



Sen. Christopher Belt

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1 AMENDMENT TO HOUSE BILL 1497

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

5 "Section 5. The Automobile Renting Occupation and Use Tax
6 Act is amended by changing Section 2 and adding Section 6 as
7 follows:

8 (35 ILCS 155/2) (from Ch. 120, par. 1702)

9 Sec. 2. Definitions. "Renting" means any transfer of the
10 possession or right to possession of an automobile to a user
11 for a valuable consideration for a period of one year or less.

12 "Renting" does not include making a charge for the use of
13 an automobile where the rentor, either himself or through an
14 agent, furnishes a service of operating an automobile so that
15 the rentor remains in possession of the automobile, because
16 this does not constitute a transfer of possession or right to

1 possession of the automobile.

2 "Renting" does not include the making of a charge by an
3 automobile dealer for the use of an automobile as a
4 demonstrator in connection with the dealer's business of
5 selling, where the charge is merely made to recover the costs
6 of operating the automobile as a demonstrator and is not
7 intended as a rental or leasing charge in the ordinary sense.

8 "Renting" does not include peer-to-peer car sharing, as
9 defined in Section 5 of the Car-Sharing Program Act, if tax due
10 on the automobile under the Retailers' Occupation Tax Act or
11 Use Tax Act was paid upon the purchase of the automobile or
12 when the automobile was brought into Illinois. The car-sharing
13 program shall ask a shared vehicle owner if the shared vehicle
14 owner paid applicable taxes at the time of purchase.
15 Notwithstanding any law to the contrary, the car-sharing
16 program shall have the right to rely on the shared vehicle
17 owner's response and to be held legally harmless for such
18 reliance.

19 "Automobile" means (1) any motor vehicle of the first
20 division, or (2) a motor vehicle of the second division which:
21 (A) is a self-contained motor vehicle designed or permanently
22 converted to provide living quarters for recreational, camping
23 or travel use, with direct walk through access to the living
24 quarters from the driver's seat; (B) is of the van
25 configuration designed for the transportation of not less than
26 7 nor more than 16 passengers, as defined in Section 1-146 of

1 the Illinois Vehicle Code; or (C) has a Gross Vehicle Weight
2 Rating, as defined in Section 1-124.5 of the Illinois Vehicle
3 Code, of 8,000 pounds or less.

4 "Department" means the Department of Revenue.

5 "Person" means any natural individual, firm, partnership,
6 association, joint stock company, joint adventure, public or
7 private corporation, limited liability company, or a receiver,
8 executor, trustee, conservator or other representative
9 appointed by order of any court.

10 "Rentor" means any person, firm, corporation or
11 association engaged in the business of renting or leasing
12 automobiles to users. For this purpose, the objective of
13 making a profit is not necessary to make the renting activity a
14 business.

15 "Rentor" does not include a car-sharing program or a
16 shared-vehicle owner, as defined in Section 5 of the
17 Car-Sharing Program Act, if tax due on the automobile under
18 the Retailers' Occupation Tax Act or Use Tax Act was paid upon
19 the purchase of the automobile or when the automobile was
20 brought into Illinois. The car-sharing program shall ask a
21 shared vehicle owner if the shared vehicle owner paid
22 applicable taxes at the time of purchase. Notwithstanding any
23 law to the contrary, the car-sharing program shall have the
24 right to rely on the shared vehicle owner's response and to be
25 held legally harmless for such reliance.

26 "Rentee" means any user to whom the possession, or the

1 right to possession, of an automobile is transferred for a
2 valuable consideration for a period of one year or less,
3 whether paid for by the "rentee" or by someone else.

4 "Rentee" does not include a shared-vehicle driver, as
5 defined in Section 5 of the Car-Sharing Program Act, if tax due
6 on the automobile under the Retailers' Occupation Tax Act or
7 Use Tax Act was paid upon the purchase of the automobile or
8 when the automobile was brought into Illinois. The car-sharing
9 program shall ask a shared vehicle owner if the shared vehicle
10 owner paid applicable taxes at the time of purchase.
11 Notwithstanding any law to the contrary, the car-sharing
12 program shall have the right to rely on the shared vehicle
13 owner's response and to be held legally harmless for such
14 reliance.

