a deposit of cash or securities, or furnishing a certificate of self-insurance. [Fla. Stat. § 324.031](#). These other financial arrangements, like insurance, provide “proof of ability to respond in damages on account of crashes arising out the use of a motor vehicle,” which is Florida law's definition of “proof of financial responsibility.”

See [Fla. Stat. § 324.021\(7\)](#). Appellant provides no

reason for us to believe Florida *1248 law is exceptional in so defining financial responsibility. Likewise, Black's Law Dictionary defines financial responsibility only to include requirements that motorists have proof of "insurance or other financial accountability." See Black's Law Dictionary at 663 (8th ed.2004). Again, we see the ubiquitous association of "financial responsibility" with insurance requirements. An insurance treatise relied upon by appellants suggests a similar meaning to Black's, but also notes that "financial responsibility" laws may be used to refer to statutes which suspend a motorist's license or vehicle registration if they fail to satisfy a judgment resulting from an accident. [15 Russ & Segalla, Couch on Insurance, §§ 109:34, 109:45-46](#). Appellants seize on this definition and urge that Florida's vicarious liability regime is therefore part of a financial responsibility scheme: it gives rise to judgments against lessors, which they must pay on pain of cancelled registration. See [Fla. Stat. § 324.121](#) (suspension of license or registration upon notice of an unsatisfied judgment). Therefore, appellants argue, vicarious liability is part of the financial responsibility laws.

This argument is unpersuasive because it runs afoul of the presumption against surplusage. If we construe the Graves Amendment's savings clause as appellants wish, it would render the preemption clause a nullity. Every vicarious liability suit would be rescued because it could result in a judgment in favor of an accident victim, even though the judgment is premised on the very vicarious liability the Amendment seeks to eliminate. The exception would swallow the rule. We will not choose such an interpretation when another one is feasible. Appellants protest that their reading would not render the preemption clause superfluous because regimes like [Fla. Stat. § 324.021\(9\)\(b\)\(1\)-\(2\)](#), which cap the amount of vicarious liability damages, would be preserved, while uncapped damages would be preempted. In support, they cite statements from the Amendment's legislative history, where its sponsors express concern with "unlimited" vicarious liability. See 151 Cong. Rec. H1034-01 at 1201 (Statement of Rep. Boucher); *id.* at 1202 (Statement of Rep. Graves). Yet read in context, the statements expressing concern with unlimited vicarious liability do not manifest any approval, explicit or implicit, of limited vicarious liability. More importantly, we see no textual support in the Graves Amendment itself for such a distinction. The distinction Congress drew is between liability based on the companies' own negligence and that of their lessees, not between limited and unlimited vicarious liability.

Appellants also argue that we should construe Florida's vicarious liability regime as a financial responsibility law to serve statutory and public policy goals. They urge that [Fla. Stat. § 324.021\(9\)\(b\)\(2\)](#) is a financial responsibility law because it induces car rental companies to ensure that their lessees are adequately insured, thereby serving the purpose of the financial responsibility laws, ensuring compensation for accident victims. The Florida statute achieves this purpose by reducing the companies' liability exposure if their lessees meet the statutory minimum requirements for liability insurance or other financial responsibility. But not every inducement to lease only to the insured thereby becomes a financial responsibility law. As explained above, financial responsibility laws are legal requirements, not mere financial inducements imposed by law. Moreover, the inducement appellants rely upon is again premised upon the very vicarious liability the Graves Amendment seeks to eliminate. This argument, too, fails to convince us that imposition of vicarious liability is within the Amendment's savings clause.

*1249 In sum, neither the common law imposition of vicarious liability on rental car companies, nor the Florida legislature's endorsement of and limitations on such vicarious liability, constitutes a "financial responsibility" requirement. To the contrary, the import of the Graves Amendment is clear. States may require insurance or its equivalent as a condition of licensing or registration, or may impose such a requirement after an accident or unpaid judgment. [49 U.S.C. § 30106\(b\)\(1\)](#). They may suspend the license and registration of, or otherwise penalize, a car owner who fails to meet the requirement, or who fails to pay a judgment resulting from a collision. [49 U.S.C. § 30106\(b\)\(2\)](#). They simply may not impose such judgments against rental car companies based on the negligence of their lessees. [49 U.S.C. § 30106\(a\)](#).

III.

Because the Graves Amendment purports to preempt this lawsuit, we must next determine its constitutionality. Appellants contend the statute cannot be applied to preempt their suits because it is outside Congress's commerce powers.

The commerce power—that is, the combination of the Commerce Clause per se and the Necessary and Proper Clause—encompasses authority to regulate three categories of activities. The first is the use of the "channels" of interstate commerce, the "interstate transportation routes through which persons and goods move." See, e.g., [United States v. Ballinger](#),

[395 F.3d 1218, 1225 \(11th Cir.2005\)](#) (*en banc*) (citations omitted). It is clear that the Amendment does not directly regulate the channels of commerce nor their use. Neither the rental car market, nor the imposition of vicarious liability on rental car firms, are in any respect a regulation of roads as such. Nor is the Graves Amendment an effort to protect roads from harm, nor to prevent them from being used for harmful purposes. See [id. at 1226](#).

