



Sen. Antonio Muñoz

Filed: 4/15/2021

10200SB1545sam001

LRB102 15159 RAM 25037 a

1 AMENDMENT TO SENATE BILL 1545

2 AMENDMENT NO. _____. Amend Senate Bill 1545 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Vehicle Code is amended by
5 changing Sections 3-114, 3-117.1, 3-301 and as follows:

6 (625 ILCS 5/3-114) (from Ch. 95 1/2, par. 3-114)

7 Sec. 3-114. Transfer by operation of law.

8 (a) If the interest of an owner in a vehicle passes to
9 another other than by voluntary transfer, the transferee
10 shall, except as provided in paragraph (b), promptly mail or
11 deliver within 20 days to the Secretary of State the last
12 certificate of title, if available, proof of the transfer, and
13 his application for a new certificate in the form the
14 Secretary of State prescribes. It shall be unlawful for any
15 person having possession of a certificate of title for a motor
16 vehicle, semi-trailer, or house car by reason of his having a

1 lien or encumbrance on such vehicle, to fail or refuse to
2 deliver such certificate to the owner, upon the satisfaction
3 or discharge of the lien or encumbrance, indicated upon such
4 certificate of title.

5 (b) If the interest of an owner in a vehicle passes to
6 another under the provisions of the Small Estates provisions
7 of the Probate Act of 1975 the transferee shall promptly mail
8 or deliver to the Secretary of State, within 120 days, the last
9 certificate of title, if available, the documentation required
10 under the provisions of the Probate Act of 1975, and an
11 application for certificate of title. The Small Estate
12 Affidavit form shall be furnished by the Secretary of State.
13 The transfer may be to the transferee or to the nominee of the
14 transferee.

15 (c) If the interest of an owner in a vehicle passes to
16 another under other provisions of the Probate Act of 1975, as
17 amended, and the transfer is made by a representative or
18 guardian, such transferee shall promptly mail or deliver to
19 the Secretary of State, the last certificate of title, if
20 available, and a certified copy of the letters of office or
21 guardianship, and an application for certificate of title.
22 Such application shall be made before the estate is closed.
23 The transfer may be to the transferee or to the nominee of the
24 transferee.

25 (d) If the interest of an owner in joint tenancy passes to
26 the other joint tenant with survivorship rights as provided by

1 law, the transferee shall promptly mail or deliver to the
2 Secretary of State, the last certificate of title, if
3 available, proof of death of the one joint tenant and
4 survivorship of the surviving joint tenant, and an application
5 for certificate of title. Such application shall be made
6 within 120 days after the death of the joint tenant. The
7 transfer may be to the transferee or to the nominee of the
8 transferee.

9 (d-5) If the interest of an owner passes to the owner's
10 spouse or if the spouse otherwise acquires ownership of the
11 vehicle, then the transferee shall promptly mail or deliver to
12 the Secretary of State, proof of (i) the owner's death; (ii)
13 the transfer or acquisition of ownership; and (iii) proof of
14 the marital relationship between the owner and the transferee,
15 along with the last certificate of title, if available, and an
16 application for certificate of title along with the
17 appropriate fees and taxes, if applicable. The application
18 shall be made within 180 days after the death of the owner.

19 (e) The Secretary of State shall transfer a decedent's
20 vehicle title to any legatee, representative or heir of the
21 decedent who submits to the Secretary a death certificate and
22 an affidavit by an attorney at law on the letterhead
23 stationery of the attorney at law stating the facts of the
24 transfer.

25 (f) Repossession with assignment of title. In all cases
26 wherein a lienholder has repossessed a vehicle by other than

1 judicial process and holds it for resale under a security
2 agreement, and the owner of record has executed an assignment
3 of the existing certificate of title after default, the
4 lienholder may proceed to sell or otherwise dispose of the
5 vehicle as authorized under the Uniform Commercial Code. Upon
6 selling the vehicle to another person, the lienholder need not
7 send the certificate of title to the Secretary of State, but
8 shall promptly and within 20 days mail or deliver to the
9 purchaser as transferee the existing certificate of title for
10 the repossessed vehicle, reflecting the release of the
11 lienholder's security interest in the vehicle. The application
12 for a certificate of title made by the purchaser shall comply
13 with subsection (a) of Section 3-104 and be accompanied by the
14 existing certificate of title for the repossessed vehicle. The
15 lienholder shall execute the assignment and warranty of title
16 showing the name and address of the purchaser in the spaces
17 provided therefor on the certificate of title or as the
18 Secretary of State prescribes. The lienholder shall complete
19 the assignment of title in the certificate of title to reflect
20 the transfer of the vehicle to the lienholder and also a
21 reassignment to reflect the transfer from the lienholder to
22 the purchaser. For this purpose, the lienholder is
23 specifically authorized to complete and execute the space
24 reserved in the certificate of title for a dealer
25 reassignment, notwithstanding that the lienholder is not a
26 licensed dealer. Nothing herein shall be construed to mean

