



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3747

Introduced 2/17/2023, by Rep. Natalie A. Manley

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-104 from Ch. 95 1/2, par. 3-104
625 ILCS 5/3-117.3
625 ILCS 5/4-208.1 new

Amends the Illinois Vehicle Code. Removes language providing that an application for a certificate of title must contain the Illinois residence of the owner. In a provision regarding junking or salvage certificates, insurance companies, and salvage dealers: defines "proof of full payment" as either a photocopy of a deposited insurance claim check or, for an electronic claims payment, a screen shot from the insurer's proprietary claim system that shows the payee, the amount paid, and the date of payment; and provides that no other additional requirements shall be required of the insurer. Provides that an insurer must issue a release statement that authorizes the used motor vehicle dealer or automotive dismantler to release the vehicle to the vehicle's owner or lienholder if the insurer does not take ownership of a vehicle. Requires that upon receiving a release statement from an insurer, the used motor vehicle dealer shall send notice to the owner and any lienholder of the vehicle informing the owner or lienholder that the vehicle is available for pick up. Provides that the notice shall include an invoice for any outstanding charges owed to the used motor vehicle dealer. Provides that if the owner or any lienholder of the vehicle does not pick up the vehicle within 30 days after notice was sent to the owner and any lienholder, the vehicle shall be considered abandoned.

LRB103 30059 MXP 56482 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
5 changing Sections 3-104, 3-117.3, and 3-116.1 and by adding
6 Section 4-208.1 as follows:

7 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

8 Sec. 3-104. Application for certificate of title.

9 (a) The application for a certificate of title for a
10 vehicle in this State must be made by the owner to the
11 Secretary of State on the form prescribed and must contain:

12 1. The name, ~~Illinois residence,~~ mail address, and, if
13 available, email address of the owner;

14 2. A description of the vehicle including, so far as
15 the following data exists: Its make, year-model,
16 identifying number, type of body, whether new or used, as
17 to house trailers as defined in Section 1-128 of this
18 Code, and as to manufactured homes as defined in Section
19 1-144.03 of this Code, the square footage based upon the
20 outside dimensions excluding the length of the tongue and
21 hitch, and, as to vehicles of the second division, whether
22 for-hire, not-for-hire, or both for-hire and not-for-hire;

23 3. The date of purchase by applicant and, if

1 applicable, the name and address of the person from whom
2 the vehicle was acquired and the names and addresses of
3 any lienholders in the order of their priority and
4 signatures of owners;

5 4. The current odometer reading at the time of
6 transfer and that the stated odometer reading is one of
7 the following: actual mileage, not the actual mileage or
8 mileage is in excess of its mechanical limits; and

9 5. Any further information the Secretary of State
10 reasonably requires to identify the vehicle and to enable
11 him to determine whether the owner is entitled to a
12 certificate of title and the existence or nonexistence of
13 security interests in the vehicle.

14 (a-5) The Secretary of State shall designate on the
15 prescribed application form a space where the owner of a
16 vehicle may designate a beneficiary, to whom ownership of the
17 vehicle shall pass in the event of the owner's death.

18 (b) If the application refers to a vehicle purchased from
19 a dealer, it must also be signed by the dealer as well as the
20 owner, and the dealer must promptly mail or deliver the
21 application and required documents to the Secretary of State.

22 (c) If the application refers to a vehicle last previously
23 registered in another State or country, the application must
24 contain or be accompanied by:

25 1. Any certified document of ownership so recognized
26 and issued by the other State or country and acceptable to

1 the Secretary of State, and

2 2. Any other information and documents the Secretary
3 of State reasonably requires to establish the ownership of
4 the vehicle and the existence or nonexistence of security
5 interests in it.

6 (d) If the application refers to a new vehicle it must be
7 accompanied by the Manufacturer's Statement of Origin, or
8 other documents as required and acceptable by the Secretary of
9 State, with such assignments as may be necessary to show title
10 in the applicant.

11 (e) If an application refers to a vehicle rebuilt from a
12 vehicle previously salvaged, that application shall comply
13 with the provisions set forth in Sections 3-302 through 3-304
14 of this Code.

