



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1755

Introduced 2/9/2017, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

625 ILCS 5/5-101
625 ILCS 5/5-102

from Ch. 95 1/2, par. 5-101
from Ch. 95 1/2, par. 5-102

Amends the Illinois Vehicle Code. Provides that a person licensed as a new vehicle dealer or a used vehicle dealer shall make a record of when a permitted user is test driving a vehicle. Provides that a permitted user shall be liable for any citation issued for a violation of a traffic regulation, any fines relating to the citation, toll charges, or accidents that occur while test driving the vehicle. Provides that when a permitted user is test driving a new vehicle dealer's automobile or a used vehicle dealer's automobile, the permitted user's insurance shall be primary (rather than secondary) and the new vehicle dealer's or the used vehicle dealer's insurance shall be secondary (rather than primary). Provides that a person licensed as a new vehicle dealer or a used vehicle dealer shall report to a local law enforcement agency any registration plates stolen off the premises where the motor vehicle is being offered for sale or lease. Provides that the dealer shall not be liable for any citation issued for a violation of a traffic regulation, any fines relating to the citation, toll charges, or accidents involving a motor vehicle bearing stolen registration plates.

LRB100 09574 AXK 19741 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 Sections 5-101 and 5-102 as follows:

6 (625 ILCS 5/5-101) (from Ch. 95 1/2, par. 5-101)

7 Sec. 5-101. New vehicle dealers must be licensed.

8 (a) No person shall engage in this State in the business of
9 selling or dealing in, on consignment or otherwise, new
10 vehicles of any make, or act as an intermediary or agent or
11 broker for any licensed dealer or vehicle purchaser other than
12 as a salesperson, or represent or advertise that he is so
13 engaged or intends to so engage in such business unless
14 licensed to do so in writing by the Secretary of State under
15 the provisions of this Section.

16 (b) An application for a new vehicle dealer's license shall
17 be filed with the Secretary of State, duly verified by oath, on
18 such form as the Secretary of State may by rule or regulation
19 prescribe and shall contain:

20 1. The name and type of business organization of the
21 applicant and his established and additional places of
22 business, if any, in this State.

23 2. If the applicant is a corporation, a list of its

1 officers, directors, and shareholders having a ten percent
2 or greater ownership interest in the corporation, setting
3 forth the residence address of each; if the applicant is a
4 sole proprietorship, a partnership, an unincorporated
5 association, a trust, or any similar form of business
6 organization, the name and residence address of the
7 proprietor or of each partner, member, officer, director,
8 trustee, or manager.

9 3. The make or makes of new vehicles which the
10 applicant will offer for sale at retail in this State.

11 4. The name of each manufacturer or franchised
12 distributor, if any, of new vehicles with whom the
13 applicant has contracted for the sale of such new vehicles.
14 As evidence of this fact, the application shall be
15 accompanied by a signed statement from each such
16 manufacturer or franchised distributor. If the applicant
17 is in the business of offering for sale new conversion
18 vehicles, trucks or vans, except for trucks modified to
19 serve a special purpose which includes but is not limited
20 to the following vehicles: street sweepers, fertilizer
21 spreaders, emergency vehicles, implements of husbandry or
22 maintenance type vehicles, he must furnish evidence of a
23 sales and service agreement from both the chassis
24 manufacturer and second stage manufacturer.

25 5. A statement that the applicant has been approved for
26 registration under the Retailers' Occupation Tax Act by the

1 Department of Revenue: Provided that this requirement does
2 not apply to a dealer who is already licensed hereunder
3 with the Secretary of State, and who is merely applying for
4 a renewal of his license. As evidence of this fact, the
5 application shall be accompanied by a certification from
6 the Department of Revenue showing that that Department has
7 approved the applicant for registration under the
8 Retailers' Occupation Tax Act.

9 6. A statement that the applicant has complied with the
10 appropriate liability insurance requirement. A Certificate
11 of Insurance in a solvent company authorized to do business
12 in the State of Illinois shall be included with each
13 application covering each location at which he proposes to
14 act as a new vehicle dealer. The policy must provide
15 liability coverage in the minimum amounts of \$100,000 for
16 bodily injury to, or death of, any person, \$300,000 for
17 bodily injury to, or death of, two or more persons in any
18 one accident, and \$50,000 for damage to property. Such
19 policy shall expire not sooner than December 31 of the year
20 for which the license was issued or renewed. The expiration
21 of the insurance policy shall not terminate the liability
22 under the policy arising during the period for which the
23 policy was filed. Trailer and mobile home dealers are
24 exempt from this requirement.