1 that the lienholder is taking title to the repossessed vehicle
2 for purposes of liability for retailer occupation, vehicle
3 use, or other tax with respect to the proceeds from the
4 repossession sale. Delivery of the existing certificate of
5 title to the purchaser shall be deemed disclosure to the
6 purchaser of the owner of the vehicle.

7 (f-5) Repossession without assignment of title. Subject to
8 subsection (f-30), in all cases wherein a lienholder has
9 repossessed a vehicle by other than judicial process and holds
10 it for resale under a security agreement, and the owner of
11 record has not executed an assignment of the existing
12 certificate of title, the lienholder shall comply with the
13 following provisions:

14 (1) Prior to sale, the lienholder shall deliver or
15 mail to the owner at the owner's last known address and to
16 any other lienholder of record, a notice of redemption
17 setting forth the following information: (i) the name of
18 the owner of record and in bold type at or near the top of
19 the notice a statement that the owner's vehicle was
20 repossessed on a specified date for failure to make
21 payments on the loan (or other reason), (ii) a description
22 of the vehicle subject to the lien sufficient to identify
23 it, (iii) the right of the owner to redeem the vehicle,
24 (iv) the lienholder's intent to sell or otherwise dispose
25 of the vehicle after the expiration of 21 days from the
26 date of mailing or delivery of the notice, and (v) the

1 name, address, and telephone number of the lienholder from
2 whom information may be obtained concerning the amount due
3 to redeem the vehicle and from whom the vehicle may be
4 redeemed under Section 9-623 of the Uniform Commercial
5 Code. At the lienholder's option, the information required
6 to be set forth in this notice of redemption may be made a
7 part of or accompany the notification of sale or other
8 disposition required under Section 9-611 of the Uniform
9 Commercial Code, but none of the information required by
10 this notice shall be construed to impose any requirement
11 under Article 9 of the Uniform Commercial Code.

12 (2) With respect to the repossession of a vehicle used
13 primarily for personal, family, or household purposes, the
14 lienholder shall also deliver or mail to the owner at the
15 owner's last known address an affidavit of defense. The
16 affidavit of defense shall accompany the notice of
17 redemption required in subdivision (f-5)(1) of this
18 Section. The affidavit of defense shall (i) identify the
19 lienholder, owner, and the vehicle; (ii) provide space for
20 the owner to state the defense claimed by the owner; and
21 (iii) include an acknowledgment by the owner that the
22 owner may be liable to the lienholder for fees, charges,
23 and costs incurred by the lienholder in establishing the
24 insufficiency or invalidity of the owner's defense. To
25 stop the transfer of title, the affidavit of defense must
26 be received by the lienholder no later than 21 days after

1 the date of mailing or delivery of the notice required in
2 subdivision (f-5)(1) of this Section. If the lienholder
3 receives the affidavit from the owner in a timely manner,
4 the lienholder must apply to a court of competent
5 jurisdiction to determine if the lienholder is entitled to
6 possession of the vehicle.

7 (3) Upon selling the vehicle to another person, the
8 lienholder need not send the certificate of title to the
9 Secretary of State, but shall promptly and within 20 days
10 mail or deliver to the purchaser as transferee (i) the
11 existing certificate of title for the repossessed vehicle,
12 reflecting the release of the lienholder's security
13 interest in the vehicle; and (ii) an affidavit of
14 repossession made by or on behalf of the lienholder which
15 provides the following information: that the vehicle was
16 repossessed, a description of the vehicle sufficient to
17 identify it, whether the vehicle has been damaged in
18 excess of 50% ~~33 1/3%~~ of its fair market value as required
19 under subdivision (b)(3) of Section 3-117.1, that the
20 owner and any other lienholder of record were given the
21 notice required in subdivision (f-5)(1) of this Section,
22 that the owner of record was given the affidavit of
23 defense required in subdivision (f-5)(2) of this Section,
24 that the interest of the owner was lawfully terminated or
25 sold pursuant to the terms of the security agreement, and
26 the purchaser's name and address. If the vehicle is

1 damaged in excess of 50% ~~33 1/3%~~ of its fair market value,
2 the lienholder shall make application for a salvage
3 certificate under Section 3-117.1 and transfer the vehicle
4 to a person eligible to receive assignments of salvage
5 certificates identified in Section 3-118.