15 (f) An application for a certificate of title for any
16 vehicle, whether purchased in Illinois or outside Illinois,
17 and even if previously registered in another State, must be
18 accompanied by either an exemption determination from the
19 Department of Revenue showing that no tax imposed pursuant to
20 the Use Tax Act or the vehicle use tax imposed by Section
21 3-1001 of the Illinois Vehicle Code is owed by anyone with
22 respect to that vehicle, or a receipt from the Department of
23 Revenue showing that any tax so imposed has been paid. An
24 application for a certificate of title for any vehicle
25 purchased outside Illinois, even if previously registered in
26 another state, must be accompanied by either an exemption

1 determination from the Department of Revenue showing that no
2 tax imposed pursuant to the Municipal Use Tax Act or the County
3 Use Tax Act is owed by anyone with respect to that vehicle, or
4 a receipt from the Department of Revenue showing that any tax
5 so imposed has been paid. In the absence of such a receipt for
6 payment or determination of exemption from the Department, no
7 certificate of title shall be issued to the applicant.

8 If the proof of payment of the tax or of nonliability
9 therefor is, after the issuance of the certificate of title
10 and display certificate of title, found to be invalid, the
11 Secretary of State shall revoke the certificate and require
12 that the certificate of title and, when applicable, the
13 display certificate of title be returned to him.

14 (g) If the application refers to a vehicle not
15 manufactured in accordance with federal safety and emission
16 standards, the application must be accompanied by all
17 documents required by federal governmental agencies to meet
18 their standards before a vehicle is allowed to be issued title
19 and registration.

20 (h) If the application refers to a vehicle sold at public
21 sale by a sheriff, it must be accompanied by the required fee
22 and a bill of sale issued and signed by a sheriff. The bill of
23 sale must identify the new owner's name and address, the year
24 model, make and vehicle identification number of the vehicle,
25 court order document number authorizing such sale, if
26 applicable, and the name and address of any lienholders in

1 order of priority, if applicable.

2 (i) If the application refers to a vehicle for which a
3 court of law determined the ownership, it must be accompanied
4 with a certified copy of such court order and the required fee.
5 The court order must indicate the new owner's name and
6 address, the complete description of the vehicle, if known,
7 the name and address of the lienholder, if any, and must be
8 signed and dated by the judge issuing such order.

9 (j) If the application refers to a vehicle sold at public
10 auction pursuant to the Labor and Storage Lien (Small Amount)
11 Act, it must be accompanied by an affidavit or affirmation
12 furnished by the Secretary of State along with the documents
13 described in the affidavit or affirmation and the required
14 fee.

15 (k) The Secretary may provide an expedited process for the
16 issuance of vehicle titles. Expedited title applications must
17 be delivered to the Secretary of State's Vehicle Services
18 Department in Springfield by express mail service or hand
19 delivery. Applications must be complete, including necessary
20 forms, fees, and taxes. Applications received before noon on a
21 business day will be processed and shipped that same day.
22 Applications received after noon on a business day will be
23 processed and shipped the next business day. The Secretary
24 shall charge an additional fee of \$30 for this service, and
25 that fee shall cover the cost of return shipping via an express
26 mail service. All fees collected by the Secretary of State for

1 expedited services shall be deposited into the Motor Vehicle
2 License Plate Fund. In the event the Vehicle Services
3 Department determines that the volume of expedited title
4 requests received on a given day exceeds the ability of the
5 Vehicle Services Department to process those requests in an
6 expedited manner, the Vehicle Services Department may decline
7 to provide expedited services, and the additional fee for the
8 expedited service shall be refunded to the applicant.

9 (l) If the application refers to a homemade trailer, (i)
10 it must be accompanied by the appropriate documentation
11 regarding the source of materials used in the construction of
12 the trailer, as required by the Secretary of State, (ii) the
13 trailer must be inspected by a Secretary of State employee
14 prior to the issuance of the title, and (iii) upon approval of
15 the Secretary of State, the trailer must have a vehicle
16 identification number, as provided by the Secretary of State,
17 stamped or riveted to the frame.