25 If the permitted user has a liability insurance policy
26 that provides automobile liability insurance coverage of

1 at least \$100,000 for bodily injury to or the death of any
2 person, \$300,000 for bodily injury to or the death of any 2
3 or more persons in any one accident, and \$50,000 for damage
4 to property, then the permitted user's insurer shall be the
5 primary insurer and the dealer's insurer shall be the
6 secondary insurer. If the permitted user does not have a
7 liability insurance policy that provides automobile
8 liability insurance coverage of at least \$100,000 for
9 bodily injury to or the death of any person, \$300,000 for
10 bodily injury to or the death of any 2 or more persons in
11 any one accident, and \$50,000 for damage to property, or
12 does not have any insurance at all, then the dealer's
13 insurer shall be the primary insurer and the permitted
14 user's insurer shall be the secondary insurer.

15 When a permitted user is "test driving" a new vehicle
16 dealer's automobile, the permitted user's ~~new vehicle~~
17 ~~dealer's~~ insurance shall be primary and the new vehicle
18 dealer's ~~permitted user's~~ insurance shall be secondary.

19 As used in this paragraph 6, a "permitted user" is a
20 person who, with the permission of the new vehicle dealer
21 or an employee of the new vehicle dealer, drives a vehicle
22 owned and held for sale or lease by the new vehicle dealer
23 which the person is considering to purchase or lease, in
24 order to evaluate the performance, reliability, or
25 condition of the vehicle. The term "permitted user" also
26 includes a person who, with the permission of the new

1 vehicle dealer, drives a vehicle owned or held for sale or
2 lease by the new vehicle dealer for loaner purposes while
3 the user's vehicle is being repaired or evaluated.

4 As used in this paragraph 6, "test driving" occurs when
5 a permitted user who, with the permission of the new
6 vehicle dealer or an employee of the new vehicle dealer,
7 drives a vehicle owned and held for sale or lease by a new
8 vehicle dealer that the person is considering to purchase
9 or lease, in order to evaluate the performance,
10 reliability, or condition of the vehicle.

11 As used in this paragraph 6, "loaner purposes" means
12 when a person who, with the permission of the new vehicle
13 dealer, drives a vehicle owned or held for sale or lease by
14 the new vehicle dealer while the user's vehicle is being
15 repaired or evaluated.

16 7. (A) An application for a new motor vehicle dealer's
17 license shall be accompanied by the following license fees:

18 (i) \$1,000 for applicant's established place of
19 business, and \$100 for each additional place of
20 business, if any, to which the application pertains;
21 but if the application is made after June 15 of any
22 year, the license fee shall be \$500 for applicant's
23 established place of business plus \$50 for each
24 additional place of business, if any, to which the
25 application pertains. License fees shall be returnable
26 only in the event that the application is denied by the

1 Secretary of State. All moneys received by the
2 Secretary of State as license fees under this
3 subparagraph (i) prior to applications for the 2004
4 licensing year shall be deposited into the Motor
5 Vehicle Review Board Fund and shall be used to
6 administer the Motor Vehicle Review Board under the
7 Motor Vehicle Franchise Act. Of the money received by
8 the Secretary of State as license fees under this
9 subparagraph (i) for the 2004 licensing year and
10 thereafter, 10% shall be deposited into the Motor
11 Vehicle Review Board Fund and shall be used to
12 administer the Motor Vehicle Review Board under the
13 Motor Vehicle Franchise Act and 90% shall be deposited
14 into the General Revenue Fund.

