



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

**HB4669**

Introduced 2/3/2012, by Rep. Rich Brauer

#### SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Increases the maximum liability of a renter of a vehicle for damages resulting from loss due to theft of the vehicle from \$2,000 to the actual and reasonable costs incurred up to the fair market value of the vehicle immediately before the loss occurred, as calculated by a commonly and commercially accepted method to establish a fair market value. Effective January 1, 2013.

LRB097 17421 HEP 62623 b

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 its fair  
7           market value immediately before the loss occurred, as  
8           calculated by a commonly and commercially accepted method  
9           to establish a fair market value \$2,000; provided, however,  
10          ~~that if it is established that the renter or an authorized~~  
11          ~~driver failed to exercise ordinary care while in possession~~  
12          ~~of the vehicle or that the renter or an authorized driver~~  
13          ~~committed or aided and abetted the commission of the theft,~~  
14          ~~then the damages shall be the actual and reasonable costs~~  
15          ~~of the rental vehicle up to its fair market value, as~~  
16          ~~determined by the customary market for the sale of that~~  
17          ~~vehicle.~~

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

1 maximum recovery allowed immediately prior to June 1 of that  
2 year.

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

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

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

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

1 payment for damage to the rental vehicle, upon the renter's  
2 return of the vehicle in a damaged condition, until after the  
3 cost of the damage to the vehicle and liability therefor is  
4 agreed to between the rental company and renter or is  
5 determined pursuant to law.

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

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

19 Section 99. Effective date. This Act takes effect January  
20 1, 2013.