Second, Congress may regulate the so-called “instrumentalities” of commerce. This category includes at a minimum “persons and things themselves moving in interstate commerce.” [Ballinger, 395 F.3d at 1226](#). And [Ballinger](#) arguably suggests, without explicitly stating, that persons and things moving in interstate commerce is the full extent of the instrumentalities category. But there is also some authority for the proposition that methods of interstate transportation and communication are per se instrumentalities of commerce, regardless of whether the car (or the like) at issue in a particular case has crossed state boundaries or is otherwise engaged in interstate commerce.^{FN3} If cars are per se instrumentalities of commerce, even when not employed in interstate commerce, this is an easy case. Congress may protect instrumentalities of commerce from purely intrastate threats and burdens, *1250 [United States v. Lopez, 514 U.S. 549, 558, 115 S.Ct. 1624, 131 L.Ed.2d 626 \(1995\)](#), and there is no authority prohibiting preemption of burdensome state laws as a means of doing so.

^{FN3}. See, e.g., [United States v. Pipkins, 378 F.3d 1281, 1295 \(11th Cir.2004\)](#) (suggesting pagers, telephones, and the Internet are per se instrumentalities of commerce, regardless of whether any interstate communications or routing occur), *vacated and remanded on other grounds*, [544 U.S. 902, 125 S.Ct. 1617, 161 L.Ed.2d 275 \(2005\)](#), *opinion reinstated on remand* [412 F.3d 1251 \(11th Cir.2005\)](#). See also [United States v. Bishop, 66 F.3d 569, 589-90 \(3rd Cir.1995\)](#) (Congress may criminalize intrastate carjackings because cars are per se instrumentalities of commerce); [United States v. Oliver, 60 F.3d 547, 550 \(9th Cir.1995\)](#) (same). See also [United States v. Williams, 51 F.3d 1004 \(11th Cir.1995\)](#), *abrogated in part on other grounds*, [Jones v. United States, 526 U.S. 227, 119 S.Ct. 1215, 143 L.Ed.2d 311 \(1999\)](#) and [United States v. Hutchinson, 75 F.3d 626 \(11th Cir.1996\)](#) (both summarily concluding that federal carjacking statute is constitutional notwith-

standing [Lopez](#)).

But the implications of this argument give us reason to doubt its premise. If cars are always instrumentalities of commerce, as suggested by [Bishop](#), Congress would have plenary power not only over the commercial rental car market, but over many aspects of automobile use. See, e.g., [United States v. Hornaday, 392 F.3d 1306, 1311 \(11th Cir.2004\)](#) (Commerce Clause power is plenary within its scope). Further, because such power would derive from the Commerce Clause per se, Congress could exercise even broader power to make laws necessary and proper to effectuate its plenary power over automobiles including, presumably, regulation of such quintessentially state law matters as traffic rules and licensing drivers, under the banner of protecting the instrumentalities of commerce. We have our doubts about an interpretation which produces these results, which makes us suspect the premise that all methods of transportation and communication are per se instrumentalities of commerce even when they are not used in interstate commerce. Moreover, there is sensible authority that channels and instrumentalities of commerce refer only to “the ingredients of interstate commerce itself.” [Gonzales v. Raich, 545 U.S. 1, 34, 125 S.Ct. 2195, 162 L.Ed.2d 1 \(2005\)](#) (Scalia, J., concurring in the judgment) (citing [Gibbons v. Ogden, 22 U.S. \(9 Wheat.\) 1, 189-90, 6 L.Ed. 23 \(1824\)](#)); see also [Bishop, 66 F.3d at 597-600](#) (Becker, J., dissenting) (automobiles can be used as instrumentalities of commerce, but are not per se instrumentalities subject to plenary federal regulation).

Congress has very broad power to regulate wholly intrastate uses of the means of interstate transportation and communication. But it appears more likely that such authority derives not from their status as instrumentalities, but from the Necessary and Proper Clause.^{FN4} The distinction is not academic; although we ultimately would reach the same result under [Lopez](#) prongs two or three, the reasons for the outcome would differ markedly. Should we recognize rental cars as per se instrumentalities of commerce, as appellees and the United States' *amicus* brief would have us do, our analysis ends with the recognition that Congress may protect instrumentalities of commerce from intrastate threats and burdens. In contrast, if rental cars are not per se instrumentalities of commerce, and the statute does not restrict its application to suits involving rental cars that are instrumentalities, *i.e.* “in commerce,” then we must analyze the statute as regulating an activity “affecting commerce,” and as we shall see, the precedent grows thinner. Given the dubious implications of construing

all automobiles as per se instrumentalities of commerce, we will pass over that question; the more prudent course is for us to decide the Graves Amendment's constitutionality under the third Commerce Clause prong.

FN4. Compare *Bishop* and *Pipkins, supra*, with *Heart of Atlanta Motel Inc. v. United States*, 379 U.S. 241, 271, 85 S.Ct. 348, 13 L.Ed.2d 258 (1964) (Black, J., concurring) (power to regulate intrastate use of instrumentalities because such uses burden commerce derives from Necessary and Proper Clause), and *Raich*, 545 U.S. at 34, 125 S.Ct. 2195 (Scalia, J., concurring in the judgment) (power to regulate activities that are not actually in interstate commerce must derive from Necessary and Proper Clause).