15 (ii) Except for dealers selling 25 or fewer
16 automobiles or as provided in subsection (h) of Section
17 5-102.7 of this Code, an Annual Dealer Recovery Fund
18 Fee in the amount of \$500 for the applicant's
19 established place of business, and \$50 for each
20 additional place of business, if any, to which the
21 application pertains; but if the application is made
22 after June 15 of any year, the fee shall be \$250 for
23 the applicant's established place of business plus \$25
24 for each additional place of business, if any, to which
25 the application pertains. For a license renewal
26 application, the fee shall be based on the amount of

1 automobiles sold in the past year according to the
2 following formula:

3 (1) \$0 for dealers selling 25 or less
4 automobiles;

5 (2) \$150 for dealers selling more than 25 but
6 less than 200 automobiles;

7 (3) \$300 for dealers selling 200 or more
8 automobiles but less than 300 automobiles; and

9 (4) \$500 for dealers selling 300 or more
10 automobiles.

11 License fees shall be returnable only in the event
12 that the application is denied by the Secretary of
13 State. Moneys received under this subparagraph (ii)
14 shall be deposited into the Dealer Recovery Trust Fund.

15 (B) An application for a new vehicle dealer's license,
16 other than for a new motor vehicle dealer's license, shall
17 be accompanied by the following license fees:

18 (i) \$1,000 for applicant's established place of
19 business, and \$50 for each additional place of
20 business, if any, to which the application pertains;
21 but if the application is made after June 15 of any
22 year, the license fee shall be \$500 for applicant's
23 established place of business plus \$25 for each
24 additional place of business, if any, to which the
25 application pertains. License fees shall be returnable
26 only in the event that the application is denied by the

1 Secretary of State. Of the money received by the
2 Secretary of State as license fees under this
3 subparagraph (i) for the 2004 licensing year and
4 thereafter, 95% shall be deposited into the General
5 Revenue Fund.

6 (ii) Except as provided in subsection (h) of
7 Section 5-102.7 of this Code, an Annual Dealer Recovery
8 Fund Fee in the amount of \$500 for the applicant's
9 established place of business, and \$50 for each
10 additional place of business, if any, to which the
11 application pertains; but if the application is made
12 after June 15 of any year, the fee shall be \$250 for
13 the applicant's established place of business plus \$25
14 for each additional place of business, if any, to which
15 the application pertains. License fees shall be
16 returnable only in the event that the application is
17 denied by the Secretary of State. Moneys received under
18 this subparagraph (ii) shall be deposited into the
19 Dealer Recovery Trust Fund.

20 8. A statement that the applicant's officers,
21 directors, shareholders having a 10% or greater ownership
22 interest therein, proprietor, a partner, member, officer,
23 director, trustee, manager or other principals in the
24 business have not committed in the past 3 years any one
25 violation as determined in any civil, criminal or
26 administrative proceedings of any one of the following

1 Acts:

2 (A) The Anti-Theft Laws of the Illinois Vehicle
3 Code;

4 (B) The Certificate of Title Laws of the Illinois
5 Vehicle Code;

6 (C) The Offenses against Registration and
7 Certificates of Title Laws of the Illinois Vehicle
8 Code;

9 (D) The Dealers, Transporters, Wreckers and
10 Rebuilders Laws of the Illinois Vehicle Code;

11 (E) Section 21-2 of the Criminal Code of 1961 or
12 the Criminal Code of 2012, Criminal Trespass to
13 Vehicles; or

14 (F) The Retailers' Occupation Tax Act.

15 9. A statement that the applicant's officers,
16 directors, shareholders having a 10% or greater ownership
17 interest therein, proprietor, partner, member, officer,
18 director, trustee, manager or other principals in the
19 business have not committed in any calendar year 3 or more
20 violations, as determined in any civil, criminal or
21 administrative proceedings, of any one or more of the
22 following Acts:

23 (A) The Consumer Finance Act;

24 (B) The Consumer Installment Loan Act;

25 (C) The Retail Installment Sales Act;

26 (D) The Motor Vehicle Retail Installment Sales

1 Act;

2 (E) The Interest Act;

3 (F) The Illinois Wage Assignment Act;

4 (G) Part 8 of Article XII of the Code of Civil
5 Procedure; or

6 (H) The Consumer Fraud Act.

7 10. A bond or certificate of deposit in the amount of
8 \$20,000 for each location at which the applicant intends to
9 act as a new vehicle dealer. The bond shall be for the term
10 of the license, or its renewal, for which application is
11 made, and shall expire not sooner than December 31 of the
12 year for which the license was issued or renewed. The bond
13 shall run to the People of the State of Illinois, with
14 surety by a bonding or insurance company authorized to do
15 business in this State. It shall be conditioned upon the
16 proper transmittal of all title and registration fees and
17 taxes (excluding taxes under the Retailers' Occupation Tax
18 Act) accepted by the applicant as a new vehicle dealer.

