



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

SB1686

Introduced 2/20/2015, by Sen. William R. Haine

#### SYNOPSIS AS INTRODUCED:

625 ILCS 5/1-122.7	
625 ILCS 5/8-101	from Ch. 95 1/2, par. 8-101
625 ILCS 30/2	from Ch. 95 1/2, par. 902
625 ILCS 30/5	from Ch. 95 1/2, par. 905
625 ILCS 30/7 new	

Amends the Illinois Vehicle Code. Includes the term, "commercial ridesharing arrangement" within the meaning of "for-profit ridesharing arrangement". Amends the Ridesharing Arrangements Act. Provides for the creation of commercial ridesharing arrangements, and provides for the licensing, operation, and insurance requirements of such arrangements. Defines the terms, "commercial ridesharing arrangement", "dispatch", and "dispatcher". Makes conformity changes.

LRB099 07368 RJF 27482 b

HOME RULE NOTE  
ACT MAY APPLY

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 Sections 1-122.7 and 8-101 as follows:

6 (625 ILCS 5/1-122.7)

7 Sec. 1-122.7. For-profit ridesharing arrangement. The  
8 transportation by motor vehicle of not more than 16 persons,  
9 including the driver, for which a fee is charged in accordance  
10 with Section 6 of the Ridesharing Arrangements Act, or a  
11 commercial ridesharing arrangement as defined by the  
12 Ridesharing Arrangements Act.

13 (Source: P.A. 90-89, eff. 1-1-98.)

14 (625 ILCS 5/8-101) (from Ch. 95 1/2, par. 8-101)

15 Sec. 8-101. Proof of financial responsibility - Persons who  
16 operate motor vehicles in transportation of passengers for  
17 hire.

18 (a) It is unlawful for any person, firm or corporation to  
19 operate any motor vehicle along or upon any public street or  
20 highway in any incorporated city, town or village in this State  
21 for the carriage of passengers for hire, accepting and  
22 discharging all such persons as may offer themselves for

1 transportation unless such person, firm or corporation has  
2 given, and there is in full force and effect and on file with  
3 the Secretary of State of Illinois, proof of financial  
4 responsibility provided in this Act.

5 (b) In addition this Section shall also apply to persons,  
6 firms or corporations who are in the business of providing  
7 transportation services for minors to or from educational or  
8 recreational facilities, except that this Section shall not  
9 apply to public utilities subject to regulation under "An Act  
10 concerning public utilities," approved June 29, 1921, as  
11 amended, or to school buses which are operated by public or  
12 parochial schools and are engaged solely in the transportation  
13 of the pupils who attend such schools.

14 (c) This Section also applies to a contract carrier  
15 transporting employees in the course of their employment on a  
16 highway of this State in a vehicle designed to carry 15 or  
17 fewer passengers. As part of proof of financial responsibility,  
18 a contract carrier transporting employees in the course of  
19 their employment is required to verify hit and run and  
20 uninsured motor vehicle coverage, as provided in Section 143a  
21 of the Illinois Insurance Code, and underinsured motor vehicle  
22 coverage, as provided in Section 143a-2 of the Illinois  
23 Insurance Code, in a total amount of not less than \$250,000 per  
24 passenger.

25 (d) This Section shall not apply to any person  
26 participating in a ridesharing arrangement, a for-profit

1 ridesharing arrangement other than a commercial ridesharing  
2 arrangement, or operating a commuter van, but only during the  
3 performance of activities authorized by Sections 5 and 6 of the  
4 Ridesharing Arrangements Act.

5 (e) If the person operating such motor vehicle is not the  
6 owner, then proof of financial responsibility filed hereunder  
7 must provide that the owner is primarily liable. In the case of  
8 motor vehicles used in commercial ridesharing arrangements,  
9 the dispatchers providing dispatch services to the driver of  
10 the motor vehicle must submit proof that the driver will be  
11 additionally insured on a primary insurance policy that will  
12 provide coverage during the time period the driver makes  
13 himself, herself, or the vehicle available for dispatch or  
14 while a commercial ridesharing arrangement passenger is in the  
15 vehicle.