6 (4) The application for a certificate of title made by
7 the purchaser shall comply with subsection (a) of Section
8 3-104 and be accompanied by the affidavit of repossession
9 furnished by the lienholder and the existing certificate
10 of title for the repossessed vehicle. The lienholder shall
11 execute the assignment and warranty of title showing the
12 name and address of the purchaser in the spaces provided
13 therefor on the certificate of title or as the Secretary
14 of State prescribes. The lienholder shall complete the
15 assignment of title in the certificate of title to reflect
16 the transfer of the vehicle to the lienholder and also a
17 reassignment to reflect the transfer from the lienholder
18 to the purchaser. For this purpose, the lienholder is
19 specifically authorized to execute the assignment on
20 behalf of the owner as seller if the owner has not done so
21 and to complete and execute the space reserved in the
22 certificate of title for a dealer reassignment,
23 notwithstanding that the lienholder is not a licensed
24 dealer. Nothing herein shall be construed to mean that the
25 lienholder is taking title to the repossessed vehicle for
26 purposes of liability for retailer occupation, vehicle

1 use, or other tax with respect to the proceeds from the
2 repossession sale. Delivery of the existing certificate of
3 title to the purchaser shall be deemed disclosure to the
4 purchaser of the owner of the vehicle. In the event the
5 lienholder does not hold the certificate of title for the
6 repossessed vehicle, the lienholder shall make application
7 for and may obtain a new certificate of title in the name
8 of the lienholder upon furnishing information satisfactory
9 to the Secretary of State. Upon receiving the new
10 certificate of title, the lienholder may proceed with the
11 sale described in subdivision (f-5)(3), except that upon
12 selling the vehicle the lienholder shall promptly and
13 within 20 days mail or deliver to the purchaser the new
14 certificate of title reflecting the assignment and
15 transfer of title to the purchaser.

16 (5) Neither the lienholder nor the owner shall file
17 with the Office of the Secretary of State the notice of
18 redemption or affidavit of defense described in
19 subdivisions (f-5)(1) and (f-5)(2) of this Section. The
20 Office of the Secretary of State shall not determine the
21 merits of an owner's affidavit of defense, nor consider
22 any allegations or assertions regarding the validity or
23 invalidity of a lienholder's claim to the vehicle or an
24 owner's asserted defenses to the repossession action.

25 (f-7) Notice of reinstatement in certain cases.

26 (1) Subject to subsection (f-30), if, at the time of

1 repossession by a lienholder that is seeking to transfer
2 title pursuant to subsection (f-5), the owner has paid an
3 amount equal to 30% or more of the deferred payment price
4 or total of payments due, the owner may, within 21 days of
5 the date of repossession, reinstate the contract or loan
6 agreement and recover the vehicle from the lienholder by
7 tendering in a lump sum (i) the total of all unpaid
8 amounts, including any unpaid delinquency or deferral
9 charges due at the date of reinstatement, without
10 acceleration; and (ii) performance necessary to cure any
11 default other than nonpayment of the amounts due; and
12 (iii) all reasonable costs and fees incurred by the
13 lienholder in retaking, holding, and preparing the vehicle
14 for disposition and in arranging for the sale of the
15 vehicle. Reasonable costs and fees incurred by the
16 lienholder include without limitation repossession and
17 storage expenses and, if authorized by the contract or
18 loan agreement, reasonable attorneys' fees and collection
19 agency charges.

20 (2) Tender of payment and performance pursuant to this
21 limited right of reinstatement restores to the owner his
22 rights under the contract or loan agreement as though no
23 default had occurred. The owner has the right to reinstate
24 the contract or loan agreement and recover the vehicle
25 from the lienholder only once under this subsection. The
26 lienholder may, in the lienholder's sole discretion,

1 extend the period during which the owner may reinstate the
2 contract or loan agreement and recover the vehicle beyond
3 the 21 days allowed under this subsection, and the
4 extension shall not subject the lienholder to liability to
5 the owner under the laws of this State.

