

SB3506



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3506

Introduced 2/10/2010, by Sen. Antonio Muñoz

SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Provides that beginning January 1, 2011, and annually each January 1 thereafter, the maximum amount that may be recovered by a person who rents a motor vehicle to another due to the theft of the rental motor vehicle shall be increased by \$500 above the maximum recovery allowed immediately prior to January 1 of that year. Effective January 1, 2011.

LRB096 18523 AJT 33905 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. The total liability of a renter
15 under subsection (a) for damage to a motor vehicle may not
16 exceed all of the following:

17 (1) The lesser of:

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

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

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

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

26 (b-5) Beginning January 1, 2011, and annually each January

1 1 thereafter, the maximum amount that may be recovered due to
2 the theft of the rental motor vehicle in item (2) of subsection
3 (b) of this Section shall be increased by \$500 above the
4 maximum recovery allowed immediately prior to January 1 of that
5 year.

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

9 (d) Repair estimates. A person who rents a motor vehicle to
10 another may not collect or attempt to collect the amount
11 described in subsection (b) unless the rental company obtains
12 an estimate from a repair company or an appraiser in the
13 business of providing such appraisals on the costs of repairing
14 the motor vehicle, makes a copy of the estimate available upon
15 request to the renter who may be liable under subsection (a),
16 or the insurer of the renter, and submits a copy of the
17 estimate with any claim to collect the amount described in
18 subsection (b).

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

26 (f) No rental company shall require a deposit or an advance

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

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

21 (Source: P.A. 90-113, eff. 7-14-97.)

22 Section 99. Effective date. This Act takes effect January
23 1, 2011.