16 (Source: P.A. 94-319, eff. 1-1-06.)

17 Section 10. The Ridesharing Arrangements Act is amended by  
18 changing Sections 2 and 5 and by adding Section 7 as follows:

19 (625 ILCS 30/2) (from Ch. 95 1/2, par. 902)

20 (Text of Section before amendment by P.A. 98-1173)

21 Sec. 2. (a) "Ridesharing arrangement" means the  
22 transportation by motor vehicle of not more than 16 persons  
23 (including the driver):

24 (1) for purposes incidental to another purpose of the

1 driver, for which no fee is charged or paid except to  
2 reimburse the driver or owner of the vehicle for his  
3 operating expenses on a nonprofit basis; or

4 (2) when such persons are travelling between their  
5 homes and their places of employment, or places reasonably  
6 convenient thereto, for which (i) no fee is charged or paid  
7 except to reimburse the driver or owner of the vehicle for  
8 his operating expenses on a nonprofit basis, or (ii) a fee  
9 is charged in accordance with the provisions of Section 6  
10 of this Act.

11 (b) "For-profit ridesharing arrangement" means a  
12 ridesharing arrangement for which a fee is charged in  
13 accordance with Section 6 of this Act.

14 (Source: P.A. 83-1091.)

15 (Text of Section after amendment by P.A. 98-1173)

16 Sec. 2. (a) "Ridesharing arrangement" means the  
17 transportation by motor vehicle of not more than 16 persons  
18 (including the driver):

19 (1) for purposes incidental to another purpose of the  
20 driver, for which no fee is charged or paid except to  
21 reimburse the driver or owner of the vehicle for his  
22 operating expenses on a nonprofit basis; or

23 (2) when such persons are travelling between their  
24 homes and their places of employment, or places reasonably  
25 convenient thereto, for which (i) no fee is charged or paid

1           except to reimburse the driver or owner of the vehicle for  
2           his operating expenses on a nonprofit basis, or (ii) a fee  
3           is charged in accordance with the provisions of Section 6  
4           of this Act.

5           (b) "For-profit ridesharing arrangement" means:

6                 (1) a ridesharing arrangement for which a fee is  
7                 charged in accordance with Section 6 of this Act, and does  
8                 not include transportation network company services under  
9                 the Transportation Network Providers Act; or -

10                (2) a commercial ridesharing agreement conducted in  
11                accordance with Section 7 of this Act.

12           (c) "Commercial ridesharing arrangement" means a  
13           ridesharing arrangement in which the method of transportation  
14           is a vehicle owned or leased for personal use, of not more than  
15           6 persons (including the driver), prearranged through a  
16           dispatcher, and for which a fee is charged, but that is not  
17           provided in accordance with the limitations of Section 6 of  
18           this Act.

19           (d) "Dispatch" means the act of facilitating a connection  
20           between drivers and passengers for a commercial ridesharing  
21           arrangement using telephone, Internet, smartphone, or an  
22           electronic application, with or without an account set up  
23           between the passenger and the connecting person.

24           (e) "Dispatcher" means a person that performs a dispatch.

25           (Source: P.A. 98-1173, eff. 6-1-15.)

1 (625 ILCS 30/5) (from Ch. 95 1/2, par. 905)

2 Sec. 5. (a) No unit of local government, whether or not it  
3 is a home rule unit, may:

4 (1) license or regulate ridesharing arrangements;

5 (2) impose any tax or fee upon the owner or operator of  
6 a motor vehicle because of its use in a ridesharing  
7 arrangement;

8 (3) prohibit or regulate the charging of fees for  
9 ridesharing arrangements in accordance with Section 6 of  
10 this Act.

11 This Act, as it applies to ridesharing arrangements, is  
12 declared to be a denial and limitation of the powers of home  
13 rule units pursuant to paragraph (g) of Section 6 of Article  
14 VII of the Illinois Constitution.