6 (3) The lienholder shall deliver or mail written
7 notice to the owner at the owner's last known address,
8 within 3 business days of the date of repossession, of the
9 owner's right to reinstate the contract or loan agreement
10 and recover the vehicle pursuant to the limited right of
11 reinstatement described in this subsection. At the
12 lienholder's option, the information required to be set
13 forth in this notice of reinstatement may be made part of
14 or accompany the notice of redemption required in
15 subdivision (f-5)(1) of this Section and the notification
16 of sale or other disposition required under Section 9-611
17 of the Uniform Commercial Code, but none of the
18 information required by this notice of reinstatement shall
19 be construed to impose any requirement under Article 9 of
20 the Uniform Commercial Code.

21 (4) The reinstatement period, if applicable, and the
22 redemption period described in subdivision (f-5)(1) of
23 this Section, shall run concurrently if the information
24 required to be set forth in the notice of reinstatement is
25 part of or accompanies the notice of redemption. In any
26 event, the 21 day redemption period described in

1 subdivision (f-5)(1) of this Section shall commence on the
2 date of mailing or delivery to the owner of the
3 information required to be set forth in the notice of
4 redemption, and the 21 day reinstatement period described
5 in this subdivision, if applicable, shall commence on the
6 date of mailing or delivery to the owner of the
7 information required to be set forth in the notice of
8 reinstatement.

9 (5) The Office of the Secretary of State shall not
10 determine the merits of an owner's claim of right to
11 reinstatement, nor consider any allegations or assertions
12 regarding the validity or invalidity of a lienholder's
13 claim to the vehicle or an owner's asserted right to
14 reinstatement. Where a lienholder is subject to licensing
15 and regulatory supervision by the State of Illinois, the
16 lienholder shall be subject to all of the powers and
17 authority of the lienholder's primary State regulator to
18 enforce compliance with the procedures set forth in this
19 subsection (f-7).

20 (f-10) Repossession by judicial process. In all cases
21 wherein a lienholder has repossessed a vehicle by judicial
22 process and holds it for resale under a security agreement,
23 order for replevin, or other court order establishing the
24 lienholder's right to possession of the vehicle, the
25 lienholder may proceed to sell or otherwise dispose of the
26 vehicle as authorized under the Uniform Commercial Code or the

1 court order. Upon selling the vehicle to another person, the
2 lienholder need not send the certificate of title to the
3 Secretary of State, but shall promptly and within 20 days mail
4 or deliver to the purchaser as transferee (i) the existing
5 certificate of title for the repossessed vehicle reflecting
6 the release of the lienholder's security interest in the
7 vehicle; (ii) a certified copy of the court order; and (iii) a
8 bill of sale identifying the new owner's name and address and
9 the year, make, model, and vehicle identification number of
10 the vehicle. The application for a certificate of title made
11 by the purchaser shall comply with subsection (a) of Section
12 3-104 and be accompanied by the certified copy of the court
13 order furnished by the lienholder and the existing certificate
14 of title for the repossessed vehicle. The lienholder shall
15 execute the assignment and warranty of title showing the name
16 and address of the purchaser in the spaces provided therefor
17 on the certificate of title or as the Secretary of State
18 prescribes. The lienholder shall complete the assignment of
19 title in the certificate of title to reflect the transfer of
20 the vehicle to the lienholder and also a reassignment to
21 reflect the transfer from the lienholder to the purchaser. For
22 this purpose, the lienholder is specifically authorized to
23 execute the assignment on behalf of the owner as seller if the
24 owner has not done so and to complete and execute the space
25 reserved in the certificate of title for a dealer
26 reassignment, notwithstanding that the lienholder is not a

1 licensed dealer. Nothing herein shall be construed to mean
2 that the lienholder is taking title to the repossessed vehicle
3 for purposes of liability for retailer occupation, vehicle
4 use, or other tax with respect to the proceeds from the
5 repossession sale. Delivery of the existing certificate of
6 title to the purchaser shall be deemed disclosure to the
7 purchaser of the owner of the vehicle. In the event the
8 lienholder does not hold the certificate of title for the
9 repossessed vehicle, the lienholder shall make application for
10 and may obtain a new certificate of title in the name of the
11 lienholder upon furnishing information satisfactory to the
12 Secretary of State. Upon receiving the new certificate of
13 title, the lienholder may proceed with the sale described in
14 this subsection, except that upon selling the vehicle the
15 lienholder shall promptly and within 20 days mail or deliver
16 to the purchaser the new certificate of title reflecting the
17 assignment and transfer of title to the purchaser.