15 "Gross receipts" from the renting of tangible personal
16 property or "rent" means the total rental price or leasing
17 price. In the case of rental transactions in which the
18 consideration is paid to the rentor on an installment basis,
19 the amounts of such payments shall be included by the rentor in
20 gross receipts or rent only as and when payments are received
21 by the rentor.

22 "Gross receipts" does not include receipts received by an
23 automobile dealer from a manufacturer or service contract
24 provider for the use of an automobile by a person while that
25 person's automobile is being repaired by that automobile
26 dealer and the repair is made pursuant to a manufacturer's

1 warranty or a service contract where a manufacturer or service
2 contract provider reimburses that automobile dealer pursuant
3 to a manufacturer's warranty or a service contract and the
4 reimbursement is merely made to recover the costs of operating
5 the automobile as a loaner vehicle.

6 "Rental price" means the consideration for renting or
7 leasing an automobile valued in money, whether received in
8 money or otherwise, including cash credits, property and
9 services, and shall be determined without any deduction on
10 account of the cost of the property rented, the cost of
11 materials used, labor or service cost, or any other expense
12 whatsoever, but does not include charges that are added by a
13 rentor on account of the rentor's tax liability under this Act
14 or on account of the rentor's duty to collect, from the rentee,
15 the tax that is imposed by Section 4 of this Act. The phrase
16 "rental price" does not include compensation paid to a rentor
17 by a rentee in consideration of the waiver by the rentor of any
18 right of action or claim against the rentee for loss or damage
19 to the automobile rented and also does not include a
20 separately stated charge for insurance or recovery of
21 refueling costs or other separately stated charges that are
22 not for the use of tangible personal property.

23 "Rental price" does not include consideration paid for
24 peer-to-peer car sharing to a shared-vehicle owner or a
25 car-sharing program, as those terms are defined in Section 5
26 of the Car-Sharing Program Act, if tax due on the automobile

1 under the Retailers' Occupation Tax Act or Use Tax Act was paid
2 upon the purchase of the automobile or when the automobile was
3 brought into Illinois. The car-sharing program shall ask a
4 shared vehicle owner if the shared vehicle owner paid
5 applicable taxes at the time of purchase. Notwithstanding any
6 law to the contrary, the car-sharing program shall have the
7 right to rely on the shared vehicle owner's response and to be
8 held legally harmless for such reliance.

9 (Source: P.A. 98-574, eff. 1-1-14.)

10 (35 ILCS 155/6 new)

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

18 As used in this Section, "applicable taxes" means, with
19 respect to vehicles purchased in Illinois, the retailers'
20 occupation tax levied under the Retailers' Occupation Tax Act
21 or the use tax levied under the Use Tax Act. "Applicable
22 taxes", with respect to vehicles not purchased in Illinois,
23 refers to the sales, use, excise, or other generally
24 applicable tax that is due upon the purchase of a vehicle in
25 the jurisdiction in which the vehicle was purchased.

1 Notwithstanding any law to the contrary, the car-sharing
2 program shall have the right to rely on the shared vehicle
3 owner's response and to be held legally harmless for such
4 reliance.

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

7 (625 ILCS 5/6-305.2)

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

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

15 (b) Limits on liability due to theft for a ÷ vehicle having
16 an MSRP of \$50,000 or less. The total liability of a renter who
17 rents from another a motor vehicle that has an MSRP of \$50,000
18 or less and that is stolen shall be the actual and reasonable
19 costs incurred by the loss due to theft of the rental motor
20 vehicle up to \$5,000; provided, however, that if it is
21 established that the renter or authorized driver failed to
22 exercise ordinary care while in possession of the vehicle or
23 that the renter or authorized driver committed or aided and
24 abetted the commission of a theft, then the damages shall be

1 the actual and reasonable costs of the rental vehicle up to its
2 fair market value, as determined by the customary market for
3 the sale of the vehicle. ~~renter under subsection (a) for~~
4 ~~damage to a motor vehicle with a Manufacturer's Suggested~~
5 ~~Retail Price (MSRP) of \$50,000 or less 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) Actual and reasonable costs incurred by the loss~~
20 ~~due to theft of the rental motor vehicle up to \$2,000;~~
21 ~~provided, however, that if it is established that the~~
22 ~~renter or an authorized driver failed to exercise ordinary~~
23 ~~care while in possession of the vehicle or that the renter~~
24 ~~or an authorized driver committed or aided and abetted the~~
25 ~~commission of the theft, then the damages shall be the~~
26 ~~actual and reasonable costs of the rental vehicle up to~~