The final and most hotly contested facet of the commerce power is the authority to regulate purely intrastate activities when they “substantially affect” or have a “substantial relation to” interstate commerce. *Ballinger*, 395 F.3d at 1226 (citations omitted). “When economic activity *1251 substantially affects interstate commerce, legislation regulating that activity will be sustained.” *Gonzales v. Raich*, 545 U.S. at 25, 125 S.Ct. 2195 (citing *United States v. Morrison*, 529 U.S. 598, 610, 120 S.Ct. 1740, 146 L.Ed.2d 658 (2000)). One implication of this principle is that where Congress comprehensively regulates the national market for a particular good or activity, courts may not pronounce particular intrastate instances of the regulated conduct to have a de minimis effect on the market and therefore to be outside the commerce power. *Id.* at 17-19, 125 S.Ct. 2195 (citing, *inter alia*, *Wickard v. Filburn*, 317 U.S. 111, 63 S.Ct. 82, 87 L.Ed. 122 (1942)). This approach to the third prong of commerce jurisprudence, embodied most dramatically by *Raich* and *Wickard*, is commonly described as “aggregation”: when the aggregate effects of an economic activity substantially affect interstate commerce, Congress may regulate both interstate and intrastate instances of that activity, the latter being necessary and proper to effective regulation of the former.

[14] Yet the Supreme Court has made clear that aggregation analysis is not always appropriate. In the seminal cases of *United States v. Morrison*, 529 U.S. 598, 120 S.Ct. 1740, 146 L.Ed.2d 658 (2000) and *United States v. Lopez*, 514 U.S. 549, 115 S.Ct. 1624, 131 L.Ed.2d 626 (1995), the Supreme Court refused to validate the Violence Against Women Act and the Gun-Free School Zones Act, respectively, because of

the purported aggregate effects of gender-motivated violence and school violence on interstate commerce. Rather, in considering the permissibility of those statutes under the commerce power, the Court focused on four “significant considerations”: (i) whether the activity regulated was economic in nature, (ii) whether the statute contained jurisdictionally limiting language, (iii) whether Congress made findings concerning the effect of the regulated activity on commerce, and (iv) whether the connection between the regulated activity and an effect on commerce is attenuated. *Morrison*, 529 U.S. at 609-17, 120 S.Ct. 1740 (citations omitted). The upshot of *Morrison* and *Lopez* is that Congress may not “regulate noneconomic, violent criminal conduct based solely on that conduct's aggregate effect on interstate commerce.” *Id.* at 617, 115 S.Ct. 1624. In practice, review under the “significant considerations” of *Lopez* and *Morrison* is significantly less deferential than under aggregation analysis. Under the latter, Congress need only have a rational basis for concluding that the regulated activities, in the aggregate, substantially affect interstate commerce. *Raich*, 545 U.S. at 22, 125 S.Ct. 2195 (citations omitted).

Appellants argue that the test elaborated in *Morrison* and *Lopez*, rather than that in *Raich*, should be applied when, as here, we analyze a single subject statute rather than a comprehensive regulatory regime. They rely chiefly on *United States v. Maxwell*, 446 F.3d 1210, 1214 (11th Cir.2006), where we stated that the salient difference between *Lopez* and *Raich* was “the comprehensiveness of the economic component of the regulation.” (We also noted the possibility for analytic confusion after *Morrison* and *Raich*. *Id.* at 1216 n. 6). Appellants urge that analysis under the *Morrison/Lopez* factors is appropriate because the Graves Amendment, like the statute at issue in those cases, is a “brief, single-subject statute,” with no statutory element requiring proof that particular instances of vicarious liability “have any connection to past interstate activity or a predictable impact on future commercial activity.” See *Raich*, 545 U.S. at 23, 125 S.Ct. 2195.

[15] Despite its brevity, we believe the Graves Amendment is properly analyzed under the aggregation doctrine of *Raich*, *1252 rather than the considerations elaborated in *Morrison* and *Lopez*. *Raich* makes clear that when a statute regulates economic or commercial activity, *Lopez* and *Morrison* are inapposite. Instead, when an economic activity has a substantial effect on interstate commerce, regulation of that activity must be sustained. *Raich*, 545 U.S. at 25, 125 S.Ct. 2195. There is no question that the

commercial leasing of cars is, in the aggregate, an economic activity with substantial effects on interstate commerce. This is true both because of the size and national scope of the industry, and because rental cars are frequently (though perhaps not uniformly) employed as instrumentalities of interstate commerce.

[16][17] Appellants protest that the Graves Amendment does not regulate the rental car market at all, but state tort law. This is a distinction without a difference, as the state tort law preempted by the statute regulates the rental car market; in other words, the effect of the statute is to deregulate the rental car market. And it has long been understood that the commerce power includes not only the ability to regulate interstate markets, but the ability to facilitate interstate commerce by removing intrastate burdens and obstructions to it. See, e.g., [NLRB v. Jones & Laughlin Steel Corp.](#), 301 U.S. 1, 31-32, 57 S.Ct. 615, 81 L.Ed. 893 (1937). On this theory, the Graves Amendment protects the rental car market by deregulating it, eliminating state-imposed laws and lawsuits Congress reasonably believed to be a burden on an economic activity with substantial effects on commerce. Such a theory is relatively novel, but only because statutes like the Graves Amendment are novel. Many federal statutes expressly or impliedly preempt state tort law as an incident to federal regulation. But we are aware of only one other statute with the sole effect and purpose of preempting state-law claims because Congress believed them to be a burden on an interstate market. That is the Protection of Lawful Commerce in Arms Act, [15 U.S.C. §§ 7901-7903](#), which preempts certain tort suits against gun manufacturers. Despite the novelty of laws like the Graves Amendment and PLCAA, there is no reason in principle why state laws or lawsuits cannot themselves constitute a burden on interstate commerce.^{FN5}

