

# HB1497



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1497

Introduced 1/31/2023, by Rep. La Shawn K. Ford

### SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Deletes language limiting the liability of a renter for damage to a vehicle to \$2,000 for a vehicle with a Manufacturer's Suggested Retail Price of \$50,000 or less, and \$40,000 for a vehicle with a Manufacturer's Suggested Retail Price greater than \$50,000.

LRB103 04797 HEP 49807 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  
5 changing 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  
9 rents a motor vehicle to another may hold the renter liable to  
10 the extent permitted under subsections (b) through (d) for  
11 physical or mechanical damage to the rented motor vehicle that  
12 occurs 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  
20 who rents a motor vehicle to another incurred to  
21 repair the motor vehicle or that the rental company  
22 would have incurred if the motor vehicle had been  
23 repaired, which shall reflect any discounts, price

1 reductions, or adjustments available to the rental  
2 company; or

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

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

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

1 ~~year.~~

2 (b-5) (Blank). ~~Limits on liability: vehicle MSRP more than~~  
3 ~~\$50,000. The total liability of a renter under subsection (a)~~  
4 ~~for damage to a motor vehicle with a Manufacturer's Suggested~~  
5 ~~Retail Price (MSRP) of more than \$50,000 may not exceed all of~~  
6 ~~the following:~~

7 ~~(1) the lesser of:~~

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

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

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

22 ~~The maximum recovery for a motor vehicle with a~~  
23 ~~Manufacturer's Suggested Retail Price (MSRP) of more than~~  
24 ~~\$50,000 under this subsection (b-5) shall not exceed \$40,000~~  
25 ~~on the effective date of this amendatory Act of the 99th~~  
26 ~~General Assembly. On October 1, 2016, and for the next 3 years~~

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

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

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

25 (d-5) In the event of loss due to theft of the rental motor  
26 vehicle with a MSRP more than \$50,000, the rental company

1 shall provide reasonable notice of the theft to the renter's  
2 personal insurance company.

3 (e) Duty to mitigate. A claim against a renter resulting  
4 from damage or loss to a rental vehicle must be reasonably and  
5 rationally related to the actual loss incurred. A rental  
6 company shall mitigate damages where possible and shall not  
7 assert or collect any claim for physical damage which exceeds  
8 the actual costs of the repair, including all discounts or  
9 price reductions.

10 (f) No rental company shall require a deposit or an  
11 advance charge against the credit card of a renter, in any  
12 form, for damages to a vehicle which is in the renter's  
13 possession, custody, or control. No rental company shall  
14 require any payment for damage to the rental vehicle, upon the  
15 renter's return of the vehicle in a damaged condition, until  
16 after the cost of the damage to the vehicle and liability  
17 therefor is agreed to between the rental company and renter or  
18 is determined pursuant to law.

19 (g) If insurance coverage exists under the renter's  
20 personal insurance policy and the coverage is confirmed during  
21 regular business hours, the renter may require that the rental  
22 company must submit any claims to the renter's personal  
23 insurance carrier as the renter's agent. The rental company  
24 shall not make any written or oral representations that it  
25 will not present claims or negotiate with the renter's  
26 insurance carrier. For purposes of this Section, confirmation

1 of coverage includes telephone confirmation from insurance  
2 company representatives during regular business hours. After  
3 confirmation of coverage, the amount of claim shall be  
4 resolved between the insurance carrier and the rental company.  
5 (Source: P.A. 99-201, eff. 10-1-15.)