1 ~~its fair market value, as determined by the customary~~
2 ~~market for the sale of that vehicle.~~

3 ~~For purposes of this subsection (b), for the period prior~~
4 ~~to June 1, 1998, the maximum amount that may be recovered from~~
5 ~~an authorized driver shall not exceed \$6,000; for the period~~
6 ~~beginning June 1, 1998 through May 31, 1999, the maximum~~
7 ~~recovery shall not exceed \$7,500; and for the period beginning~~
8 ~~June 1, 1999 through May 31, 2000, the maximum recovery shall~~
9 ~~not exceed \$9,000.~~ Beginning June 1, 2000, and annually each
10 June 1 thereafter, the maximum amount that may be recovered
11 from an authorized driver under this subsection (b) shall be
12 increased by \$500 above the maximum recovery allowed
13 immediately prior to June 1 of that year.

14 (b-5) Limits on liability due to theft for a ÷ vehicle
15 having an MSRP of more than \$50,000. The total liability of a
16 renter who rents from another a motor vehicle that has an MSRP
17 of more than \$50,000 and that is stolen shall be the actual and
18 reasonable cost incurred by the loss due to theft of the rental
19 motor vehicle up to \$40,000; provided, however that if it is
20 established that the renter or authorized driver failed to
21 exercise ordinary care while in possession of the vehicle or
22 that the renter or authorized driver committed or aided and
23 abetted the commission of a theft, then the damages shall be
24 the actual and reasonable costs of the rental vehicle up to its
25 fair market value, as determined by the customary market for
26 the sale of the vehicle. ~~renter under subsection (a) for~~

1 ~~damage to a motor vehicle with a Manufacturer's Suggested~~
2 ~~Retail Price (MSRP) of more than \$50,000 may not exceed all of~~
3 ~~the following:~~

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

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

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

16 ~~(2) the actual and reasonable costs incurred by the~~
17 ~~loss due to theft of the rental motor vehicle up to~~
18 ~~\$40,000.~~

19 The maximum recovery for a motor vehicle with a
20 Manufacturer's Suggested Retail Price (MSRP) of more than
21 \$50,000 under this subsection (b-5) shall not exceed \$40,000
22 on the effective date of this amendatory Act of the 99th
23 General Assembly. On October 1, 2016, and for the next 3 years
24 thereafter, the maximum amount that may be recovered from an
25 authorized driver under this subsection (b-5) shall be
26 increased by \$2,500 above the prior year's maximum recovery.

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

5 (b-10) Beginning on the effective date of this amendatory
6 Act of the 103rd General Assembly and for 6 months after, a
7 person who rents a motor vehicle to another shall provide
8 notice to the renter of the motor vehicle of the changes
9 reflected in this amendatory Act of the 103rd General
10 Assembly. The notice shall be posted in a conspicuous and
11 unobscured place that is separate and apart from any other
12 information.

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

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

1 vehicle to another must also provide the renter's personal
2 insurance company with reasonable notice and an opportunity to
3 inspect damages.

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

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

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

24 (g) If insurance coverage exists under the renter's
25 personal insurance policy and the coverage is confirmed during
26 regular business hours, the renter may require that the rental

1 company must submit any claims to the renter's personal
2 insurance carrier as the renter's agent. The rental company
3 shall not make any written or oral representations that it
4 will not present claims or negotiate with the renter's
5 insurance carrier. For purposes of this Section, confirmation
6 of coverage includes telephone confirmation from insurance
7 company representatives during regular business hours. After
8 confirmation of coverage, the amount of claim shall be
9 resolved between the insurance carrier and the rental company.
10 (Source: P.A. 99-201, eff. 10-1-15.)

11 Section 99. Effective date. This Act takes upon becoming
12 law, except that Section 10 takes effect on January 1, 2024."