Indeed, the PLCAA recently survived a Commerce Clause challenge for essentially the reasons explained above: the interstate character of the firearms industry, coupled with the perceived threat to that industry posed by state lawsuits, justified use of the commerce power to preempt the burdensome suits. [City of New York v. Beretta USA Corp.](#), 524 F.3d 384 (2nd Cir.2008). The two cases are not identical because unlike the Graves Amendment, the PLCAA limits its preemptive effect to suits involving guns in interstate commerce. [Id.](#) at 394. But we do not think that distinction matters. Congress may foster and protect the entire market for rental cars because, in the aggregate, that market substantially affects interstate commerce. So long as the underlying economic activity the federal statute aims to protect is within the commerce power, we will not second guess Con-

gress's decision that preemption is an appropriate means to achieve proper ends. *1253 Rather, Congress may choose any "means reasonably adapted to the attainment of the suited end, even though they involved control of intrastate activities." [United States v. Darby](#), 312 U.S. 100, 121, 61 S.Ct. 451, 85 L.Ed. 609 (1941). For regulation (or deregulation) of intrastate activities to survive review under aggregation analysis, Congress need only have a rational basis for concluding that the intrastate activity would undermine the lawful Commerce Clause goals of a federal statute if left untouched. See [Raich](#), 545 U.S. at 19, 125 S.Ct. 2195.

^{FN5}. For example, the entire premise of dormant Commerce Clause jurisprudence is that state laws favoring in-state economic interests over those of out-of-state competitors can burden interstate commerce. See, e.g., [Dept. of Revenue of Kentucky v. Davis](#), --- U.S. ---, 128 S.Ct. 1801, 1808, 170 L.Ed.2d 685 (2008) (citations omitted). We do not suggest that vicarious liability against rental car companies is a form of in-state protectionism; we merely note that state laws, no less than private practices, may burden interstate commerce.

[18] These principles indicate that the Graves Amendment is valid. It is plain that the rental car market has a substantial effect on interstate commerce. It is also apparent that Congress rationally could have perceived strict vicarious liability for the acts of lessees as a burden on that market.^{FN6} The reason it could have done so is that the costs of strict vicarious liability against rental car companies are borne by someone, most likely the customers, owners, and creditors of rental car companies. If any costs are passed on to customers, rental cars—a product which substantially affects commerce and which is frequently an instrumentality of commerce—become more expensive, and interstate commerce is thereby inhibited. Moreover, if significant costs from vicarious liability are passed on to the owners of rental car firms, it is possible that such liability contributes to driving less-competitive firms out of the marketplace, or inhibits their entry into it, potentially reducing options for consumers. We do not know with any certainty the incidence or effect of these costs, and we do not have to know. It is enough that Congress rationally could have perceived a connection between permissible ends, namely increasing competition and lowering prices in the rental car market, and the means it chose to effectuate them, preempting vicarious liability suits.

[FN6](#). Statements in the Graves Amendment's legislative history suggest that its proponents indeed perceived vicarious liability as a burden on consumers, and as reducing the number of firms able to compete in the rental car market. *See* 151 Cong. Rec. H1034-01 at *H1200 (Statement of Rep. Graves) (stating that vicarious liability costs consumers \$100 million annually and drives small firms out of business); *see also* 151 Cong. Rec. S5433-03 (Statement of Sen. Santorum) (similar). We would reach the same result in the absence of such statements.

In sum, the Graves Amendment preempts the tort claims on appeal, and is within the boundaries of Congressional power in so doing. Accordingly, the claims cannot proceed. The district court's judgment is

AFFIRMED.

C.A.11 (Fla.), 2008.
Garcia v. Vanguard Car Rental USA, Inc.
540 F.3d 1242, 21 Fla. L. Weekly Fed. C 1001

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C Only the Westlaw citation is currently available.
Court of Appeals of Minnesota.

Nancy M. MEYER, as trustee for the heirs of Margaret Mphosi, deceased, et al., and **Nancy M. Meyer**, as guardian ad litem for Lucas Mphosi, injured, et al.,
Appellant,
and
Bunmi Obembe, et al., intervenors,

v.
Bibian NWOKEDI, Defendant,
Enterprise Rent A Car Co. of Montana/Wyoming,
d/b/a **Enterprise Rent A Car of the Dakotas/Nebraska**, Respondent.
No. A08-0250.

Jan. 20, 2009.

Background: Trustee for next of kin of people killed in rollover accident of rental automobile, and as guardian ad litem of two injured minors, brought wrongful death and personal injury actions against rental vehicle owner, and driver, claiming company owning vehicle was vicariously liable for damages resulting from the accident. The District Court, Otter Tail County, [Barbara R. Hanson](#), J., granted summary judgment to vehicle owner, and trustee appealed.

