

AN ACT concerning transportation.

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

Section 1. Short title. This Act may be cited as the Car-Sharing Program Act.

Section 5. Definitions. As used in this Act:

"Peer-to-peer car sharing" means the authorized use of a vehicle by an individual other than the vehicle's owner through a car-sharing program. "Peer-to-peer car sharing" does not include "rent a motor vehicle to another" within the meaning of in Section 6-305 of the Illinois Vehicle Code; a transaction involving a "rental agreement" as defined in Section 10 of the Renter's Financial Responsibility and Protection Act; or "renting" as defined in Section 2 of the Automobile Renting Occupation and Use Tax Act.

"Car-sharing agreement" means the terms and conditions applicable to a shared-vehicle owner and a shared-vehicle driver that govern the use of a shared vehicle through a car-sharing program. "Car-sharing agreement" does not include a "rental agreement" as defined in Section 10 of the Renter's Financial Responsibility and Protection Act, a "rental agreement" within the meaning of Section 6-305.2 of the Illinois Vehicle Code, or a "rental agreement" as defined in

Section 6-305.3 of the Illinois Vehicle Code.

"Car-sharing period" means the period that commences with the delivery period, or, if there is no delivery period, that commences with the car-sharing start time and in either case ends at the car-sharing termination time.

"Car-sharing program" means a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration. "Car-sharing program" does not include a "rental company" as defined in Section 10 of the Renter's Financial Responsibility and Protection Act; "rentor" as defined in Section 2 of the Automobile Renting Occupation and Use Tax Act; a person or entity whose business is to "rent a motor vehicle" to another person within the meaning of Section 6-305 or 6-305.2 of the Illinois Vehicle Code; or a "rental car company" as that term is used in Section 6-305 of the Illinois Vehicle Code. A "car-sharing program" is not "engaged in the business of renting automobiles" within the meaning of Section 5-1032 of the Counties Code or Section 8-11-7 of the Illinois Municipal Code.

"Car-sharing start time" means the time when the shared vehicle becomes subject to the control of the shared-vehicle driver at or after the time the reservation of a shared vehicle is scheduled to begin as documented in the records of a car-sharing program.

"Car-sharing termination time" means the earliest of the following events:

(1) the expiration of the agreed-upon period established for the use of a shared vehicle according to the terms of the car-sharing agreement if the shared vehicle is delivered to the location agreed upon in the car-sharing agreement;

(2) the time the shared vehicle is returned to a location as alternatively agreed upon by the shared-vehicle owner and shared-vehicle driver as communicated through a car-sharing program, which alternatively agreed-upon location shall be incorporated into the car-sharing agreement; or

(3) the time the shared-vehicle owner or the shared-vehicle owner's authorized designee takes possession and control of the shared vehicle.

"Delivery period" means the period during which a shared vehicle is being delivered to the location of the car-sharing start time, if applicable, as documented by the governing car-sharing agreement.

"Shared vehicle" means a vehicle that is available for sharing through a car-sharing program. "Shared vehicle" does not include a rental vehicle within the meaning of Section 6-305.2 of the Illinois Vehicle Code.

"Shared-vehicle driver" means an individual who has been authorized to drive the shared vehicle by the shared-vehicle owner under a car-sharing agreement.

"Shared-vehicle owner" means the registered owner, or a

person or entity designated by the registered owner, of a vehicle made available for sharing to shared-vehicle drivers through a car-sharing program. "Shared-vehicle owner" does not include a "rental company" as defined in Section 10 of the Renter's Financial Responsibility and Protection Act; a "rentor" as defined in Section 2 of the Automobile Renting Occupation and Use Tax Act; a person or entity whose business is to "rent a motor vehicle" to another person within the meaning of Section 6-305 or 6-305.2 of the Illinois Vehicle Code; or a "rental car company" as that term is used in Section 6-305 of the Illinois Vehicle Code. A "shared-vehicle owner" is not "engaged in the business of renting automobiles" within the meaning of Section 5-1032 of the Counties Code or Section 8-11-7 of the Illinois Municipal Code.

Section 10. Insurance coverage during car-sharing period.

(a) Except as provided in subsection (b), a car-sharing program shall assume liability of a shared-vehicle owner for bodily injury or property damage to third parties or uninsured and underinsured motorist or personal injury protection losses during the car-sharing period in an amount stated in the car-sharing agreement, which amount may not be less than 4 times the minimum amounts required under Section 7-601 of the Illinois Vehicle Code.

(b) Notwithstanding the definition of "car-sharing termination time" set forth in Section 5, the assumption of

liability under subsection (a) does not apply to any shared-vehicle owner when:

(1) the shared-vehicle owner makes an intentional or fraudulent material misrepresentation or omission to the car-sharing program before the car-sharing period in which the loss occurred; or

(2) the shared-vehicle owner acts in concert with a shared-vehicle driver who fails to return the shared vehicle pursuant to the terms of car-sharing agreement.

(c) Notwithstanding the definition of "car-sharing termination time" set forth in Section 5, the assumption of liability under subsection (a) applies to bodily injury, property damage, and uninsured and underinsured motorist or personal injury protection losses by damaged third parties required by Section 7-601 of the Illinois Vehicle Code.