18 (f-15) The Secretary of State shall not issue a
19 certificate of title to a purchaser under subsection (f),
20 (f-5), or (f-10) of this Section, unless the person from whom
21 the vehicle has been repossessed by the lienholder is shown to
22 be the last registered owner of the motor vehicle. The
23 Secretary of State may provide by rule for the standards to be
24 followed by a lienholder in assigning and transferring
25 certificates of title with respect to repossessed vehicles.

26 (f-20) If applying for a salvage certificate or a junking

1 certificate, the lienholder shall within 20 days make an
2 application to the Secretary of State for a salvage
3 certificate or a junking certificate, as set forth in this
4 Code. The Secretary of State shall not issue a salvage
5 certificate or a junking certificate to such lienholder unless
6 the person from whom such vehicle has been repossessed is
7 shown to be the last registered owner of such motor vehicle and
8 such lienholder establishes to the satisfaction of the
9 Secretary of State that he is entitled to such salvage
10 certificate or junking certificate. The Secretary of State may
11 provide by rule for the standards to be followed by a
12 lienholder in order to obtain a salvage certificate or junking
13 certificate for a repossessed vehicle.

14 (f-25) If the interest of an owner in a mobile home, as
15 defined in the Mobile Home Local Services Tax Act, passes to
16 another under the provisions of the Mobile Home Local Services
17 Tax Enforcement Act, the transferee shall promptly mail or
18 deliver to the Secretary of State (i) the last certificate of
19 title, if available, (ii) a certified copy of the court order
20 ordering the transfer of title, and (iii) an application for
21 certificate of title.

22 (f-30) Bankruptcy. If the repossessed vehicle is the
23 subject of a bankruptcy proceeding or discharge:

24 (1) the lienholder may proceed to sell or otherwise
25 dispose of the vehicle as authorized by the Bankruptcy
26 Code and the Uniform Commercial Code;

1 (2) the notice of redemption, affidavit of defense,
2 and notice of reinstatement otherwise required to be sent
3 by the lienholder to the owner of record or other
4 lienholder of record under this Section are not required
5 to be delivered or mailed;

6 (3) the requirement to delay disposition of the
7 vehicle for 21 days, (i) from the mailing or delivery of
8 the notice of redemption under subdivision (f-5)(1) of
9 this Section, (ii) from the mailing or delivery of the
10 affidavit of defense under subdivision (f-5)(2) of this
11 Section, or (iii) from the date of repossession when the
12 owner is entitled to a notice of reinstatement under
13 subsection (f-7) of this Section, does not apply;

14 (4) the affidavit of repossession that is required
15 under subdivision (f-5)(3) shall contain a notation of
16 "bankruptcy" where the affidavit requires the date of the
17 mailing or delivery of the notice of redemption. The
18 notation of "bankruptcy" means the lienholder makes no
19 sworn representations regarding the mailing or delivery of
20 the notice of redemption or affidavit of defense or
21 lienholder's compliance with the requirements that
22 otherwise apply to the notices listed in this subsection
23 (f-30), and makes no sworn representation that the
24 lienholder assumes liability or costs for any litigation
25 that may arise from the issuance of a certificate of title
26 based on the excluded representations;

1 (5) the right of redemption, the right to assert a
2 defense to the transfer of title, and reinstatement rights
3 under this Section do not apply; and

4 (6) references to judicial process and court orders in
5 subsection (f-10) of this Section do not include
6 bankruptcy proceedings or orders.

7 (g) A person holding a certificate of title whose interest
8 in the vehicle has been extinguished or transferred other than
9 by voluntary transfer shall mail or deliver the certificate,
10 within 20 days upon request of the Secretary of State. The
11 delivery of the certificate pursuant to the request of the
12 Secretary of State does not affect the rights of the person
13 surrendering the certificate, and the action of the Secretary
14 of State in issuing a new certificate of title as provided
15 herein is not conclusive upon the rights of an owner or
16 lienholder named in the old certificate.

17 (h) The Secretary of State may decline to process any
18 application for a transfer of an interest in a vehicle
19 hereunder if any fees or taxes due under this Act from the
20 transferor or the transferee have not been paid upon
21 reasonable notice and demand.

22 (i) The Secretary of State shall not be held civilly or
23 criminally liable to any person because any purported
24 transferor may not have had the power or authority to make a
25 transfer of any interest in any vehicle or because a
26 certificate of title issued in error is subsequently used to

1 commit a fraudulent act.

2 (Source: P.A. 99-260, eff. 1-1-16.)