Holdings: The Court of Appeals, [Shumaker](#), J., held that:

(1) statute imposing liability on motor vehicle owners for operation of vehicle by other person with owner's consent is preempted as to rental vehicles, and
(2) statute which "caps" vicarious liability of rental vehicle owner is not preserved by savings clause in the Graves Amendment.

Affirmed.

West Headnotes

[1] Automobiles 48A  **363**

[48A](#) Automobiles
[48AVIII](#) Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations
[48Ak363](#) k. Statutory and Local Regulations.
[Most Cited Cases](#)

States 360  **18.61**

[360](#) States

[360I](#) Political Status and Relations

[360I\(B\)](#) Federal Supremacy; Preemption

[360k18.61](#) k. Motor Vehicles; Highways.

[Most Cited Cases](#)

Minnesota statute imposing liability on motor vehicle owners for operation of vehicle by any other person with owner's consent is preempted by Graves Amendment, which abolishes vicarious liability for rental vehicle owners, to the extent it seeks to impose vicarious liability on the owner of a rental vehicle. [49 U.S.C.A. § 30106](#); [M.S.A. § 169.09](#)(5a).

[2] Automobiles 48A  **363**

[48A](#) Automobiles

[48AVIII](#) Garage Keepers, Repairmen, Auto Liverymen, and Filling Stations

[48Ak363](#) k. Statutory and Local Regulations.

[Most Cited Cases](#)

States 360  **18.61**

[360](#) States

[360I](#) Political Status and Relations

[360I\(B\)](#) Federal Supremacy; Preemption

[360k18.61](#) k. Motor Vehicles; Highways.

[Most Cited Cases](#)

Minnesota statute which limits or "caps" the vicarious liability of a rental vehicle owner, is not preserved by the "savings clause" in the Graves Amendment's broad preemption of vicarious liability for rental vehicle owners, which allows states to impose financial responsibility or insurance standards on the owner or impose liability on businesses that rent or lease vehicles for failure to meet financial responsibility or liability insurance requirements. [49 U.S.C.A. § 30106\(b\)](#); [M.S.A. § 65B.49](#)(5a)(i)(2).

West Codenotes

Limited on Preemption Grounds [M.S.A. § 169.09](#)

Syllabus by the Court

*1 1. [Minn.Stat. § 169.09](#), subd. 5a (2008), is preempted by [49 U.S.C. § 30106](#) (Supp. V. 2005), to the extent that [section 169.09](#), subdivision 5a, seeks to impose vicarious liability on the owner of a rental vehicle.

2. [Minn.Stat. § 65B.49](#), subd. 5a(i)(2) (2008), which limits the vicarious liability of a rental-vehicle owner, is not preserved by the “savings clause” in [49 U.S.C. § 30106\(b\)](#), and is therefore preempted.

[Duane A. Lillehaug](#), Maring Williams Law Office, P.C., Fargo, ND, for appellant.

[Theodore J. Smetak](#), [Paul E.D. Darsow](#), Arthur, Chapman, Kettering, Smetak & Pikala, P.A., Minneapolis, MN, for respondent.

Considered and decided by [SHUMAKER](#), Presiding Judge; [STONEBURNER](#), Judge; and [STAUBER](#), Judge.

OPINION

[SHUMAKER](#), Judge.

In this action, arising out of a rental-vehicle accident in which some occupants were killed and some injured, the appellant challenges the district court's grant of summary judgment to respondent rental-vehicle owner, arguing that the court erred by holding that [49 U.S.C. § 30106](#) abolishes vicarious liability for rental-vehicle owners. We affirm.

FACTS

Respondent Enterprise Rent A Car Co. (Enterprise) engages in the business of renting motor vehicles to members of the public. On June 4, 2004, Maboko Mphosi rented a sports utility vehicle (SUV) from Enterprise in Fargo, North Dakota. The next day while a companion, Bibian Nwokedi, was driving in Minnesota, the SUV left its lane of travel, rolled over, and came to rest in a ditch. Two passengers were killed and others were injured.

In June 2006, appellant Nancy M. Meyer, as trustee for the next of kin of the people killed in the accident, and as guardian ad litem of two injured minors, brought wrongful death and personal injury actions against Enterprise and Nwokedi. Meyer claimed that Enterprise was vicariously liable for damages resulting from the accident.

Arguing that the Graves Amendment, codified at [49 U.S.C. § 30106](#), abolished vicarious liability of rental-car businesses and preempted all state laws to the contrary, Enterprise moved for summary judgment.

The district court granted Enterprise's motion on that issue.

Meyer then agreed to dismiss all claims except that of Enterprise's vicarious liability, and Enterprise agreed to deposit with the court \$60,000, the minimum per accident no-fault insurance amount required by statute. This appeal followed.

ISSUES

After some occupants of a rental motor vehicle were killed and others injured in an accident, the rental-vehicle owner was sued under a theory of vicarious liability. The owner claimed that federal law, which abolishes vicarious liability for rental-vehicle owners, preempts Minnesota's vicarious liability laws.

1. Does the Graves Amendment, codified at [49 U.S.C. § 30106](#), preempt [Minn.Stat. § 169.09](#), subd. 5a, to the extent that the latter may be construed to impose vicarious liability on the owner of a rental motor vehicle?