19 11. Such other information concerning the business of
20 the applicant as the Secretary of State may by rule or
21 regulation prescribe.

22 12. A statement that the applicant understands Chapter
23 1 through Chapter 5 of this Code.

24 (c) Any change which renders no longer accurate any
25 information contained in any application for a new vehicle
26 dealer's license shall be amended within 30 days after the

1 occurrence of such change on such form as the Secretary of
2 State may prescribe by rule or regulation, accompanied by an
3 amendatory fee of \$2.

4 (d) Anything in this Chapter 5 to the contrary
5 notwithstanding no person shall be licensed as a new vehicle
6 dealer unless:

7 1. He is authorized by contract in writing between
8 himself and the manufacturer or franchised distributor of
9 such make of vehicle to so sell the same in this State, and

10 2. Such person shall maintain an established place of
11 business as defined in this Act.

12 (e) The Secretary of State shall, within a reasonable time
13 after receipt, examine an application submitted to him under
14 this Section and unless he makes a determination that the
15 application submitted to him does not conform with the
16 requirements of this Section or that grounds exist for a denial
17 of the application, under Section 5-501 of this Chapter, grant
18 the applicant an original new vehicle dealer's license in
19 writing for his established place of business and a
20 supplemental license in writing for each additional place of
21 business in such form as he may prescribe by rule or regulation
22 which shall include the following:

23 1. The name of the person licensed;

24 2. If a corporation, the name and address of its
25 officers or if a sole proprietorship, a partnership, an
26 unincorporated association or any similar form of business

1 organization, the name and address of the proprietor or of
2 each partner, member, officer, director, trustee or
3 manager;

4 3. In the case of an original license, the established
5 place of business of the licensee;

6 4. In the case of a supplemental license, the
7 established place of business of the licensee and the
8 additional place of business to which such supplemental
9 license pertains;

10 5. The make or makes of new vehicles which the licensee
11 is licensed to sell.

12 (f) The appropriate instrument evidencing the license or a
13 certified copy thereof, provided by the Secretary of State,
14 shall be kept posted conspicuously in the established place of
15 business of the licensee and in each additional place of
16 business, if any, maintained by such licensee.

17 (g) Except as provided in subsection (h) hereof, all new
18 vehicle dealer's licenses granted under this Section shall
19 expire by operation of law on December 31 of the calendar year
20 for which they are granted unless sooner revoked or cancelled
21 under the provisions of Section 5-501 of this Chapter.

22 (h) A new vehicle dealer's license may be renewed upon
23 application and payment of the fee required herein, and
24 submission of proof of coverage under an approved bond under
25 the Retailers' Occupation Tax Act or proof that applicant is
26 not subject to such bonding requirements, as in the case of an

1 original license, but in case an application for the renewal of
2 an effective license is made during the month of December, the
3 effective license shall remain in force until the application
4 is granted or denied by the Secretary of State.

5 (i) All persons licensed as a new vehicle dealer are
6 required to furnish each purchaser of a motor vehicle:

7 1. In the case of a new vehicle a manufacturer's
8 statement of origin and in the case of a used motor vehicle
9 a certificate of title, in either case properly assigned to
10 the purchaser;

11 2. A statement verified under oath that all identifying
12 numbers on the vehicle agree with those on the certificate
13 of title or manufacturer's statement of origin;

14 3. A bill of sale properly executed on behalf of such
15 person;

16 4. A copy of the Uniform Invoice-transaction reporting
17 return referred to in Section 5-402 hereof;

18 5. In the case of a rebuilt vehicle, a copy of the
19 Disclosure of Rebuilt Vehicle Status; and

20 6. In the case of a vehicle for which the warranty has
21 been reinstated, a copy of the warranty.

22 (i-5) A person licensed as a new vehicle dealer shall make
23 a record of when a permitted user is test driving a vehicle. A
24 permitted user shall be liable for any citation issued for a
25 violation of a traffic regulation, any fines relating to the
26 citation, toll charges, or accidents that occur while test

1 driving the vehicle.