15 (b) Other than with respect to paragraph (1) of subsection  
16 (a) of Section 7 of this Act, a unit of local government,  
17 whether or not it is a home rule unit, may not license or  
18 regulate commercial ridesharing arrangements, dispatchers, or  
19 drivers participating in commercial ridesharing arrangements  
20 in a manner that is less restrictive than the regulation by the  
21 State under this Act. This subsection (b) is a limitation under  
22 subsection (i) of Section 6 of Article VII of the Illinois  
23 Constitution on the concurrent exercise by home rule units of  
24 powers and functions exercised by the State.

25 (Source: P.A. 83-1091.)

1 (625 ILCS 30/7 new)

2 Sec. 7. License; registration.

3 (a) Commercial ridesharing arrangements are subject to the  
4 following license and registration requirements:

5 (1) No person shall participate as a driver in  
6 commercial ridesharing arrangements for more than 18 hours  
7 per week without first securing (i) a chauffeur's license  
8 issued by the unit of local government where the vehicle  
9 used in the commercial ridesharing arrangement is  
10 registered; or (ii) if the unit of local government in  
11 which the vehicle used in a commercial ridesharing  
12 arrangement is registered does not issue chauffeur's  
13 licenses, then a chauffeur's license issued by a unit of  
14 local government in which the driver provides commercial  
15 ridesharing arrangements. If no unit of local government in  
16 which the vehicle used in a commercial ridesharing  
17 arrangement is registered or operated issues chauffeur's  
18 licenses or if the driver of the commercial ridesharing  
19 arrangement does not participate in commercial ridesharing  
20 arrangements for more than 18 hours per week, then the  
21 driver is not required to obtain a chauffeur's license;  
22 provided, however, that the dispatcher shall conduct a  
23 background check of a prospective driver prior to  
24 dispatching commercial ridesharing arrangements to that  
25 driver and shall certify in the reports required by  
26 subsection (f) of this Section 7 that the driver is



1 participating in a commercial ridesharing arrangement for  
2 18 or fewer hours per week.

3 (2) No person shall perform dispatches without first  
4 securing a commercial ridesharing dispatcher's license  
5 from the Department of Financial and Professional  
6 Regulation. An applicant for a commercial ridesharing  
7 dispatcher's license must submit evidence of the insurance  
8 required by paragraph (2) of subsection (b) of this  
9 Section. This license must be renewed annually. The fee for  
10 this license shall be set by the Department of Financial  
11 and Professional Regulation. The Department of Financial  
12 and Professional Regulation shall adopt rules to implement  
13 this paragraph.

14 (b) All commercial ridesharing arrangements shall be  
15 conducted under the following standards:

16 (1) A vehicle used for commercial ridesharing  
17 arrangements for more than 18 hours per week must conform  
18 to the age requirements for vehicles used for transporting  
19 passengers for hire adopted by the unit of local government  
20 in which the vehicle is registered.

21 (2) Dispatchers must carry commercial liability  
22 insurance in accordance with Section 12-707.01 of the  
23 Illinois Vehicle Code with primary coverage for the  
24 dispatcher, the driver, and the vehicle used in the  
25 commercial ridesharing arrangement during the time period  
26 when the driver makes himself, herself, or the vehicle

1 available for dispatch or while a commercial ridesharing  
2 arrangement passenger is in the vehicle. Any terms or  
3 conditions in the agreement between the dispatcher and  
4 driver, or between the dispatcher and passenger, that would  
5 act as a waiver of the dispatcher's liability to the  
6 driver, the passenger, or to the public, or as an  
7 indemnification from the driver or passenger to the  
8 dispatcher, are null, void, and unenforceable.

9 (3) Dispatches shall be made only to drivers licensed  
10 under subsection (a) of this Section.