*2 [1] 2. Does the Graves Amendment preempt [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), which establishes monetary “caps” on damages for which rental-vehicle owners may be vicariously liable?

ANALYSIS

Summary judgment is appropriate if there are no genuine issues of material fact for trial and either party is entitled to judgment as a matter of law. [Minn. R. Civ. P. 56.03](#); *Fabio v. Bellomo*, 504 N.W.2d 758, 761 (Minn.1993). There are no material facts in dispute in this action. Rather, the sole issue is purely a legal question, namely, the nature and scope of the Graves Amendment's preemptive effect on state law. This issue is subject to de novo review. [Harbal v. Fed. Land Bank of St. Paul](#), 449 N.W.2d 442, 446 (Minn.App.1989), review denied (Minn. Feb. 21, 1990).

I

The dispositive issue on appeal concerns the preemptive effect of [49 U.S.C. § 30106](#), also known as the Graves Amendment. Broadly speaking, the Graves Amendment, which was enacted in 2005 as part of a

comprehensive transportation bill, “preempts all state statutory and common law to the extent those laws hold owners in the business of renting or leasing motor vehicles vicariously liable for the negligence of drivers, except when there is negligence or criminal wrongdoing on the part of the owner.” Beth Bates Holliday, Annotation, [Validity, Construction, and Application of Graves Amendment \(49 U.S.C.A. § 30106\) Governing Rented or Leased Motor Vehicle Safety and Responsibility, 29 A.L.R. Fed.2d 223 \(2008\)](#). The Graves Amendment provides, in relevant part:

(a) In general.-An owner of a motor vehicle that rents or leases the vehicle to a person (or an affiliate of the owner) shall not be liable under the law of any State or political subdivision thereof, by reason of being the owner of the vehicle (or an affiliate of the owner), for harm to persons or property that results or arises out of the use, operation, or possession of the vehicle during the period of the rental or lease, if-

(1) the owner (or an affiliate of the owner) is engaged in the trade or business of renting or leasing motor vehicles; and

(2) there is no negligence or criminal wrongdoing on the part of the owner (or an affiliate of the owner).

(b) Financial responsibility laws.-Nothing in this section supersedes the law of any State or political subdivision thereof-

(1) imposing financial responsibility or insurance standards on the owner of a motor vehicle for the privilege of registering and operating a motor vehicle; or

(2) imposing liability on business entities engaged in the trade or business of renting or leasing motor vehicles for failure to meet the financial responsibility or liability insurance requirements under State law.

[49 U.S.C. § 30106](#).

Enterprise contends, and the district court agreed, that the Graves Amendment preempts Minnesota's vicari-

ous-liability laws and thereby eliminates Enterprise's vicarious liability in this case. Challenging this determination, Meyer argues that subsection (b) to the Graves Amendment is a “savings clause,” which provides an exception for state financial responsibility and liability insurance requirements, and that [Minn.Stat. § 169.09](#), subd. 5a, and [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), fit within that exception and therefore are not preempted.^{FNI}

*3 Federal preemption stems from the Supremacy Clause of the United States Constitution, which provides that the laws of the United States “shall be the supreme Law of the Land ... any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.” [U.S. Const. art. VI, cl. 2](#). “Congressional purpose is ‘the ultimate touchstone’ of the preemption inquiry.” [In re Estate of Barg, 752 N.W.2d 52, 63 \(Minn.2008\)](#) (quoting [Malone v. White Motor Corp.](#), 435 U.S. 497, 504, 98 S.Ct. 1185, 1190, 55 L.Ed.2d 443 (1978)). Congress can preempt a state law either by express statutory language or by fully occupying the field which the state law governs. [Id.](#) In addition, federal law can preempt state law to the extent the two conflict. [Id. at 63-64](#). “Conflict preemption occurs when compliance with both state and federal laws is impossible, or when the state law is an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.” [Id. at 64](#) (citation and quotation omitted). Nonetheless, preemption is generally disfavored. [Martin ex rel. Hoff v. City of Rochester, 642 N.W.2d 1, 11 \(Minn.2002\)](#). “Whether federal law preempts state law is generally an issue of statutory construction.” [Id. at 9](#). “Statutory construction is reviewed de novo.” [Id.](#)

Before we may construe a statute we must first decide whether the statute is ambiguous, that is, whether it is “subject to more than one reasonable interpretation.” [Am. Family Ins. Group v. Schroedl, 616 N.W.2d 273, 277 \(Minn.2000\)](#) (quotation omitted). If the statute is unambiguous, we consider only “its plain language and presume that language manifests legislative intent.” [Kasdan v. Berney, 587 N.W.2d 319, 322 \(Minn.App.1999\)](#). And if the statute is unambiguous when we apply the rules of ordinary usage and grammar, we have no authority to construe it further, but rather we must apply its plain meaning. [Boatwright v. Budak, 625 N.W.2d 483, 485-86 \(Minn.App.2001\)](#), review denied (Minn. July

24, 2001). Additionally, we must give effect to all of its provisions, and construe it as a whole to avoid conflicting interpretations. [Schroedl, 616 N.W.2d at 277](#).