2 For purposes of this subsection (i-5), "permitted user" and
3 "test driving" have the meanings ascribed to those terms under
4 paragraph 6 of subsection (b) of this Section.

5 (j) Except at the time of sale or repossession of the
6 vehicle, no person licensed as a new vehicle dealer may issue
7 any other person a newly created key to a vehicle unless the
8 new vehicle dealer makes a copy of the driver's license or
9 State identification card of the person requesting or obtaining
10 the newly created key. The new vehicle dealer must retain the
11 copy for 30 days.

12 A new vehicle dealer who violates this subsection (j) is
13 guilty of a petty offense. Violation of this subsection (j) is
14 not cause to suspend, revoke, cancel, or deny renewal of the
15 new vehicle dealer's license.

16 This amendatory Act of 1983 shall be applicable to the 1984
17 registration year and thereafter.

18 (j-5) A person licensed as a new vehicle dealer shall make
19 a report to a local law enforcement agency of any registration
20 plates stolen off the premises where the motor vehicle is being
21 offered for sale or lease. A new vehicle dealer shall not be
22 liable for any citation issued for a violation of a traffic
23 regulation, any fines relating to the citation, toll charges,
24 or accidents involving a motor vehicle bearing stolen
25 registration plates.

26 (Source: P.A. 98-450, eff. 1-1-14; 99-78, eff. 7-20-15.)

1 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

2 Sec. 5-102. Used vehicle dealers must be licensed.

3 (a) No person, other than a licensed new vehicle dealer,
4 shall engage in the business of selling or dealing in, on
5 consignment or otherwise, 5 or more used vehicles of any make
6 during the year (except house trailers as authorized by
7 paragraph (j) of this Section and rebuilt salvage vehicles sold
8 by their rebuilders to persons licensed under this Chapter), or
9 act as an intermediary, agent or broker for any licensed dealer
10 or vehicle purchaser (other than as a salesperson) or represent
11 or advertise that he is so engaged or intends to so engage in
12 such business unless licensed to do so by the Secretary of
13 State under the provisions of this Section.

14 (b) An application for a used vehicle dealer's license
15 shall be filed with the Secretary of State, duly verified by
16 oath, in such form as the Secretary of State may by rule or
17 regulation prescribe and shall contain:

18 1. The name and type of business organization
19 established and additional places of business, if any, in
20 this State.

21 2. If the applicant is a corporation, a list of its
22 officers, directors, and shareholders having a ten percent
23 or greater ownership interest in the corporation, setting
24 forth the residence address of each; if the applicant is a
25 sole proprietorship, a partnership, an unincorporated

1 association, a trust, or any similar form of business
2 organization, the names and residence address of the
3 proprietor or of each partner, member, officer, director,
4 trustee or manager.

5 3. A statement that the applicant has been approved for
6 registration under the Retailers' Occupation Tax Act by the
7 Department of Revenue. However, this requirement does not
8 apply to a dealer who is already licensed hereunder with
9 the Secretary of State, and who is merely applying for a
10 renewal of his license. As evidence of this fact, the
11 application shall be accompanied by a certification from
12 the Department of Revenue showing that the Department has
13 approved the applicant for registration under the
14 Retailers' Occupation Tax Act.

15 4. A statement that the applicant has complied with the
16 appropriate liability insurance requirement. A Certificate
17 of Insurance in a solvent company authorized to do business
18 in the State of Illinois shall be included with each
19 application covering each location at which he proposes to
20 act as a used vehicle dealer. The policy must provide
21 liability coverage in the minimum amounts of \$100,000 for
22 bodily injury to, or death of, any person, \$300,000 for
23 bodily injury to, or death of, two or more persons in any
24 one accident, and \$50,000 for damage to property. Such
25 policy shall expire not sooner than December 31 of the year
26 for which the license was issued or renewed. The expiration

1 of the insurance policy shall not terminate the liability
2 under the policy arising during the period for which the
3 policy was filed. Trailer and mobile home dealers are
4 exempt from this requirement.

