

HB3813



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3813

Introduced 2/22/2021, by Rep. Dan Brady

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-117.3

Amends the Illinois Vehicle Code. In provisions concerning junking or salvage certificates for insurance companies and salvage dealers, provides that an electronic image showing payment to the vehicle owner or any lienholder of record via electronic funds transfer or other electronic means shall be sufficient proof of full payment in an application for a junking certificate or salvage certificate to the Secretary of State.

LRB102 14306 BMS 19658 b

A BILL FOR

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
5 changing Section 3-117.3 as follows:

6 (625 ILCS 5/3-117.3)

7 Sec. 3-117.3. Junking or salvage certificates; insurance
8 company; salvage dealer.

9 (a) For purposes of this Section, "salvage dealer" means a
10 licensed dealer who primarily sells salvage vehicles on behalf
11 of insurance companies and obtains a "salvage dealer"
12 designation through the used dealer application process under
13 Section 5-102 of this Code.

14 (b) Notwithstanding any other provision of law to the
15 contrary, an insurance company or salvage dealer may, after
16 completing a record search for any owner of a vehicle or a
17 lienholder of record, obtain free of any lien a junking
18 certificate or salvage certificate in the insurance company's
19 name by submitting an application for a junking certificate or
20 salvage certificate to the Secretary of State. The application
21 shall include, but is not limited to, proof of full payment, in
22 whole or in part, to the vehicle owner or, if applicable, any
23 lienholder of record and proof of notice to the vehicle owner

1 and any lienholder via certified mail or other proof of
2 service that a transfer of title shall occur no earlier than 30
3 days after the date the notice is sent. An electronic image
4 showing payment to the vehicle owner or any lienholder of
5 record via electronic funds transfer or other electronic means
6 shall be sufficient proof of full payment. Upon approval of
7 the application, the Secretary shall issue to the insurance
8 company a junking certificate or salvage certificate free of
9 any lien in the insurance company's name.

10 An insurance company or salvage dealer shall not sell a
11 salvage vehicle with a title obtained under this subsection
12 (b) to anyone not authorized to buy salvage vehicles under
13 this Code.

14 This subsection (b) shall apply only to a motor vehicle
15 titled in this State that has been through an insurance claims
16 process and the owner of the vehicle or lienholder, if
17 applicable, has received compensation in exchange for
18 relinquishing the ownership rights of the vehicle to an
19 insurance company licensed under the Illinois Insurance Code
20 and the insurance company is unable to obtain an endorsed
21 certificate of title within 30 days of payment to the owner or
22 lienholder.

23 (c) Notwithstanding any other provision of law to the
24 contrary, a salvage dealer may, after completing a record
25 search for any owner of a vehicle or a lienholder of record,
26 obtain free of any lien a junking certificate or salvage

1 certificate in his or her name by submitting an application
2 for a junking certificate or a salvage certificate to the
3 Secretary of State which shall include, but is not limited to,
4 proof of notice via certified mail or other proof of service to
5 the vehicle owner or any lienholder that a transfer of title
6 shall occur no earlier than 30 days after the date the notice
7 is sent. The notice shall inform the vehicle owner or
8 lienholder that upon payment of any applicable charges, the
9 vehicle may be removed from the salvage dealer's facility.
10 Upon approval of the application, the Secretary shall issue to
11 the salvage dealer a junking certificate or salvage
12 certificate free of any lien in the salvage dealer's name.

13 A salvage dealer shall not sell a salvage vehicle with a
14 title obtained under this subsection (c) to anyone not
15 authorized to buy salvage vehicles under this Code.

16 This subsection (c) shall apply only to a motor vehicle
17 titled in this State and in possession of a salvage dealer by
18 request of an insurance company licensed under the Illinois
19 Insurance Code to take possession of the motor vehicle subject
20 to an insurance claim and the insurance company denies
21 coverage of the vehicle or does not take ownership of the
22 vehicle within 45 days of possession by the salvage dealer.

23 (d) A vehicle owner or lienholder may send notice of
24 dispute of the transfer of title under this Section within 30
25 days after the required notice is sent by the insurance
26 company or salvage dealer. If a dispute between a vehicle

1 owner or lienholder and an insurance company or salvage dealer
2 cannot be resolved within 45 days after the required notice to
3 the vehicle owner or lienholder is sent, the vehicle owner or
4 lienholder, within 90 days after sending notice of dispute,
5 shall petition a court of competent jurisdiction for an order
6 to determine ownership of the vehicle and shall notify the
7 Secretary of State of the filing of the petition. If a vehicle
8 owner or lienholder does not file a petition within the 90-day
9 period, the title to the vehicle shall be issued to the
10 insurance company or salvage dealer under this Section.

11 (e) Any person who without authority acquires, sells,
12 exchanges, gives away, transfers, or destroys or offers to
13 acquire, sell, exchange, give away, transfer, or destroy the
14 certificate of title to any vehicle which is a junk or salvage
15 vehicle shall be guilty of a Class 3 felony.

16 (f) Any person who knowingly fails to surrender to the
17 Secretary of State a certificate of title, salvage
18 certificate, or certificate of purchase is guilty of a Class A
19 misdemeanor for a first offense and a Class 4 felony for a
20 second and subsequent offense.

21 (g) Any vehicle which is salvage or junk may not be driven
22 or operated on roads and highways within this State. A
23 violation of this subsection (g) is a Class A misdemeanor. A
24 salvage vehicle displaying valid special plates issued under
25 subsection (b) of Section 3-601 of this Code, which is being
26 driven to or from an inspection conducted under Section 3-308

1 of this Code, is exempt from the provisions of this subsection
2 (g). A salvage vehicle for which a short term permit has been
3 issued under Section 3-307 of this Code is exempt from the
4 provisions of this subsection (g) for the duration of the
5 permit.

6 (h) The Secretary of State may adopt any rules necessary
7 to implement this Section.

8 (Source: P.A. 100-104, eff. 11-9-17.)