**Section 1020.50 Consignment Sales by Dealers**

a) Definitions. For purposes of this Section, the following words shall have the following meanings:

"Consignment Agreement" is an agreement between the owner of a vehicle, known as the consignor, and a licensed vehicle dealer, known as the consignee, wherein the owner delivers physical possession of the vehicle to the dealer for the specific purpose of having the dealer sell the vehicle for the owner and also with the intent that if the vehicle is not sold by the dealer, it is to be returned to the owner.

"Letter of consignment" is the written document evidencing the consignment agreement between the vehicle owner and the dealer, which authorizes the dealer to have possession of the vehicle.

"Odometer reading" is the actual reading of the odometer of the vehicle at the time of the signing of the consignment agreement. This odometer reading shall not relieve the parties of complying with the federal odometer statement requirements found in 15 U.S.C. 1981 et seq., 1982, nor the separate and distinct Illinois odometer statements requirements found in Section 3-112.1 of the Illinois Vehicle Code (Ill. Rev. Stat. 1983, ch. 95½, par. 3-112.1).

"Ownership document" is a certificate of title, a salvage certificate, a junking certificate, or a similar document issued by the State of Illinos or another state, which evidences ownership according to the laws of the state of issuance.

b) Documents required. In any transaction whereby a dealer agrees to enter into a consignment agreement involving a vehicle which is required to be titled and licensed in this state, the dealer must secure and have in his possession the following documents:

1) a letter of consignment;

2) the proper ownership document as defined in paragraph (a) above; if that document is in the possession of a lienholder, then a photostatic copy of that document;

3) a power of attorney authorizing the dealer to assign the ownership document and also to apply for a duplicate ownership document should the original be lost, stolen, or mutilated.

c) Letter of consignment – contents. The letter of consignment shall contain the following information:

1) the year, make, model, color and odometer reading of the vehicle;

2) the vehicle identification number;

3) the type, number and state of issuance of the ownership document;

4) The names and addresses of all lienholders;

5) the name and address of the person in possession of the ownership document;

6) the date the vehicle was received by the dealer;

7) the owner's full name, address, phone number, and driver's license number. If the owner is a natural person and does not have a driver's license, then date of birth must be given;

8) the dealer's name, address and Illinois dealer's license number;

9) A heading that contains the word "CONSIGNMENT" all in capital letters at least one-eighth (⅛) of an inch in height;

10) the specific terms of the consignment as agreed to by the parties;

11) any other information the parties deem necessary;

12) The signature of the owner and the dealer or his authorized agent affirming that the information contained in the letter of consignment is true and is true and correct and that the ownership documents agree with a physical inspection of the vehicle.

d) Any transaction to which this Section applies must also be reflected in the records required to be kept by the dealer in accordance with Section 5-401 of the Illinois Vehicle Code (Ill. Rev. Stat. 1983, ch. 95½, par. 5-401).

e) Noncompliance with this Section shall be deemed a violation of Section 5-401(b) of the Illinois Vehicle Code (Ill. Rev. Stat. 1983, ch. 95½, par. 5-401(b)).

(Source: Added at 8 Ill. Reg. 22884, effective November 16, 1984)