



Sen. Christopher Belt

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10300HB1497sam005

LRB103 04797 JDS 62013 a

1 AMENDMENT TO HOUSE BILL 1497

2 AMENDMENT NO. _____. Amend House Bill 1497 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Automobile Renting Occupation and Use Tax
5 Act is amended by adding Section 6 as follows:

6 (35 ILCS 155/6 new)

7 Sec. 6. Applicability. The taxes imposed by Sections 3 and
8 4 of this Act do not apply to any amounts paid or received for
9 peer-to-peer car sharing, as defined in Section 5 of the
10 Car-Sharing Program Act, or the privilege of sharing a shared
11 vehicle through a car-sharing program, as defined in Section 5
12 of the Car-Sharing Program Act, if the shared vehicle owner
13 paid applicable taxes upon the purchase of the automobile.

14 As used in this Section, "applicable taxes" means, with
15 respect to vehicles purchased in Illinois, the retailers'
16 occupation tax levied under the Retailers' Occupation Tax Act

1 or the use tax levied under the Use Tax Act. "Applicable
2 taxes", with respect to vehicles not purchased in Illinois,
3 refers to the sales, use, excise, or other generally
4 applicable tax that is due upon the purchase of a vehicle in
5 the jurisdiction in which the vehicle was purchased.

6 The car-sharing program shall collect and remit any
7 retailers' occupation tax or use tax due with respect to any
8 proceeds from any shared vehicle upon the purchase of which
9 applicable taxes were not paid. To fulfill this
10 responsibility, the car-sharing program shall ask a shared
11 vehicle owner if the shared vehicle owner paid applicable
12 taxes at the time of purchase. Notwithstanding any law to the
13 contrary, the car-sharing program shall have the right to rely
14 on the shared vehicle owner's response and to be held legally
15 harmless for such reliance.

16 Section 10. The Illinois Vehicle Code is amended by
17 changing Section 6-305.2 as follows:

18 (625 ILCS 5/6-305.2)

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

20 (a) Damage to private passenger vehicle. A person who
21 rents a motor vehicle to another may hold the renter liable ~~to~~
22 ~~the extent permitted under subsections (b) through (d)~~ for
23 physical or mechanical damage to the rented motor vehicle that
24 occurs during the time the motor vehicle is under the rental

1 agreement.

2 (b) Limits on liability due to theft for a ÷ vehicle having
3 an MSRP of \$50,000 or less. For a vehicle that is stolen and
4 that has an MSRP of \$50,000 or less, the ~~The~~ total liability of
5 the ÷ renter under subsection (a) shall be the actual and
6 reasonable costs incurred by the loss due to theft of the
7 rental motor vehicle up to \$5,000; provided, however, that if
8 it is established that the renter or authorized driver failed
9 to exercise ordinary care while in possession of the vehicle
10 or that the renter or authorized driver committed or aided and
11 abetted the commission of a theft, then the damages shall be
12 the actual and reasonable costs of the rental vehicle up to its
13 fair market value, as determined by the customary market for
14 the sale of the vehicle. ~~for damage to a motor vehicle with a~~
15 ~~Manufacturer's Suggested Retail Price (MSRP) of \$50,000 or~~
16 ~~less may not exceed all of the following:~~

17 ~~(1) The lesser of:~~

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

25 ~~(B) The fair market value of that motor vehicle~~
26 ~~immediately before the damage occurred, as determined~~

1 ~~in the customary market for the retail sale of that~~
2 ~~motor vehicle; and~~

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

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

24 (b-5) Limits on liability due to theft for a ÷ vehicle
25 having an MSRP of more than \$50,000. For a vehicle that is
26 stolen and that has an MSRP of more than \$50,000, the ~~The~~ total

1 liability of the a renter under subsection (a) shall be the
2 actual and reasonable cost incurred by the loss due to theft of
3 the rental motor vehicle up to \$40,000; provided, however that
4 if it is established that the renter or authorized driver
5 failed to exercise ordinary care while in possession of the
6 vehicle or that the renter or authorized driver committed or
7 aided and abetted the commission of a theft, then the damages
8 shall be the actual and reasonable costs of the rental vehicle
9 up to its fair market value, as determined by the customary
10 market for the sale of the vehicle. ~~for damage to a motor~~
11 ~~vehicle with a Manufacturer's Suggested Retail Price (MSRP) of~~
12 ~~more than \$50,000 may not exceed all of the following:~~

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

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

21 ~~(B) the fair market value of that motor vehicle~~
22 ~~immediately before the damage occurred, as determined~~
23 ~~in the customary market for the retail sale of that~~
24 ~~motor vehicle; and~~

25 ~~(2) the actual and reasonable costs incurred by the~~
26 ~~loss due to theft of the rental motor vehicle up to~~

1 ~~\$40,000.~~

2 The maximum recovery for a motor vehicle with a
3 Manufacturer's Suggested Retail Price (MSRP) of more than
4 \$50,000 under this subsection (b-5) shall not exceed \$40,000
5 on the effective date of this amendatory Act of the 99th
6 General Assembly. On October 1, 2016, and for the next 3 years
7 thereafter, the maximum amount that may be recovered from an
8 authorized driver under this subsection (b-5) shall be
9 increased by \$2,500 above the prior year's maximum recovery.
10 On October 1, 2020, and for each year thereafter, the maximum
11 amount that may be recovered from an authorized driver under
12 this subsection (b-5) shall be increased by \$1,000 above the
13 prior year's maximum recovery.

14 (b-10) Beginning on the effective date of this amendatory
15 Act of the 103rd General Assembly and for 6 months after, a
16 person who rents a motor vehicle to another shall provide
17 notice to the renter of the motor vehicle of the changes
18 reflected in this amendatory Act of the 103rd General
19 Assembly. The notice shall be posted in a conspicuous and
20 unobscured place that is separate and apart from any other
21 information.

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

25 (d) Repair estimates. A person who rents a motor vehicle
26 to another may not collect or attempt to collect the amount

1 described in subsection (b) or (b-5) unless the rental company
2 obtains an estimate from a repair company or an appraiser in
3 the business of providing such appraisals on the costs of
4 repairing the motor vehicle, makes a copy of the estimate
5 available upon request to the renter who may be liable under
6 subsection (a), or the insurer of the renter, and submits a
7 copy of the estimate with any claim to collect the amount
8 described in subsection (b) or (b-5). In order to collect the
9 amount described in subsection (b-5), a person renting a motor
10 vehicle to another must also provide the renter's personal
11 insurance company with reasonable notice and an opportunity to
12 inspect damages.

13 (d-5) In the event of loss due to theft of the rental motor
14 vehicle with a MSRP more than \$50,000, the rental company
15 shall provide reasonable notice of the theft to the renter's
16 personal insurance company.

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

24 (f) No rental company shall require a deposit or an
25 advance charge against the credit card of a renter, in any
26 form, for damages to a vehicle which is in the renter's

1 possession, custody, or control. No rental company shall
2 require any payment for damage to the rental vehicle, upon the
3 renter's return of the vehicle in a damaged condition, until
4 after the cost of the damage to the vehicle and liability
5 therefor is agreed to between the rental company and renter or
6 is determined pursuant to law.

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

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

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."