3 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

4 Sec. 3-117.1. When junking certificates or salvage
5 certificates must be obtained.

6 (a) Except as provided in Chapter 4 and Section 3-117.3 of
7 this Code, a person who possesses a junk vehicle shall within
8 15 days cause the certificate of title, salvage certificate,
9 certificate of purchase, or a similarly acceptable
10 out-of-state document of ownership to be surrendered to the
11 Secretary of State along with an application for a junking
12 certificate, except as provided in Section 3-117.2, whereupon
13 the Secretary of State shall issue to such a person a junking
14 certificate, which shall authorize the holder thereof to
15 possess, transport, or, by an endorsement, transfer ownership
16 in such junked vehicle, and a certificate of title shall not
17 again be issued for such vehicle. The owner of a junk vehicle
18 is not required to surrender the certificate of title under
19 this subsection if (i) there is no lienholder on the
20 certificate of title or (ii) the owner of the junk vehicle has
21 a valid lien release from the lienholder releasing all
22 interest in the vehicle and the owner applying for the junk
23 certificate matches the current record on the certificate of
24 title file for the vehicle.

25 A licensee who possesses a junk vehicle and a Certificate

1 of Title, Salvage Certificate, Certificate of Purchase, or a
2 similarly acceptable out-of-state document of ownership for
3 such junk vehicle, may transport the junk vehicle to another
4 licensee prior to applying for or obtaining a junking
5 certificate, by executing a uniform invoice. The licensee
6 transferor shall furnish a copy of the uniform invoice to the
7 licensee transferee at the time of transfer. In any case, the
8 licensee transferor shall apply for a junking certificate in
9 conformance with Section 3-117.1 of this Chapter. The
10 following information shall be contained on a uniform invoice:

11 (1) The business name, address and dealer license
12 number of the person disposing of the vehicle, junk
13 vehicle or vehicle cowl;

14 (2) The name and address of the person acquiring the
15 vehicle, junk vehicle or vehicle cowl, and if that person
16 is a dealer, the Illinois or out-of-state dealer license
17 number of that dealer;

18 (3) The date of the disposition of the vehicle, junk
19 vehicle or vehicle cowl;

20 (4) The year, make, model, color and description of
21 each vehicle, junk vehicle or vehicle cowl disposed of by
22 such person;

23 (5) The manufacturer's vehicle identification number,
24 Secretary of State identification number or Illinois
25 Department of State Police number, for each vehicle, junk
26 vehicle or vehicle cowl part disposed of by such person;

1 (6) The printed name and legible signature of the
2 person or agent disposing of the vehicle, junk vehicle or
3 vehicle cowl; and

4 (7) The printed name and legible signature of the
5 person accepting delivery of the vehicle, junk vehicle or
6 vehicle cowl.

7 The Secretary of State may certify a junking manifest in a
8 form prescribed by the Secretary of State that reflects those
9 vehicles for which junking certificates have been applied or
10 issued. A junking manifest may be issued to any person and it
11 shall constitute evidence of ownership for the vehicle listed
12 upon it. A junking manifest may be transferred only to a person
13 licensed under Section 5-301 of this Code as a scrap
14 processor. A junking manifest will allow the transportation of
15 those vehicles to a scrap processor prior to receiving the
16 junk certificate from the Secretary of State.

17 (b) An application for a salvage certificate shall be
18 submitted to the Secretary of State in any of the following
19 situations:

20 (1) When an insurance company makes a payment of
21 damages on a total loss claim for a vehicle, the insurance
22 company shall be deemed to be the owner of such vehicle and
23 the vehicle shall be considered to be salvage except that
24 ownership of (i) a vehicle that has incurred only hail
25 damage that does not affect the operational safety of the
26 vehicle or (ii) any vehicle 9 model years of age or older

1 may, by agreement between the registered owner and the
2 insurance company, be retained by the registered owner of
3 such vehicle. The insurance company shall promptly deliver
4 or mail within 20 days the certificate of title along with
5 proper application and fee to the Secretary of State, and
6 a salvage certificate shall be issued in the name of the
7 insurance company. Notwithstanding the foregoing, an
8 insurer making payment of damages on a total loss claim
9 for the theft of a vehicle shall not be required to apply
10 for a salvage certificate unless the vehicle is recovered
11 and has incurred damage that initially would have caused
12 the vehicle to be declared a total loss by the insurer.