(d) A car-sharing program shall ensure that, during each car-sharing period, the shared-vehicle owner and the shared-vehicle driver are insured under a motor vehicle liability insurance policy that provides insurance coverage in amounts that, for the shared-vehicle driver, are equal to 2 times the minimum amounts set forth in Section 7-601 of the Illinois Vehicle Code and:

(1) recognizes that the shared vehicle insured under the policy is made available and used through a car-sharing program; or

(2) does not exclude use of a shared vehicle by a

shared-vehicle driver.

(e) The insurance described under subsection (d) may be satisfied by motor vehicle liability insurance maintained by:

- (1) a shared-vehicle owner;
- (2) a shared-vehicle driver;
- (3) a car-sharing program; or

(4) a combination of a shared-vehicle owner, a shared-vehicle driver, and a car-sharing program.

(f) The insurance described in subsection (e) that is satisfying the insurance requirement of subsection (d) shall be primary during each car-sharing period, and if a claim occurs in another state with minimum financial responsibility limits higher than those set forth in Section 7-601 of the Illinois Vehicle Code during the car-sharing period, the coverage maintained under subsection (e) shall satisfy the difference in minimum coverage amounts up to the applicable policy limits.

(g) The insurer, insurers, or car-sharing program shall assume primary liability for a claim if it is in whole or in part providing the insurance required under subsections (d) and (e) and:

- (1) a dispute exists regarding who was in control of the shared vehicle at the time of the loss and the car-sharing program does not have available, did not retain, or fails to provide the information required by Section 25; or

(2) a dispute exists as to whether the shared vehicle was returned to the alternatively agreed-upon location referenced in Section 5.

(h) If insurance maintained by a shared-vehicle owner or shared-vehicle driver in accordance with subsection (e) has lapsed or does not provide the required coverage, insurance maintained by a car-sharing program shall provide the coverage required by subsection (d) beginning with the first dollar of a claim and shall have the duty to defend the claim except under circumstances as set forth in subsection (b).

(i) An insurance policy maintained by the car-sharing program shall not make the coverage dependent on another automobile insurer or policy first denying a claim.

(j) Nothing in this Section:

(1) limits the liability of the car-sharing program for any act or omission of the car-sharing program itself that results in injury to any person as a result of the use of a shared vehicle through a car-sharing program; or

(2) limits the ability of the car-sharing program to, by contract, seek indemnification from the shared-vehicle owner or the shared-vehicle driver for economic loss sustained by the car-sharing program resulting from a breach of the terms and conditions of the car-sharing agreement.

Section 15. Notification of implications of lien. At the

time a vehicle owner registers as a shared-vehicle owner on a car-sharing program and before the time when the shared-vehicle owner makes a shared vehicle available for car sharing on the car-sharing program, the car-sharing program shall notify the shared-vehicle owner that, if the shared vehicle has a lien against it, the use of the shared vehicle through a car-sharing program, including use without physical damage coverage, may violate the terms of the contract with the lienholder.

Section 20. Exclusions in motor vehicle liability insurance policies.

(a) An authorized insurer that writes motor vehicle liability insurance in this State may exclude any coverage and the duty to defend or indemnify for any claim afforded under a shared-vehicle owner's motor vehicle liability insurance policy, including, but not limited to:

- (1) liability coverage for bodily injury and property damage;
- (2) uninsured and underinsured motorist coverage;
- (3) medical payments coverage;
- (4) comprehensive physical damage coverage; and
- (5) collision physical damage coverage.

(b) Nothing in this Act invalidates or limits an exclusion contained in a motor vehicle liability insurance policy, including any insurance policy in use or approved for use that

excludes coverage for motor vehicles made available for rent, sharing, or hire, or for any business use.

(c) Nothing in this Act invalidates, limits, or restricts an insurer's ability under existing law to underwrite any insurance policy. Nothing in this Act invalidates, limits, or restricts an insurer's ability under existing law to cancel and non-renew policies.

Section 25. Recordkeeping; use of vehicle in car sharing. A car-sharing program shall collect and verify records pertaining to the use of a vehicle, including, but not limited to, times used, car-sharing period pick up and drop off locations, fees paid by the shared-vehicle driver, and revenues received by the shared-vehicle owner, and the car-sharing program shall provide that information upon request to the shared-vehicle owner, the shared-vehicle owner's insurer, or the shared-vehicle driver's insurer to facilitate a claim coverage investigation, settlement, negotiation, or litigation. The car-sharing program shall retain the records for a period not less than the applicable personal injury statute of limitations.

Section 30. Exemption; vicarious liability. A car-sharing program and a shared-vehicle owner shall be exempt from vicarious liability consistent with 49 U.S.C. 30106 and under any State or local law that imposes liability solely based on

vehicle ownership.

Section 35. Recovery against indemnification. A motor vehicle insurer that defends or indemnifies a claim against a shared vehicle that is excluded under the terms of its policy shall have the right to seek recovery against the motor vehicle insurer of the car-sharing program if the claim is:

(1) made against the shared-vehicle owner or the shared-vehicle driver for loss or injury that occurs during the car-sharing period; and

(2) excluded under the terms of its policy.

