



Sen. Antonio Muñoz

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10200HB5439sam002

LRB102 25485 NLB 38335 a

1 AMENDMENT TO HOUSE BILL 5439

2 AMENDMENT NO. _____. Amend House Bill 5439, AS AMENDED,
3 with reference to page and line numbers of Senate Amendment
4 No. 1, on page 1, line 4, after "by", by inserting "adding
5 Section 3-117.5 and"; and

6 on page 1, immediately below line 5, by inserting the
7 following:

8 "(625 ILCS 5/3-117.5 new)

9 Sec. 3-117.5. Automatic processing of applications for
10 salvage or junking certificates; salvage dealer; bond.

11 (a) Notwithstanding any other provision of law to the
12 contrary and subject to the requirements of this Section, if a
13 salvage dealer as defined under Section 3-117.3 posts annually
14 a bond in the amount of \$100,000, up to a maximum aggregate
15 amount of \$100,000, with the Secretary of State, the Secretary
16 of State shall automatically process any properly submitted

1 application by the salvage dealer for a salvage certificate or
2 junking certificate pursuant to Section 3-117.1 and issue the
3 appropriate salvage certificate or junking certificate.

4 The Secretary of State Vehicle Services Department may
5 conduct random samplings of automatically processed
6 applications submitted by a salvage dealer under this Section
7 to ensure that the salvage dealer's applications for salvage
8 certificates or junking certificates are accurate.

9 Applications for salvage certificates or junking
10 certificates submitted by a salvage dealer that are not
11 accompanied by the most current certificate of title are not
12 eligible for automatic processing, including, but not limited
13 to, applications accompanied by an affidavit or a uniform
14 invoice or certificate of purchase under Section 3-117.1.

15 (b) If a salvage dealer fails to properly submit
16 applications for salvage certificates or junking certificates
17 at an 85% rate of accuracy or greater, then the Secretary of
18 State Vehicle Services Department may suspend that salvage
19 dealer's right to automatic processing of applications for
20 salvage certificates or junking certificates for a period of
21 not less than 90 days. Prior to the initial suspension of a
22 salvage dealer's right to automatic processing of applications
23 for salvage certificates or junking certificates, the
24 Secretary of State Vehicle Services Department shall provide
25 notice to the salvage dealer of the processing errors or
26 defects and provide the salvage dealer with an opportunity to

1 cure the processing errors or defects within a reasonable
2 period, which shall not be less than 14 days.

3 If the same processing errors or defects that are
4 contained in the initial notice to the salvage dealer are
5 repeated a second time by a salvage dealer within a 12-month
6 period from the date of the initial notice, then the Secretary
7 of State Vehicle Services Department shall suspend that
8 salvage dealer's right to automatic processing of applications
9 for salvage certificates or junking certificates for a period
10 of not less than 90 days.

11 If the same processing errors or defects that are
12 contained in the initial notice to a salvage dealer are
13 repeated a third time by the salvage dealer within a 12-month
14 period from the date of the initial notice, then the Secretary
15 of State Vehicle Services Department shall suspend that
16 salvage dealer's right to automatic processing of applications
17 for salvage certificates or junking certificates for a period
18 of not less than 180 days.

19 (c) After a salvage dealer's right to automatic processing
20 of applications for salvage certificates or junking
21 certificates has been suspended and the applicable suspension
22 period has been served, the salvage dealer may request
23 reinstatement of the right to automatic processing of
24 applications for salvage certificates or junking certificates
25 by demonstrating to the Secretary of State Vehicle Services
26 Department that the salvage dealer has corrected the

1 processing errors or defects that resulted in the suspension.
2 The Secretary of State Vehicle Services Department, after
3 meeting and conferring with the salvage dealer, shall have the
4 sole discretion, subject to the appeal rights in subsection
5 (d), to determine whether to grant the salvage dealer's
6 request for reinstatement.

7 (d) A salvage dealer may appeal a suspension or a denial of
8 a request for reinstatement of the right to automatic
9 processing of applications for salvage certificates or junking
10 certificates directly to the Secretary of State.

11 (e) The annual bond posted as required by this Section
12 shall be held by the Secretary of State to secure compensation
13 for an owner of a vehicle if it is determined that the salvage
14 dealer caused the improper transfer of ownership of the
15 vehicle without performing the required procedures set forth
16 in this Chapter. After providing the salvage dealer with a
17 reasonable opportunity to provide proof of its due diligence
18 relating to the disputed transaction and after meeting and
19 conferring with the salvage dealer, the Secretary of State
20 Vehicle Services Department shall determine whether the
21 certificate of title of the vehicle was improperly transferred
22 out of the owner's name by the salvage dealer. This
23 determination shall create a rebuttable presumption that the
24 vehicle was improperly transferred out of the owner's name by
25 the salvage dealer. Upon such a determination by the Secretary
26 of State Vehicle Services Department, if the salvage dealer

1 does not compensate the vehicle owner for the value of the
2 improperly transferred certificate of title, the owner of the
3 vehicle shall have the right to seek reimbursement from the
4 posted bond for the loss of the vehicle under a Court of Claims
5 proceeding.

6 (f) The security deposited as an annual bond pursuant to
7 this Section shall be placed by the Secretary of State in the
8 custody of the State Treasurer. Thereafter, any person with a
9 claim against the bond may enforce the claim through an
10 appropriate proceeding in the Court of Claims, subject to the
11 limitations prescribed for the Court of Claims."