5 If the permitted user has a liability insurance policy
6 that provides automobile liability insurance coverage of
7 at least \$100,000 for bodily injury to or the death of any
8 person, \$300,000 for bodily injury to or the death of any 2
9 or more persons in any one accident, and \$50,000 for damage
10 to property, then the permitted user's insurer shall be the
11 primary insurer and the dealer's insurer shall be the
12 secondary insurer. If the permitted user does not have a
13 liability insurance policy that provides automobile
14 liability insurance coverage of at least \$100,000 for
15 bodily injury to or the death of any person, \$300,000 for
16 bodily injury to or the death of any 2 or more persons in
17 any one accident, and \$50,000 for damage to property, or
18 does not have any insurance at all, then the dealer's
19 insurer shall be the primary insurer and the permitted
20 user's insurer shall be the secondary insurer.

21 When a permitted user is "test driving" a used vehicle
22 dealer's automobile, the permitted user's ~~used vehicle~~
23 ~~dealer's~~ insurance shall be primary and the used vehicle
24 dealer's ~~permitted user's~~ insurance shall be secondary.

25 As used in this paragraph 4, a "permitted user" is a
26 person who, with the permission of the used vehicle dealer

1 or an employee of the used vehicle dealer, drives a vehicle
2 owned and held for sale or lease by the used vehicle dealer
3 which the person is considering to purchase or lease, in
4 order to evaluate the performance, reliability, or
5 condition of the vehicle. The term "permitted user" also
6 includes a person who, with the permission of the used
7 vehicle dealer, drives a vehicle owned or held for sale or
8 lease by the used vehicle dealer for loaner purposes while
9 the user's vehicle is being repaired or evaluated.

10 As used in this paragraph 4, "test driving" occurs when
11 a permitted user who, with the permission of the used
12 vehicle dealer or an employee of the used vehicle dealer,
13 drives a vehicle owned and held for sale or lease by a used
14 vehicle dealer that the person is considering to purchase
15 or lease, in order to evaluate the performance,
16 reliability, or condition of the vehicle.

17 As used in this paragraph 4, "loaner purposes" means
18 when a person who, with the permission of the used vehicle
19 dealer, drives a vehicle owned or held for sale or lease by
20 the used vehicle dealer while the user's vehicle is being
21 repaired or evaluated.

22 5. An application for a used vehicle dealer's license
23 shall be accompanied by the following license fees:

24 (A) \$1,000 for applicant's established place of
25 business, and \$50 for each additional place of
26 business, if any, to which the application pertains;

1 however, if the application is made after June 15 of
2 any year, the license fee shall be \$500 for applicant's
3 established place of business plus \$25 for each
4 additional place of business, if any, to which the
5 application pertains. License fees shall be returnable
6 only in the event that the application is denied by the
7 Secretary of State. Of the money received by the
8 Secretary of State as license fees under this
9 subparagraph (A) for the 2004 licensing year and
10 thereafter, 95% shall be deposited into the General
11 Revenue Fund.

12 (B) Except for dealers selling 25 or fewer
13 automobiles or as provided in subsection (h) of Section
14 5-102.7 of this Code, an Annual Dealer Recovery Fund
15 Fee in the amount of \$500 for the applicant's
16 established place of business, and \$50 for each
17 additional place of business, if any, to which the
18 application pertains; but if the application is made
19 after June 15 of any year, the fee shall be \$250 for
20 the applicant's established place of business plus \$25
21 for each additional place of business, if any, to which
22 the application pertains. For a license renewal
23 application, the fee shall be based on the amount of
24 automobiles sold in the past year according to the
25 following formula:

26 (1) \$0 for dealers selling 25 or less

1 automobiles;

2 (2) \$150 for dealers selling more than 25 but
3 less than 200 automobiles;

4 (3) \$300 for dealers selling 200 or more
5 automobiles but less than 300 automobiles; and

6 (4) \$500 for dealers selling 300 or more
7 automobiles.

8 License fees shall be returnable only in the event
9 that the application is denied by the Secretary of
10 State. Moneys received under this subparagraph (B)
11 shall be deposited into the Dealer Recovery Trust Fund.