18 (m) The holder of a Manufacturer's Statement of Origin to
19 a manufactured home may deliver it to any person to facilitate
20 conveying or encumbering the manufactured home. Any person
21 receiving any such Manufacturer's Statement of Origin so
22 delivered holds it in trust for the person delivering it.

23 (n) Within 45 days after the completion of the first
24 retail sale of a manufactured home, the Manufacturer's
25 Statement of Origin to that manufactured home must be
26 surrendered to the Secretary of State either in conjunction

1 with an application for a certificate of title for that
2 manufactured home or in accordance with Section 3-116.1.

3 (o) Each application for certificate of title for a motor
4 vehicle shall be verified by the National Motor Vehicle Title
5 Information System (NMVTIS) for a vehicle history report prior
6 to the Secretary issuing a certificate of title.

7 (p) The Secretary, at the Secretary's discretion, may use
8 any commercially available title history service to assist in
9 determining the proper title designation of a motor vehicle
10 before the issuance of a certificate of title.

11 (Source: P.A. 102-154, eff. 1-1-22.)

12 (625 ILCS 5/3-117.3)

13 Sec. 3-117.3. Junking or salvage certificates; insurance
14 company; salvage dealer.

15 (a) For purposes of this Section, "salvage dealer" means a
16 licensed dealer who primarily sells salvage vehicles on behalf
17 of insurance companies and obtains a "salvage dealer"
18 designation through the used dealer application process under
19 Section 5-102 of this Code.

20 (b) Notwithstanding any other provision of law to the
21 contrary, an insurance company or salvage dealer may, after
22 completing a record search for any owner of a vehicle or a
23 lienholder of record, obtain free of any lien a junking
24 certificate or salvage certificate in the insurance company's
25 name by submitting an application for a junking certificate or

1 salvage certificate to the Secretary of State. The application
2 shall include, ~~but is not limited to,~~ proof of full payment, in
3 whole or in part, to the vehicle owner or, if applicable, any
4 lienholder of record and proof of notice to the vehicle owner
5 and any lienholder via certified mail or other proof of
6 service that a transfer of title shall occur no earlier than 30
7 days after the date the notice is sent. Upon approval of the
8 application, the Secretary shall issue to the insurance
9 company a junking certificate or salvage certificate free of
10 any lien in the insurance company's name. For the purposes of
11 this subsection, "proof of full payment" means either a
12 photocopy of a deposited insurance claim check or, for an
13 electronic claims payment, a screen shot from the insurer's
14 proprietary claim system that shows the payee, the amount
15 paid, and the date of payment. No other additional
16 requirements shall be required of the insurer.

17 An insurance company or salvage dealer shall not sell a
18 salvage vehicle with a title obtained under this subsection
19 (b) to anyone not authorized to buy salvage vehicles under
20 this Code.

21 This subsection (b) shall apply only to a motor vehicle
22 titled in this State that has been through an insurance claims
23 process and the owner of the vehicle or lienholder, if
24 applicable, has received compensation in exchange for
25 relinquishing the ownership rights of the vehicle to an
26 insurance company licensed under the Illinois Insurance Code

1 and the insurance company is unable to obtain an endorsed
2 certificate of title within 30 days of payment to the owner or
3 lienholder.

4 (c) Notwithstanding any other provision of law to the
5 contrary, a salvage dealer may, after completing a record
6 search for any owner of a vehicle or a lienholder of record,
7 obtain free of any lien a junking certificate or salvage
8 certificate in his or her name by submitting an application
9 for a junking certificate or a salvage certificate to the
10 Secretary of State which shall include, but is not limited to,
11 proof of notice via certified mail or other proof of service to
12 the vehicle owner or any lienholder that a transfer of title
13 shall occur no earlier than 30 days after the date the notice
14 is sent. The notice shall inform the vehicle owner or
15 lienholder that upon payment of any applicable charges, the
16 vehicle may be removed from the salvage dealer's facility.
17 Upon approval of the application, the Secretary shall issue to
18 the salvage dealer a junking certificate or salvage
19 certificate free of any lien in the salvage dealer's name.

