

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: vehicle MSRP \$50,000 or less. The
15 total liability of a renter under subsection (a) for damage to
16 a motor vehicle with a Manufacturer's Suggested Retail Price
17 (MSRP) of \$50,000 or less may not exceed all of the following:

18 (1) The lesser of:

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

1 adjustments available to the rental company; or

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

6 (2) Actual and reasonable costs incurred by the loss
7 due to theft of the rental motor vehicle up to \$2,000;
8 provided, however, that if it is established that the
9 renter or an authorized driver 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 (b-5) Limits on liability: vehicle MSRP more than \$50,000.
2 The total liability of a renter under subsection (a) for damage
3 to a motor vehicle with a Manufacturer's Suggested Retail Price
4 (MSRP) of more than \$50,000 may not exceed all of the
5 following:

6 (1) the lesser of:

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

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

17 (2) the actual and reasonable costs incurred by the
18 loss due to theft of the rental motor vehicle up to
19 \$40,000.

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

1 increased by \$2,500 above the prior year's maximum recovery. On
2 October 1, 2020, and for each year thereafter, the maximum
3 amount that may be recovered from an authorized driver under
4 this subsection (b-5) shall be increased by \$1,000 above the
5 prior year's maximum recovery.

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) or (b-5) unless the rental company
12 obtains an estimate from a repair company or an appraiser in
13 the business of providing such appraisals on the costs of
14 repairing the motor vehicle, makes a copy of the estimate
15 available upon request to the renter who may be liable under
16 subsection (a), or the insurer of the renter, and submits a
17 copy of the estimate with any claim to collect the amount
18 described in subsection (b) or (b-5). In order to collect the
19 amount described in subsection (b-5), a person renting a motor
20 vehicle to another must also provide the renter's personal
21 insurance company with reasonable notice and an opportunity to
22 inspect damages.

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

1 (e) Duty to mitigate. A claim against a renter resulting
2 from damage or loss to a rental vehicle must be reasonably and
3 rationally related to the actual loss incurred. A rental
4 company shall mitigate damages where possible and shall not
5 assert or collect any claim for physical damage which exceeds
6 the actual costs of the repair, including all discounts or
7 price reductions.

8 (f) No rental company shall require a deposit or an advance
9 charge against the credit card of a renter, in any form, for
10 damages to a vehicle which is in the renter's possession,
11 custody, or control. No rental company shall require any
12 payment for damage to the rental vehicle, upon the renter's
13 return of the vehicle in a damaged condition, until after the
14 cost of the damage to the vehicle and liability therefor is
15 agreed to between the rental company and renter or is
16 determined pursuant to law.

17 (g) If insurance coverage exists under the renter's
18 personal insurance policy and the coverage is confirmed during
19 regular business hours, the renter may require that the rental
20 company must submit any claims to the renter's personal
21 insurance carrier as the renter's agent. The rental company
22 shall not make any written or oral representations that it will
23 not present claims or negotiate with the renter's insurance
24 carrier. For purposes of this Section, confirmation of coverage
25 includes telephone confirmation from insurance company
26 representatives during regular business hours. After

1 confirmation of coverage, the amount of claim shall be resolved
2 between the insurance carrier and the rental company.

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

4 Section 10. The Renter's Financial Responsibility and
5 Protection Act is amended by changing Section 15 as follows:

6 (625 ILCS 27/15)

7 Sec. 15. Prohibited practices.

8 (a) A rental company may not sell a damage waiver unless
9 the renter agrees to the damage waiver in writing at or prior
10 to the time the rental agreement is executed.

11 (b) A rental company may not void a damage waiver except
12 for one or more of the following reasons:

13 (1) Damage or loss while the rental vehicle is used to
14 carry persons or property for a charge or fee.

15 (2) Damage or loss during an organized or agreed upon
16 racing or speed contest or demonstration or pushing or
17 pulling activity in which the rental vehicle is actively
18 involved.

19 (3) Damage or loss that could reasonably be expected
20 from an intentional or criminal act of the driver other
21 than a traffic infraction.

22 (4) Damage or loss to any rental vehicle resulting from
23 any auto business operation, including but not limited to
24 repairing, servicing, testing, washing, parking, storing,

1 or selling of automobiles.

2 (5) Damage or loss occurring to a rental vehicle if the
3 rental contract is based on fraudulent or material
4 misrepresentation by the renter.

5 (6) Damage or loss arising out of the use of the rental
6 vehicle outside the continental United States when such use
7 is specifically prohibited in the rental agreement.

8 (7) Damage or loss occurring while the rental vehicle
9 is operated by a driver not permitted under the rental
10 agreement.

11 (8) Damage or loss occurring while the rental vehicle
12 is operated by a driver under the influence of alcohol,
13 other drug or drugs, intoxicating compound or compounds, or
14 any combination thereof and convicted of violating
15 subsection (a) of Section 11-501 of the Illinois Vehicle
16 Code.

17 (c) A rental company shall not charge more than \$12.50 per
18 full or partial 24 hour rental day for a collision damage
19 waiver prior to January 1, 2014. Beginning January 1, 2014, a
20 rental company shall not charge more than \$13.50 per full or
21 partial 24 hour rental day for a collision damage waiver.

22 (d) A rental company may offer a collision damage waiver on
23 any rental vehicle having a value in excess of a Manufacturer's
24 Suggested Retail Price (MSRP) of \$50,000; however, the
25 provisions of subsection (c) of this Section shall not apply to
26 collision damage waivers under this subsection (d).

1 (Source: P.A. 98-428, eff. 8-16-13.)

2 Section 99. Effective date. This Act takes effect October
3 1, 2015.