In Minnesota, a vehicle owner is liable under the rule of respondeat superior for damages from an accident that occurs while a permissive user of the vehicle is driving. [Minn.Stat. § 169.09](#), subd. 5a; [Kisch v. Skow, 305 Minn. 328, 332, 233 N.W.2d 732, 734 \(1975\)](#) (construing [Minn.Stat. § 170.54](#), which has been renumbered as [Minn.Stat. § 169.09](#), subd. 5a (Supp. 2005)). The relevant law provides:

Whenever any motor vehicle shall be operated within this state, by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall in case of accident, be deemed the agent of the owner of such motor vehicle in the operation thereof.

[Minn.Stat. § 169.09](#), subd. 5a. This imposes liability on the owner where it would not otherwise exist, thereby giving an injured person more certainty of recovery by encouraging vehicle owners to obtain appropriate liability insurance coverage. [Boatwright, 625 N.W.2d at 486](#). The statute is to be construed liberally to achieve its purpose. *Id.*

*4 The plain text of the Graves Amendment preempts [Minn.Stat. § 169.09](#), subd. 5a, as it applies to a rental-vehicle owner's vicarious liability. See [In re Welfare of E.S.C., 731 N.W.2d 149, 152 \(Minn.App.2007\)](#) (explaining that we apply the statute's plain meaning if the statute is not ambiguous). The Graves Amendment states that a rental-vehicle owner “shall not be liable ... by reason of being the owner of the vehicle ..., for harm to persons or property that results or arises out of the use, operation, or possession of the vehicle during the period of the rental or lease.” [49 U.S.C. § 30106\(a\)](#) (emphasis added). The death and injuries in this case resulted from a single motor-vehicle accident during the rental period. The Graves Amendment bars vicarious liability in such an instance if the vehicle's owner is in the business of renting or leasing motor vehicles and has not been negligent or has not been engaged in criminal wrongdoing. [49 U.S.C. § 30106\(a\)\(1\)-\(2\)](#). It is undisputed that Enterprise owned the SUV and rented it as part of its business of renting or leasing motor vehicles. And, at least in this appeal, there is no claim

that Enterprise was directly negligent or committed a crime. Clearly, then, the Graves Amendment preempts the vicarious liability imposed in [Minn.Stat. § 169.09](#), subd. 5a.

[2] But the Graves Amendment's broad preemption of vicarious liability for rental-vehicle owners is subject to a “savings clause” which allows two types of state laws to escape preemption: (1) laws that impose financial responsibility or insurance standards on the owner for the privilege of operating a motor vehicle, and (2) laws that impose liability on businesses that rent or lease vehicles for their failure to meet the financial responsibility or liability insurance requirements. [49 U.S.C. § 30106\(b\)](#).

The parties do not dispute that certain financial responsibility laws in Minnesota are preserved. For instance, [Minn.Stat. § 65B.48](#), subd. 1 (2008), requires a vehicle owner to maintain a “plan of reparation security [that] provide[s] for basic economic loss benefits and residual liability coverage in amounts not less than those specified in [section 65B.49](#), subdivision 3, clauses (1) and (2).” Enterprise is self-insured to a limit of \$2 million, and self-insurance is a form of reparation security. [Minn.Stat. § 65B.48](#), subsd. 2-3 (2008). The agreement that Maboko Mphosi entered when he rented the SUV provided that “if Owner is determined by law to provide liability protection to any renter or authorized driver, such liability protection shall be limited to the minimum financial responsibility limits of the state in which the vehicle is operated.” The minimum limit for residual liability insurance is \$30,000 per person and \$60,000 per accident. [Minn.Stat. § 65B.49](#), subd. 3(1) (2008). The parties agree that this \$30,000/\$60,000 limit is not affected by the Graves Amendment, and we need not therefore address this issue further. Furthermore, in accordance with the rental agreement, Enterprise has paid the \$60,000 per accident limit into court.

*5 Meyer urges that [Minn.Stat. § 169.09](#), subd. 5a, which imposes vicarious liability on vehicle owners, and [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), which acts to limit, or “cap,” the rental-vehicle owner's vicarious liability, are preserved by the savings clause. But Meyer's argument fails to consider the entire text of the savings clause. Only certain financial responsibility laws are preserved by the Graves Amendment's savings clause.

First, state laws that “impos[e] financial responsibility or insurance standards on the owner of a motor vehicle for the privilege of registering and operating a motor vehicle” are preserved. [49 U.S.C. § 30106\(b\)\(1\)](#). Nothing in the text of [section 169.09](#), subdivision 5a, imposes financial responsibility on the owner for the privilege of registering and operating a motor vehicle. Thus, [Minn.Stat. § 169.09](#), subd. 5a, is not preserved by [49 U.S.C. § 30106\(b\)\(1\)](#).

Second, state laws that “impos[e] liability on business entities engaged in the trade or business of renting or leasing motor vehicles for failure to meet the financial responsibility or liability insurance requirements under State law” are preserved under the Graves Amendment’s savings clause. [49 U.S.C. § 30106\(b\)\(2\)](#). Nothing in the text of [section 169.09](#), subdivision 5a, imposes liability for failing to meet a financial responsibility or liability insurance requirement. Thus, [Minn.Stat. § 169.09](#), subd. 5a, is not preserved by [49 U.S.C. § 30106\(b\)\(2\)](#).