Section 40. Insurable interest.

(a) Notwithstanding any other law, statute, rule, or regulation to the contrary, a car-sharing program shall have an insurable interest in a shared vehicle during the car-sharing period and may provide or offer to provide coverage to a shared-vehicle owner or a shared-vehicle driver under the policy of insurance described in subsection (c).

(b) Nothing in this Section shall be construed as modifying the obligations of the car-sharing program pursuant to Section 10.

(c) A car-sharing program may own and maintain, as the named insured, one or more policies of motor vehicle liability insurance that separately or in combination provides coverage for:

- (1) liabilities assumed by the car-sharing program under a car-sharing agreement;
- (2) any liability of the shared-vehicle owner;
- (3) damage or loss to the shared vehicle; or
- (4) any liability of the shared-vehicle driver.

Section 45. Consumer protection disclosures. Each car-sharing agreement made in this State shall disclose to the shared-vehicle owner and the shared-vehicle driver:

(1) Any right of the car-sharing program to seek indemnification from the shared-vehicle owner or the shared-vehicle driver for economic loss sustained by the car-sharing program resulting from a breach of the terms and conditions of the car-sharing agreement.

(2) That a motor vehicle liability insurance policy issued to the shared-vehicle owner for the shared vehicle or to the shared-vehicle driver does not provide a defense or indemnification for any claim asserted by the car-sharing program.

(3) That the car-sharing program's insurance coverage on the shared-vehicle owner and the shared-vehicle driver is in effect only during each car-sharing period and that, for any use of the shared vehicle by the shared-vehicle driver after the car-sharing termination time, the shared-vehicle driver and the shared-vehicle owner may not have insurance coverage.

(4) The daily rate, fees, and, if applicable, any insurance or protection package costs that are charged to the shared-vehicle owner or the shared-vehicle driver.

(5) That the shared-vehicle owner's motor vehicle liability insurance may not provide coverage for a shared vehicle.

(6) An emergency telephone number for personnel capable of fielding roadside assistance and other customer service inquiries.

(7) If there are conditions under which a shared-vehicle driver shall maintain a personal automobile insurance policy with certain applicable coverage limits on a primary basis in order to book a shared vehicle.

Section 50. Driver's license verification and data retention.

(a) A car-sharing program may not enter into a car-sharing agreement with a driver unless the driver who will operate the shared vehicle:

(1) holds a driver's license issued under the laws of this State that authorizes the driver to operate vehicles of the class of the shared vehicle; or

(2) is a nonresident who:

(i) has a driver's license issued by the state or country of the driver's residence that authorizes the driver in that state or country to drive vehicles of

the class of the shared vehicle; and

(ii) is at least the same age as that required of a resident to drive; or

(3) otherwise is specifically authorized under the laws of this State to drive vehicles of the class of the shared vehicle.

(b) A car-sharing program shall keep a record of:

(1) the name and address of the shared-vehicle driver;

(2) the number of the driver's license of the shared-vehicle driver and each other person, if any, who will operate the shared vehicle; and

(3) the place of issuance of the driver's license.

Section 55. Responsibility for equipment. A car-sharing program shall have sole responsibility for any equipment, such as a GPS system or other special equipment, that is put in or on the vehicle to monitor or facilitate the car-sharing transaction, and shall agree to indemnify and hold harmless the vehicle owner for any damage to or theft of such equipment during the car-sharing period not caused by the vehicle owner. The car-sharing program has the right to seek recovery from the shared-vehicle driver for any loss or damage to such equipment that occurs during the car-sharing period.

Section 60. Automobile safety recalls.

(a) At the time a vehicle owner registers as a

shared-vehicle owner on a car-sharing program and before the time the shared-vehicle owner makes a shared vehicle available for car sharing on the car-sharing program, the car-sharing program shall:

(1) verify that the shared vehicle does not have any safety recalls on the vehicle for which the repairs have not been made; and

(2) notify the shared-vehicle owner of the requirements under subsection (b).

(b) (1) If the shared-vehicle owner has received an actual notice of a safety recall on the vehicle, a shared-vehicle owner may not make a vehicle available as a shared vehicle on a car-sharing program until the safety recall repair has been made.

(2) If a shared-vehicle owner receives an actual notice of a safety recall on a shared vehicle while the shared vehicle is made available on the car-sharing program, the shared-vehicle owner shall remove the shared vehicle from availability on the car-sharing program, as soon as practicably possible after receiving the notice of the safety recall and until the safety recall repair has been made.

(3) If a shared-vehicle owner receives an actual notice of a safety recall while the shared vehicle is being used in the possession of a shared-vehicle driver, as soon as practicably possible after receiving the notice of the safety recall, the shared-vehicle owner shall notify the car-sharing program

Public Act 102-0497

HB3712 Enrolled

LRB102 16923 RAM 22335 b

about the safety recall so that the shared-vehicle owner may address the safety recall repair.

Section 99. Effective date. This Act takes effect January 1, 2022.