11 (c) A dispatcher shall assume liability, including the  
12 costs of defense and indemnification, for a claim in which a  
13 dispute exists as to whether the loss or injury giving rise to  
14 the claim occurred while a vehicle involved in the incident  
15 giving rise to the claim was made available for dispatch or  
16 while a commercial ridesharing arrangement passenger is in the  
17 vehicle. The dispatcher must notify the registered owner of the  
18 vehicle and the registered owner's insurer of the dispute  
19 within 25 business days of receiving notice of the accident  
20 that gives rise to the claim. If a private passenger motor  
21 vehicle's registered owner or its insurer is named as a  
22 defendant in a civil action for any loss or injury that occurs  
23 during the time the vehicle is made available for dispatch, the  
24 dispatcher shall have the duty to defend and indemnify the  
25 vehicle's registered owner and its insurers.

26 (d) Notwithstanding any provision in the vehicle owner's

1 insurance policy or any other provision of this Act, the  
2 insurer providing coverage to the owner of a private passenger  
3 motor vehicle may exclude any and all coverage and the duty to  
4 defend afforded under the owner's insurance policy for any loss  
5 or injury that occurs while the vehicle is made available for  
6 dispatch or while a commercial ridesharing arrangement  
7 passenger is in the vehicle. This right to exclude coverage and  
8 the duty to indemnify and defend applies to all coverage  
9 provided by the registered owner's insurer including, but not  
10 limited to:

11 (1) liability and physical damage coverage;

12 (2) personal injury protection coverage;

13 (3) uninsured and underinsured motorist coverage;

14 (4) medical payment coverage for persons using or  
15 occupying the registered vehicle;

16 (5) comprehensive physical damage coverage; and

17 (6) collision physical damage coverage.

18 (e) A dispatcher must, prior to the first use of a vehicle  
19 in a commercial ridesharing arrangement, and upon renewal,  
20 cancellation, or change in insurance by the dispatcher, provide  
21 the vehicle's registered owner and any driver of the vehicle  
22 with a disclosure that contains:

23 (1) information explaining the insurance requirements  
24 of this Section;

25 (2) information explaining the coverage and coverage  
26 limits provided under the dispatcher's insurance policy;

1           (3) notice that the dispatcher assumes all liability  
2           for any loss or injury that occurs while the vehicle is  
3           made available for dispatch or while a commercial  
4           ridesharing arrangement passenger is in the vehicle; and

5           (4) notice that the dispatcher provides insurance on  
6           the vehicle while the vehicle is made available for  
7           dispatch or while a commercial ridesharing arrangement  
8           passenger is in the vehicle that is comparable to a  
9           standard owner's insurance policy and that the vehicle's  
10           registered owner's insurance policy may exclude all  
11           coverage and the duty to defend or indemnify any person or  
12           organization for liability for any loss or injury that  
13           occurs while the vehicle is made available for dispatch or  
14           while a commercial ridesharing arrangement passenger is in  
15           the vehicle.

16           (f) For each vehicle used in a commercial ridesharing  
17           arrangement a dispatcher must collect, maintain, and make  
18           available to the vehicle's registered owner, the vehicle's  
19           registered owner's primary automobile liability insurer, and  
20           any government agency as required by law, at the cost of the  
21           dispatcher, the following:

22           (1) records that identify the date and duration the  
23           driver makes himself, herself, or the vehicle available for  
24           dispatch. For vehicles with an electronic tracking device,  
25           electronic records of the time, initial and final locations  
26           of the vehicle, and miles driven when the vehicle is under

1       the control of a person other than the vehicle's registered  
2       owner under a commercial ridesharing arrangement; and  
3       (2) in instances when an insurance claim has been  
4       filed, any and all information, including payments to the  
5       registered owner by the dispatcher, concerning accidents,  
6       damages, or injuries.  
7       (g) The Department of Financial and Professional  
8       Regulation shall adopt rules to implement this Section.

9       Section 95. No acceleration or delay. Where this Act makes  
10      changes in a statute that is represented in this Act by text  
11      that is not yet or no longer in effect (for example, a Section  
12      represented by multiple versions), the use of that text does  
13      not accelerate or delay the taking effect of (i) the changes  
14      made by this Act or (ii) provisions derived from any other  
15      Public Act.