[Minn.Stat. § 169.09](#), subd. 5a, by its express language makes a permissive driver of a motor vehicle the statutory agent of the owner and thereby imposes vicarious liability on the vehicle’s owner. The Graves Amendment was designed to abolish the vicarious liability of rental-vehicle owners. In light of the clear purpose of the Graves Amendment, it would be unreasonable and contradictory to conclude that [section 169.09](#), subdivision 5a, is not preempted, but rather was preserved by the Graves Amendment’s savings clause. This result would allow the savings clause to swallow the entire statute.

II

Meyer also argues that [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), is not preempted because it is a financial responsibility law or insurance standard. [Section 65B.49](#), subdivision 5(a)(i)(2), acts to limit the rental owner’s vicarious liability, by providing that:

Notwithstanding [section 169.09](#), subdivision 5a, an owner of a rented motor vehicle is not vicariously liable for legal damages resulting from the operation of the rented motor vehicle in an amount greater than \$100,000 because of bodily injury to one person in any one accident and, subject to the limit for one person, \$300,000 because of injury to two or more persons in any one accident, and

\$50,000 because of injury to or destruction of property of others in any one accident, if the owner of the rented motor vehicle has in effect, at the time of the accident, a policy of insurance or self-insurance, as provided in [section 65B.48](#), subdivision 3, covering losses up to at least the amounts set forth in this paragraph. Nothing in this paragraph alters or affects the obligations of an owner of a rented motor vehicle to comply with the requirements of compulsory insurance through a policy of insurance as provided in [section 65B.48](#), subdivision 2, or through self-insurance as provided in [section 65B.48](#), subdivision 3, which policy of insurance or self-insurance must apply whenever the operator is not covered by a plan of reparation security as provided under paragraph (a); or with the obligations arising from section 72A.125 for products sold in conjunction with the rental of a motor vehicle. Nothing in this paragraph alters or affects liability, other than vicarious liability, of an owner of a rented motor vehicle.

*[6 Minn.Stat. § 65B.49](#), subd. 5a(i)(2). Meyer contends that [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), falls within the Graves Amendment’s savings clause as either a financial responsibility law or an insurance standard because the amount of \$100,000 per person or \$300,000 per accident refers to the mandatory minimum residual liability coverages required by Minnesota law. In support of this contention, Meyer cites *Johnson v. Americar Rental Sys.*, 613 N.W.2d 773, 776 (Minn.App.2000), review denied (Minn. Sept. 26, 2000), claiming the case holds that, to satisfy the minimum insurance requirements of [Minn.Stat. § 65B.48](#), a rental-vehicle company must provide the coverage specified by [Minn.Stat. § 65B.49](#), subd. 5a(i)(2)—not the lower amount of \$30,000 per person or \$60,000 per accident specified in [Minn.Stat. § 65B.49](#), subd. 3(1). But *Johnson* held that [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), limited a rental-vehicle owner’s vicarious liability and that the coverage paid by the renter’s insurance could not diminish the obligation of the rental-vehicle owner. 613 N.W.2d at 776-78.

[Minn.Stat. § 65B.49](#), subd. 5a(i)(2), does not impose any vicarious liability but rather limits any vicarious liability that might exist to the amounts specified in the statute. We have previously called this statute a “vicarious liability cap” and explained its operation, saying that, “[i]n short, in exchange for maintaining a

certain level of liability coverage, vicarious liability of the rental car company, as owner of the vehicle, is capped.” [Johnson](#), 613 N.W.2d at 776. And in examining the legislative history of this statute, we explained that it was enacted in 1995, when “the legislature chose to limit the vicarious liability of rental car companies in certain circumstances.” *Id.* The plain language, effect, and purpose of the statute reveal that it acts only as a cap on vicarious liability for rental-vehicle owners. But because vicarious liability is preempted, the cap in the statute is without effect.

Moreover, [section 65B.49](#), subdivision 5a(i)(2), is not a law that imposes financial responsibility on the rental-vehicle owner for the privilege of registering and operating a motor vehicle. Thus, it is not preserved by [49 U.S.C. § 30106\(b\)\(1\)](#). Likewise, [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), is not preserved by [49 U.S.C. § 30106\(b\)\(2\)](#), because it does not impose liability on Enterprise for failing to meet a financial responsibility or liability insurance requirement. Enterprise has not failed to meet Minnesota's financial responsibility or liability insurance requirements. Enterprise maintains \$2 million in self-insurance. The rental agreement contractually limited Enterprise's liability to Minnesota's minimum residual liability insurance obligation. [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), is not preserved by the Graves Amendment's savings clause, and is, therefore, preempted.

DECISION

The Graves Amendment, codified at [49 U.S.C. § 30106](#), preempts both [Minn.Stat. § 169.09](#), subd. 5a, and [Minn.Stat. § 65B.49](#), subd. 5a(i)(2), to the extent that those statutes impose vicarious liability on a rental-vehicle owner. Accordingly, the district court did not err by granting respondent's motion for summary judgment on appellant's vicarious-liability claim.

***7 Affirmed.**

[FN1](#). Meyer has not challenged the constitutionality of the Graves Amendment. We, therefore, do not address that issue. See [State Dep't of Labor & Indus. v. Wintz Parcel Drivers, Inc.](#), 558 N.W.2d 480, 480 (Minn.1997) (declining to reach a constitutional issue in the absence of adequate brief-

ing).

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