

SB2426



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2426

Introduced 2/9/2016, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

815 ILCS 505/2TTT new

Amends the Consumer Fraud and Deceptive Business Practices Act. Provides for the regulation of the use of starter interrupt technology by vehicle dealers and creditors in the sale of motor vehicles. Provides the consent of the consumer must be obtained before starter interrupt technology may be used in connection with the sale and financing of motor vehicles. Sets forth notice requirements. Limits circumstances under which starter interrupt technology may be used. Defines terms.

LRB099 18311 JLS 42685 b

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Consumer Fraud and Deceptive Business
5 Practices Act is amended by adding Section 2TTT as follows:

6 (815 ILCS 505/2TTT new)

7 Sec. 2TTT. Use of starter interrupt technology.

8 (a) As used in this Section:

9 "Creditor" means a sales finance agency as defined in the
10 Sales Finance Agency Act.

11 "Dealer" means a motor vehicle dealer within the meaning of
12 Chapter 5 of the Illinois Vehicle Code.

13 "Electronic tracking technology" means global positioning
14 satellite or similar technology used to obtain or record the
15 location of a motor vehicle.

16 "Starter interrupt technology" means technology used to
17 remotely disable the starter of a motor vehicle.

18 "Transaction" means any credit sale, loan, or lease of a
19 motor vehicle made to a consumer by a dealer or other creditor.
20 Transaction includes any post default redemption and
21 reinstatement of the credit sale, loan, or lease by the
22 consumer.

23 (b) Any credit sale, loan, or lease of a motor vehicle made

1 after the effective date of this amendatory Act of the 99th
2 General Assembly to a consumer by a dealer or other creditor is
3 made subject to this Section. In connection with the credit
4 sale, loan, or lease of a motor vehicle to a consumer, a dealer
5 or other creditor shall not:

6 (1) Install and utilize electronic tracking technology
7 to obtain or record the location of the vehicle unless the
8 dealer expressly notifies the consumer in a written
9 disclosure provided at the time of the transaction that the
10 vehicle is equipped with electronic tracking technology,
11 obtains the consumer's written consent to install and
12 utilize the electronic tracking technology, and either
13 subparagraph (A) or (B), or both apply.

14 (A) The electronic tracking technology is used by
15 the dealer or other creditor to verify and maintain the
16 operational status of the tracking technology, to
17 service the transaction, or to locate the vehicle for
18 repossession.

19 (B) The electronic tracking technology is used by
20 the consumer as an optional service elected and all of
21 the following conditions set forth in (i) and (ii) are
22 met:

23 (i) The agreement to allow the consumer to
24 utilize electronic tracking technology is optional
25 and separate from the transaction or extension of
26 credit, is not a condition of or incident to the

1 transaction or extension of credit, and is
2 executed after the transaction or extension of
3 credit.

4 (ii) The consumer is permitted to cancel the
5 optional service at any point without affecting
6 the transaction or the extension of credit, and the
7 consumer is notified of his or her ability to do
8 so.

9 (2) Install and utilize starter interrupt technology
10 unless the dealer or other creditor expressly notifies the
11 consumer in a written disclosure provided at the time of
12 the transaction that the vehicle is equipped with starter
13 interrupt technology that the dealer or other creditor may
14 use to disable the starter of the vehicle remotely and
15 obtains the consumer's written consent to install and
16 utilize the starter interrupt technology. The written
17 disclosure shall clearly and conspicuously:

18 (A) Inform the consumer that a warning will be
19 provided 5 days before the use of the starter interrupt
20 technology for all weekly payment term contracts and 10
21 days before the use of the starter interrupt technology
22 on all other contracts and that a final warning will be
23 provided no less than 48 hours before the use of the
24 starter interrupt technology to shut down the vehicle
25 remotely. The disclosure shall indicate the manner and
26 method in which that warning will occur. Warning

1 methods may include a warning from the device,
2 telephone call, email, text message, or any other
3 reasonable method available, provided that the warning
4 method does not violate applicable State or federal
5 law.

6 (B) Inform the consumer that the dealer or other
7 creditor intends to disable a vehicle using starter
8 interrupt technology following default under the
9 credit sale contract, loan, or lease.

10 (C) Include the name, address, and a telephone
11 number to contact in the event of the failure of the
12 starter interrupt technology to operate properly or
13 upon payment in full of the credit sale contract, loan,
14 or lease.

15 (D) Provide that, in the event of an emergency, the
16 consumer will be provided with the ability to start a
17 disabled vehicle for no less than 24 hours after the
18 vehicle is initially disabled.

19 (3) Use starter interrupt technology to disable the
20 vehicle without warning the consumer according to the time
21 periods provided in subparagraph (b) (2) (A).

22 (4) Use starter interrupt technology if the consumer
23 tenders the amount currently due on the loan to the dealer
24 in an acceptable form of payment before the due date on the
25 payment contract.

26 (5) Use starter interrupt technology to disable the

1 vehicle for any reason other than the consumer's failure to
2 tender timely payment.

3 (6) Install and utilize any electronic tracking
4 technology or starter interrupt technology that would
5 disable a vehicle after the vehicle's engine has been
6 enabled and is running.

7 (7) Separately charge the consumer for the
8 installation or use of the starter interrupt technology or
9 electronic tracking technology or for wireless airtime
10 unless the consumer agrees to purchase optional services
11 offered by the dealer or other creditor.

12 (8) Require the consumer to make payments, other than
13 the down payment, to the dealer or other creditor in
14 person. If the buyer tenders timely payment of a deferred
15 down payment, the dealer or other creditor shall not
16 repossess the vehicle or impose any other charge or penalty
17 on the grounds that the payment was not made in person.

18 (c) If the dealer or other creditor uses starter interrupt
19 technology to disable a vehicle in accordance with this Section
20 because the consumer fails to tender timely payment and the
21 consumer subsequently tenders the amount currently due to the
22 dealer, the dealer shall cease to use the starter interrupt
23 technology no longer than 24 hours after the consumer tenders
24 the amount currently due to the dealer.

25 (d) A dealer or other creditor is not in violation of this
26 Section if law enforcement instructed the dealer or other

1 creditor to use the starter interrupt technology for a lawful
2 criminal investigation.

3 (e) A consumer damaged by a violation of this Section by a
4 dealer or other creditor is entitled to recover from the dealer
5 or other creditor actual damages and reasonable attorney's fees
6 and court costs. Nothing in this Section limits a consumer's
7 cause of action against any party if the consumer is damaged by
8 a malfunction of the starter interrupt technology.

9 (f) Any person who knowingly violates this Section commits
10 an unlawful practice within the meaning of this Act and is
11 guilty of a business offense and may be fined not more than
12 \$1,500.