13 (1.1) When a vehicle of a self-insured company is to
14 be sold in the State of Illinois and has sustained damaged
15 by collision, fire, theft, rust corrosion, or other means
16 so that the self-insured company determines the vehicle to
17 be a total loss, or if the cost of repairing the damage,
18 including labor, would be greater than 70% of its fair
19 market value without that damage, the vehicle shall be
20 considered salvage. The self-insured company shall
21 promptly deliver the certificate of title along with
22 proper application and fee to the Secretary of State, and
23 a salvage certificate shall be issued in the name of the
24 self-insured company. A self-insured company making
25 payment of damages on a total loss claim for the theft of a
26 vehicle may exchange the salvage certificate for a

1 certificate of title if the vehicle is recovered without
2 damage. In such a situation, the self-insured shall fill
3 out and sign a form prescribed by the Secretary of State
4 which contains an affirmation under penalty of perjury
5 that the vehicle was recovered without damage and the
6 Secretary of State may, by rule, require photographs to be
7 submitted.

8 (2) When a vehicle the ownership of which has been
9 transferred to any person through a certificate of
10 purchase from acquisition of the vehicle at an auction,
11 other dispositions as set forth in Sections 4-208 and
12 4-209 of this Code, or a lien arising under Section
13 18a-501 of this Code shall be deemed salvage or junk at the
14 option of the purchaser. The person acquiring such vehicle
15 in such manner shall promptly deliver or mail, within 20
16 days after the acquisition of the vehicle, the certificate
17 of purchase, the proper application and fee, and, if the
18 vehicle is an abandoned mobile home under the Abandoned
19 Mobile Home Act, a certification from a local law
20 enforcement agency that the vehicle was purchased or
21 acquired at a public sale under the Abandoned Mobile Home
22 Act to the Secretary of State and a salvage certificate or
23 junking certificate shall be issued in the name of that
24 person. The salvage certificate or junking certificate
25 issued by the Secretary of State under this Section shall
26 be free of any lien that existed against the vehicle prior

1 to the time the vehicle was acquired by the applicant
2 under this Code.

3 (3) A vehicle which has been repossessed by a
4 lienholder shall be considered to be salvage only when the
5 repossessed vehicle, on the date of repossession by the
6 lienholder, has sustained damage by collision, fire,
7 theft, rust corrosion, or other means so that the cost of
8 repairing such damage, including labor, would be greater
9 than 50% ~~33 1/3%~~ of its fair market value without such
10 damage. If the lienholder determines that such vehicle is
11 damaged in excess of 50% ~~33 1/3%~~ of such fair market value,
12 the lienholder shall, before sale, transfer or assignment
13 of the vehicle, make application for a salvage
14 certificate, and shall submit with such application the
15 proper fee and evidence of possession. If the facts
16 required to be shown in subsection (f) of Section 3-114
17 are satisfied, the Secretary of State shall issue a
18 salvage certificate in the name of the lienholder making
19 the application. In any case wherein the vehicle
20 repossessed is not damaged in excess of 50% ~~33 1/3%~~ of its
21 fair market value, the lienholder shall comply with the
22 requirements of subsections (f), (f-5), and (f-10) of
23 Section 3-114, except that the affidavit of repossession
24 made by or on behalf of the lienholder shall also contain
25 an affirmation under penalty of perjury that the vehicle
26 on the date of sale is not damaged in excess of 50% ~~33 1/3%~~

1 of its fair market value. If the facts required to be shown
2 in subsection (f) of Section 3-114 are satisfied, the
3 Secretary of State shall issue a certificate of title as
4 set forth in Section 3-116 of this Code. The Secretary of
5 State may by rule or regulation require photographs to be
6 submitted.

7 (4) A vehicle which is a part of a fleet of more than 5
8 commercial vehicles registered in this State or any other
9 state or registered proportionately among several states
10 shall be considered to be salvage when such vehicle has
11 sustained damage by collision, fire, theft, rust,
12 corrosion or similar means so that the cost of repairing
13 such damage, including labor, would be greater than 50% ~~33~~
14 ~~1/3%~~ of the fair market value of the vehicle without such
15 damage. If the owner of a fleet vehicle desires to sell,
16 transfer, or assign his interest in such vehicle to a
17 person within this State other than an insurance company
18 licensed to do business within this State, and the owner
19 determines that such vehicle, at the time of the proposed
20 sale, transfer or assignment is damaged in excess of 50%
21 ~~33 1/3%~~ of its fair market value, the owner shall, before
22 such sale, transfer or assignment, make application for a
23 salvage certificate. The application shall contain with it
24 evidence of possession of the vehicle. If the fleet
25 vehicle at the time of its sale, transfer, or assignment
26 is not damaged in excess of 50% ~~33 1/3%~~ of its fair market

1 value, the owner shall so state in a written affirmation
2 on a form prescribed by the Secretary of State by rule or
3 regulation. The Secretary of State may by rule or
4 regulation require photographs to be submitted. Upon sale,
5 transfer or assignment of the fleet vehicle the owner
6 shall mail the affirmation to the Secretary of State.