12 6. A statement that the applicant's officers,
13 directors, shareholders having a 10% or greater ownership
14 interest therein, proprietor, partner, member, officer,
15 director, trustee, manager or other principals in the
16 business have not committed in the past 3 years any one
17 violation as determined in any civil, criminal or
18 administrative proceedings of any one of the following
19 Acts:

20 (A) The Anti-Theft Laws of the Illinois Vehicle
21 Code;

22 (B) The Certificate of Title Laws of the Illinois
23 Vehicle Code;

24 (C) The Offenses against Registration and
25 Certificates of Title Laws of the Illinois Vehicle
26 Code;

1 (D) The Dealers, Transporters, Wreckers and
2 Rebuilders Laws of the Illinois Vehicle Code;

3 (E) Section 21-2 of the Illinois Criminal Code of
4 1961 or the Criminal Code of 2012, Criminal Trespass to
5 Vehicles; or

6 (F) The Retailers' Occupation Tax Act.

7 7. A statement that the applicant's officers,
8 directors, shareholders having a 10% or greater ownership
9 interest therein, proprietor, partner, member, officer,
10 director, trustee, manager or other principals in the
11 business have not committed in any calendar year 3 or more
12 violations, as determined in any civil or criminal or
13 administrative proceedings, of any one or more of the
14 following Acts:

15 (A) The Consumer Finance Act;

16 (B) The Consumer Installment Loan Act;

17 (C) The Retail Installment Sales Act;

18 (D) The Motor Vehicle Retail Installment Sales
19 Act;

20 (E) The Interest Act;

21 (F) The Illinois Wage Assignment Act;

22 (G) Part 8 of Article XII of the Code of Civil
23 Procedure; or

24 (H) The Consumer Fraud Act.

25 8. A bond or Certificate of Deposit in the amount of
26 \$20,000 for each location at which the applicant intends to

1 act as a used vehicle dealer. The bond shall be for the
2 term of the license, or its renewal, for which application
3 is made, and shall expire not sooner than December 31 of
4 the year for which the license was issued or renewed. The
5 bond shall run to the People of the State of Illinois, with
6 surety by a bonding or insurance company authorized to do
7 business in this State. It shall be conditioned upon the
8 proper transmittal of all title and registration fees and
9 taxes (excluding taxes under the Retailers' Occupation Tax
10 Act) accepted by the applicant as a used vehicle dealer.

11 9. Such other information concerning the business of
12 the applicant as the Secretary of State may by rule or
13 regulation prescribe.

14 10. A statement that the applicant understands Chapter
15 1 through Chapter 5 of this Code.

16 11. A copy of the certification from the prelicensing
17 education program.

18 (c) Any change which renders no longer accurate any
19 information contained in any application for a used vehicle
20 dealer's license shall be amended within 30 days after the
21 occurrence of each change on such form as the Secretary of
22 State may prescribe by rule or regulation, accompanied by an
23 amendatory fee of \$2.

24 (d) Anything in this Chapter to the contrary
25 notwithstanding, no person shall be licensed as a used vehicle
26 dealer unless such person maintains an established place of

1 business as defined in this Chapter.

2 (e) The Secretary of State shall, within a reasonable time
3 after receipt, examine an application submitted to him under
4 this Section. Unless the Secretary makes a determination that
5 the application submitted to him does not conform to this
6 Section or that grounds exist for a denial of the application
7 under Section 5-501 of this Chapter, he must grant the
8 applicant an original used vehicle dealer's license in writing
9 for his established place of business and a supplemental
10 license in writing for each additional place of business in
11 such form as he may prescribe by rule or regulation which shall
12 include the following:

13 1. The name of the person licensed;

14 2. If a corporation, the name and address of its
15 officers or if a sole proprietorship, a partnership, an
16 unincorporated association or any similar form of business
17 organization, the name and address of the proprietor or of
18 each partner, member, officer, director, trustee or
19 manager;

20 3. In case of an original license, the established
21 place of business of the licensee;

22 4. In the case of a supplemental license, the
23 established place of business of the licensee and the
24 additional place of business to which such supplemental
25 license pertains.

26 (f) The appropriate instrument evidencing the license or a

1 certified copy thereof, provided by the Secretary of State
2 shall be kept posted, conspicuously, in the established place
3 of business of the licensee and in each additional place of
4 business, if any, maintained by such licensee.

5 (g) Except as provided in subsection (h) of this Section,
6 all used vehicle dealer's licenses granted under this Section
7 expire by operation of law on December 31 of the calendar year
8 for which they are granted unless sooner revoked or cancelled
9 under Section 5-501 of this Chapter.

