

HB3279



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3279

by Rep. Arthur Turner

SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Increases the maximum liability of a renter of a vehicle for damages resulting from loss due to theft of the vehicle from \$2,000 to the actual and reasonable costs incurred up to the fair market value of the vehicle immediately before the loss occurred, as calculated by a commonly and commercially accepted method to establish a fair market value. Provides that a renter who loses or otherwise fails to secure the keys of a rented motor vehicle shall be liable for any damage to the vehicle as a result of the failure or, if the vehicle is not returned to the person, its fair market value immediately before the loss occurred.

LRB100 08664 AXK 18799 b

A BILL FOR

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by changing
5 Section 6-305.2 as follows:

6 (625 ILCS 5/6-305.2)

7 Sec. 6-305.2. Limited liability for damage.

8 (a) Damage to private passenger vehicle. A person who rents
9 a motor vehicle to another may hold the renter liable to the
10 extent permitted under subsections (b) through (d) for physical
11 or mechanical damage to the rented motor vehicle that occurs
12 during the time the motor vehicle is under the rental
13 agreement.

14 (b) Limits on liability: vehicle MSRP \$50,000 or less. The
15 total liability of a renter under subsection (a) for damage to
16 a motor vehicle with a Manufacturer's Suggested Retail Price
17 (MSRP) of \$50,000 or less may not exceed all of the following:

18 (1) The lesser of:

19 (A) Actual and reasonable costs that the person who
20 rents a motor vehicle to another incurred to repair the
21 motor vehicle or that the rental company would have
22 incurred if the motor vehicle had been repaired, which
23 shall reflect any discounts, price reductions, or

1 adjustments available to the rental company; or

2 (B) The fair market value of that motor vehicle
3 immediately before the damage occurred, as determined
4 in the customary market for the retail sale of that
5 motor vehicle; and

6 (2) Actual and reasonable costs incurred by the loss
7 due to theft of the rental motor vehicle up to its fair
8 market value immediately before the loss occurred, as
9 calculated by a commonly and commercially accepted method
10 to establish a fair market value \$2,000; provided, however,
11 that if it is established that the renter or an authorized
12 driver failed to exercise ordinary care while in possession
13 of the vehicle or that the renter or an authorized driver
14 committed or aided and abetted the commission of the theft,
15 then the damages shall be the actual and reasonable costs
16 of the rental vehicle up to its fair market value, as
17 determined by the customary market for the sale of that
18 vehicle.

19 For purposes of this subsection (b), for the period prior
20 to June 1, 1998, the maximum amount that may be recovered from
21 an authorized driver shall not exceed \$6,000; for the period
22 beginning June 1, 1998 through May 31, 1999, the maximum
23 recovery shall not exceed \$7,500; and for the period beginning
24 June 1, 1999 through May 31, 2000, the maximum recovery shall
25 not exceed \$9,000. Beginning June 1, 2000, and annually each
26 June 1 thereafter, the maximum amount that may be recovered

1 from an authorized driver shall be increased by \$500 above the
2 maximum recovery allowed immediately prior to June 1 of that
3 year.

4 (b-5) Limits on liability: vehicle MSRP more than \$50,000.
5 The total liability of a renter under subsection (a) for damage
6 to a motor vehicle with a Manufacturer's Suggested Retail Price
7 (MSRP) of more than \$50,000 may not exceed all of the
8 following:

9 (1) the lesser of:

10 (A) actual and reasonable costs that the person who
11 rents a motor vehicle to another incurred to repair the
12 motor vehicle or that the rental company would have
13 incurred if the motor vehicle had been repaired, which
14 shall reflect any discounts, price reductions, or
15 adjustments available to the rental company; or

16 (B) the fair market value of that motor vehicle
17 immediately before the damage occurred, as determined
18 in the customary market for the retail sale of that
19 motor vehicle; and

20 (2) the actual and reasonable costs incurred by the
21 loss due to theft of the rental motor vehicle up to
22 \$40,000.

23 The maximum recovery for a motor vehicle with a
24 Manufacturer's Suggested Retail Price (MSRP) of more than
25 \$50,000 under this subsection (b-5) shall not exceed \$40,000 on
26 the effective date of this amendatory Act of the 99th General

1 Assembly. On October 1, 2016, and for the next 3 years
2 thereafter, the maximum amount that may be recovered from an
3 authorized driver under this subsection (b-5) shall be
4 increased by \$2,500 above the prior year's maximum recovery. On
5 October 1, 2020, and for each year thereafter, the maximum
6 amount that may be recovered from an authorized driver under
7 this subsection (b-5) shall be increased by \$1,000 above the
8 prior year's maximum recovery.

9 (c) Multiple recoveries prohibited. Any person who rents a
10 motor vehicle to another may not hold the renter liable for any
11 amounts that the rental company recovers from any other party.

12 (d) Repair estimates. A person who rents a motor vehicle to
13 another may not collect or attempt to collect the amount
14 described in subsection (b) or (b-5) unless the rental company
15 obtains an estimate from a repair company or an appraiser in
16 the business of providing such appraisals on the costs of
17 repairing the motor vehicle, makes a copy of the estimate
18 available upon request to the renter who may be liable under
19 subsection (a), or the insurer of the renter, and submits a
20 copy of the estimate with any claim to collect the amount
21 described in subsection (b) or (b-5). In order to collect the
22 amount described in subsection (b-5), a person renting a motor
23 vehicle to another must also provide the renter's personal
24 insurance company with reasonable notice and an opportunity to
25 inspect damages.

26 (d-5) In the event of loss due to theft of the rental motor

1 vehicle with a MSRP more than \$50,000, the rental company shall
2 provide reasonable notice of the theft to the renter's personal
3 insurance company.

4 (d-7) A renter who loses or otherwise fails to secure the
5 keys of a rented motor vehicle shall be liable for any damage
6 to the vehicle as a result of the failure or, if the vehicle is
7 not returned to the person, its fair market value immediately
8 before the loss occurred, as calculated by a commonly and
9 commercially accepted method to establish a fair market value.
10 This subsection (d-7) shall not apply to a renter who loses or
11 otherwise fails to secure the keys of a rental vehicle due to a
12 criminal offense committed against the renter.

13 (e) Duty to mitigate. A claim against a renter resulting
14 from damage or loss to a rental vehicle must be reasonably and
15 rationally related to the actual loss incurred. A rental
16 company shall mitigate damages where possible and shall not
17 assert or collect any claim for physical damage which exceeds
18 the actual costs of the repair, including all discounts or
19 price reductions.

20 (f) No rental company shall require a deposit or an advance
21 charge against the credit card of a renter, in any form, for
22 damages to a vehicle which is in the renter's possession,
23 custody, or control. No rental company shall require any
24 payment for damage to the rental vehicle, upon the renter's
25 return of the vehicle in a damaged condition, until after the
26 cost of the damage to the vehicle and liability therefor is

1 agreed to between the rental company and renter or is
2 determined pursuant to law.

3 (g) If insurance coverage exists under the renter's
4 personal insurance policy and the coverage is confirmed during
5 regular business hours, the renter may require that the rental
6 company must submit any claims to the renter's personal
7 insurance carrier as the renter's agent. The rental company
8 shall not make any written or oral representations that it will
9 not present claims or negotiate with the renter's insurance
10 carrier. For purposes of this Section, confirmation of coverage
11 includes telephone confirmation from insurance company
12 representatives during regular business hours. After
13 confirmation of coverage, the amount of claim shall be resolved
14 between the insurance carrier and the rental company.

15 (Source: P.A. 99-201, eff. 10-1-15.)