7 (5) A vehicle that has been submerged in water to the
8 point that rising water has reached over the door sill and
9 has entered the passenger or trunk compartment is a "flood
10 vehicle". A flood vehicle shall be considered to be
11 salvage only if the vehicle has sustained damage so that
12 the cost of repairing the damage, including labor, would
13 be greater than 50% ~~33-1/3%~~ of the fair market value of the
14 vehicle without that damage. The salvage certificate
15 issued under this Section shall indicate the word "flood",
16 and the word "flood" shall be conspicuously entered on
17 subsequent titles for the vehicle. A person who possesses
18 or acquires a flood vehicle that is not damaged in excess
19 of 50% ~~33-1/3%~~ of its fair market value shall make
20 application for title in accordance with Section 3-116 of
21 this Code, designating the vehicle as "flood" in a manner
22 prescribed by the Secretary of State. The certificate of
23 title issued shall indicate the word "flood", and the word
24 "flood" shall be conspicuously entered on subsequent
25 titles for the vehicle.

26 (6) When any licensed rebuilder, repairer, new or used

1 vehicle dealer, or remittance agent has submitted an
2 application for title to a vehicle (other than an
3 application for title to a rebuilt vehicle) that he or she
4 knows or reasonably should have known to have sustained
5 damages in excess of 50% ~~33-1/3%~~ of the vehicle's fair
6 market value without that damage; provided, however, that
7 any application for a salvage certificate for a vehicle
8 recovered from theft and acquired from an insurance
9 company shall be made as required by paragraph (1) of this
10 subsection (b).

11 (c) 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 (d) Except as provided under subsection (a), any person
17 who knowingly fails to surrender to the Secretary of State a
18 certificate of title, salvage certificate, certificate of
19 purchase or a similarly acceptable out-of-state document of
20 ownership as required under the provisions of this Section is
21 guilty of a Class A misdemeanor for a first offense and a Class
22 4 felony for a subsequent offense; except that a person
23 licensed under this Code who violates paragraph (5) of
24 subsection (b) of this Section is guilty of a business offense
25 and shall be fined not less than \$1,000 nor more than \$5,000
26 for a first offense and is guilty of a Class 4 felony for a

1 second or subsequent violation.

2 (e) Any vehicle which is salvage or junk may not be driven
3 or operated on roads and highways within this State. A
4 violation of this subsection is a Class A misdemeanor. A
5 salvage vehicle displaying valid special plates issued under
6 Section 3-601(b) of this Code, which is being driven to or from
7 an inspection conducted under Section 3-308 of this Code, is
8 exempt from the provisions of this subsection. A salvage
9 vehicle for which a short term permit has been issued under
10 Section 3-307 of this Code is exempt from the provisions of
11 this subsection for the duration of the permit.

12 (Source: P.A. 100-104, eff. 11-9-17; 100-956, eff. 1-1-19;
13 100-1083, eff. 1-1-19; 101-81, eff. 7-12-19.)

14 (625 ILCS 5/3-301) (from Ch. 95 1/2, par. 3-301)

15 Sec. 3-301. New certificate of title for rebuilt vehicle.

16 (a) For vehicles 8 model years of age or newer, the
17 Secretary of State shall issue a new certificate of title to
18 any rebuilt vehicle or any vehicle which previously had been
19 titled as salvage in this State or any other jurisdiction upon
20 the successful inspection of the vehicle in accordance with
21 Section 3-308 of this Article.

22 (b) Vehicles more than 8 model years old shall not be
23 required to complete a successful inspection required under
24 Section 3-308 of this Code before being issued a new
25 certificate of title as provided under this Section.

1 (c) Vehicles designated as flood vehicles that have
2 sustained damage greater than 50% ~~33 1/3%~~ of their fair market
3 value with that damage shall be required to complete a
4 successful inspection required under Section 3-308 of this
5 Code before being issued a new certificate of title provided
6 under paragraph (5), subsection (b) of Section 3-117.1.
7 (Source: P.A. 88-685, eff. 1-24-95; 89-669, eff. 1-1-97.)".