



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB5173

Introduced 2/8/2012, by Rep. Marlow H. Colvin

SYNOPSIS AS INTRODUCED:

625 ILCS 5/6-305.2

Amends the Illinois Vehicle Code. Provides that if it is established that the renter or an authorized driver is not able to return the original keys to the vehicle (instead of "failed to exercise ordinary care while in possession of the vehicle"), damages for the loss of a rental vehicle due to theft shall be the actual and reasonable costs of the rental vehicle up to its fair market value.

LRB097 17424 HEP 62626 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 \$2,000;
7 provided, however, that if it is established that the
8 renter or an authorized driver is not able to return the
9 original keys of the vehicle ~~failed to exercise ordinary~~
10 ~~care while in possession of the vehicle~~ or that the renter
11 or an authorized driver committed or aided and abetted the
12 commission of the theft, then the damages shall be the
13 actual and reasonable costs of the rental vehicle up to its
14 fair market value, as determined by the customary market
15 for the sale of that vehicle.

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

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

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

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

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

1 cost of the damage to the vehicle and liability therefor is
2 agreed to between the rental company and renter or is
3 determined pursuant to law.

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

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