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

23 This subsection (c) shall apply only to a motor vehicle
24 titled in this State and in possession of a salvage dealer by
25 request of an insurance company licensed under the Illinois
26 Insurance Code to take possession of the motor vehicle subject

1 to an insurance claim and the insurance company denies
2 coverage of the vehicle or does not take ownership of the
3 vehicle within 45 days of possession by the salvage dealer.

4 (d) A vehicle owner or lienholder may send notice of
5 dispute of the transfer of title under this Section within 30
6 days after the required notice is sent by the insurance
7 company or salvage dealer. If a dispute between a vehicle
8 owner or lienholder and an insurance company or salvage dealer
9 cannot be resolved within 45 days after the required notice to
10 the vehicle owner or lienholder is sent, the vehicle owner or
11 lienholder, within 90 days after sending notice of dispute,
12 shall petition a court of competent jurisdiction for an order
13 to determine ownership of the vehicle and shall notify the
14 Secretary of State of the filing of the petition. If a vehicle
15 owner or lienholder does not file a petition within the 90-day
16 period, the title to the vehicle shall be issued to the
17 insurance company or salvage dealer under this Section.

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

23 (f) Any person who knowingly fails to surrender to the
24 Secretary of State a certificate of title, salvage
25 certificate, or certificate of purchase is guilty of a Class A
26 misdemeanor for a first offense and a Class 4 felony for a

1 second and subsequent offense.

2 (g) 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 (g) is a Class A misdemeanor. A
5 salvage vehicle displaying valid special plates issued under
6 subsection (b) of Section 3-601 of this Code, which is being
7 driven to or from an inspection conducted under Section 3-308
8 of this Code, is exempt from the provisions of this subsection
9 (g). A salvage vehicle for which a short term permit has been
10 issued under Section 3-307 of this Code is exempt from the
11 provisions of this subsection (g) for the duration of the
12 permit.

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

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

16 (625 ILCS 5/4-208.1 new)

17 Sec. 4-208.1. Vehicles subject to insurance claim -
18 abandoned.

19 (a) If an insurer requests a used motor vehicle dealer,
20 the primary business of which is the sale of salvage vehicles
21 on behalf of insurers, to take possession of a vehicle that is
22 the subject of an insurance claim and subsequently the insurer
23 does not take ownership of the vehicle, the insurer may direct
24 the used motor vehicle dealer to release the vehicle to the
25 owner or lienholder. The insurer shall provide the used motor

1 vehicle dealer with a release statement authorizing the used
2 motor vehicle dealer or the automotive dismantler to release
3 the vehicle to the vehicle's owner or lienholder.

4 (b) Upon receiving a release statement from an insurer,
5 the used motor vehicle dealer shall send notice to the owner
6 and any lienholder of the vehicle informing the owner or
7 lienholder that the vehicle is available for pick up. The
8 notice shall include an invoice for any outstanding charges
9 owed to the used motor vehicle dealer. The notice shall inform
10 the owner and any lienholder that the owner or lienholder has
11 30 days from the date of the notice, and upon payment of
12 applicable charges owed to the used motor vehicle dealer, to
13 pick up the vehicle from the used motor vehicle dealer. Notice
14 under this subsection must be sent by certified mail or by
15 another commercially available delivery service providing
16 proof of delivery to the last known address or the address on
17 record with the Department.

18 (c) If the owner or any lienholder of the vehicle does not
19 pick up the vehicle within 30 days after notice was sent to the
20 owner and any lienholder in accordance with this subsection,
21 the vehicle shall be considered abandoned, the vehicle's
22 certificate of title is deemed to be assigned to the used motor
23 vehicle dealer, and the used motor vehicle dealer, without
24 surrendering the certificate of title, may request on a form
25 provided by the Department that the Department shall issue a
26 lien-free salvage certificate of title for the vehicle. The

1 request shall be accompanied by a copy of the notice required
2 by this subsection, and proof of delivery of the notice
3 required by this subsection sent to the owner and any
4 lienholder. Notwithstanding any outstanding liens against the
5 vehicle, the Department shall issue a lien-free salvage
6 certificate of title for the vehicle to the used motor vehicle
7 dealer in possession of the vehicle.