10 (h) A used vehicle dealer's license may be renewed upon
11 application and payment of the fee required herein, and
12 submission of proof of coverage by an approved bond under the
13 "Retailers' Occupation Tax Act" or proof that applicant is not
14 subject to such bonding requirements, as in the case of an
15 original license, but in case an application for the renewal of
16 an effective license is made during the month of December, the
17 effective license shall remain in force until the application
18 for renewal is granted or denied by the Secretary of State.

19 (i) All persons licensed as a used vehicle dealer are
20 required to furnish each purchaser of a motor vehicle:

21 1. A certificate of title properly assigned to the
22 purchaser;

23 2. A statement verified under oath that all identifying
24 numbers on the vehicle agree with those on the certificate
25 of title;

26 3. A bill of sale properly executed on behalf of such

1 person;

2 4. A copy of the Uniform Invoice-transaction reporting
3 return referred to in Section 5-402 of this Chapter;

4 5. In the case of a rebuilt vehicle, a copy of the
5 Disclosure of Rebuilt Vehicle Status; and

6 6. In the case of a vehicle for which the warranty has
7 been reinstated, a copy of the warranty.

8 (j) A real estate broker holding a valid certificate of
9 registration issued pursuant to "The Real Estate Brokers and
10 Salesmen License Act" may engage in the business of selling or
11 dealing in house trailers not his own without being licensed as
12 a used vehicle dealer under this Section; however such broker
13 shall maintain a record of the transaction including the
14 following:

15 (1) the name and address of the buyer and seller,

16 (2) the date of sale,

17 (3) a description of the mobile home, including the
18 vehicle identification number, make, model, and year, and

19 (4) the Illinois certificate of title number.

20 The foregoing records shall be available for inspection by
21 any officer of the Secretary of State's Office at any
22 reasonable hour.

23 (k) Except at the time of sale or repossession of the
24 vehicle, no person licensed as a used vehicle dealer may issue
25 any other person a newly created key to a vehicle unless the
26 used vehicle dealer makes a copy of the driver's license or

1 State identification card of the person requesting or obtaining
2 the newly created key. The used vehicle dealer must retain the
3 copy for 30 days.

4 A used vehicle dealer who violates this subsection (k) is
5 guilty of a petty offense. Violation of this subsection (k) is
6 not cause to suspend, revoke, cancel, or deny renewal of the
7 used vehicle dealer's license.

8 (k-5) A person licensed as a used vehicle dealer shall make
9 a record of when a permitted user is test driving a vehicle. A
10 permitted user shall be liable for any citation issued for a
11 violation of a traffic regulation, any fines relating to the
12 citation, toll charges, or accidents that occur while test
13 driving the vehicle.

14 For purposes of this subsection (k-5), "permitted user" and
15 "test driving" have the meanings ascribed to those terms under
16 paragraph 4 of subsection (b) of this Section.

17 (k-7) A person licensed as a used vehicle dealer shall make
18 a report to a local law enforcement agency any registration
19 plates stolen off the premises where the motor vehicle is being
20 offered for sale or lease. A used vehicle dealer shall not be
21 liable for any citation issued for a violation of a traffic
22 regulation, any fines relating to the citation, toll charges,
23 or accidents involving a motor vehicle bearing stolen
24 registration plates.

25 (l) Used vehicle dealers licensed under this Section shall
26 provide the Secretary of State a register for the sale at

1 auction of each salvage or junk certificate vehicle. Each
2 register shall include the following information:

3 1. The year, make, model, style and color of the
4 vehicle;

5 2. The vehicle's manufacturer's identification number
6 or, if applicable, the Secretary of State or Illinois
7 Department of State Police identification number;

8 3. The date of acquisition of the vehicle;

9 4. The name and address of the person from whom the
10 vehicle was acquired;

11 5. The name and address of the person to whom any
12 vehicle was disposed, the person's Illinois license number
13 or if the person is an out-of-state salvage vehicle buyer,
14 the license number from the state or jurisdiction where the
15 buyer is licensed; and

16 6. The purchase price of the vehicle.

17 The register shall be submitted to the Secretary of State
18 via written or electronic means within 10 calendar days from
19 the date of the auction.

20 (Source: P.A. 98-450, eff. 1-1-14; 99-78, eff. 7-20-15.)