

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 changing  
5 Sections 3-113 and 3-202 as follows:

6 (625 ILCS 5/3-113) (from Ch. 95 1/2, par. 3-113)

7 Sec. 3-113. Transfer to or from dealer; records.

8 (a) After a dealer buys a vehicle and holds it for resale,  
9 the dealer must procure the certificate of title from the owner  
10 or the lienholder. The dealer may hold the certificate until he  
11 or she transfers the vehicle to another person. Upon  
12 transferring the vehicle to another person, the dealer shall  
13 promptly and within 20 days execute the assignment and warranty  
14 of title by a dealer, showing the names and addresses of the  
15 transferee and of any lienholder holding a security interest  
16 created or reserved at the time of the resale, in the spaces  
17 provided therefor on the certificate or as the Secretary of  
18 State prescribes, and mail or deliver the certificate to the  
19 Secretary of State with the transferee's application for a new  
20 certificate, except as provided in Section 3-117.2. A dealer  
21 has complied with this Section if the date of the mailing of  
22 the certificate, as indicated by the postmark, is within 20  
23 days of the date on which the vehicle was transferred to

1 another person.

2 (b) The Secretary of State may decline to process any  
3 application for a transfer of an interest in a vehicle if any  
4 fees or taxes due under this Code from the transferor or the  
5 transferee have not been paid upon reasonable notice and  
6 demand.

7 (c) Any person who violates this Section shall be guilty of  
8 a petty offense.

9 (Source: P.A. 94-239, eff. 1-1-06.)

10 (625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

11 Sec. 3-202. Perfection of security interest.

12 (a) Unless excepted by Section 3-201, a security interest  
13 in a vehicle of a type for which a certificate of title is  
14 required is not valid against subsequent transferees or  
15 lienholders of the vehicle unless perfected as provided in this  
16 Act.

17 (b) A security interest is perfected by the delivery to the  
18 Secretary of State of the existing certificate of title, if  
19 any, an application for a certificate of title containing the  
20 name and address of the lienholder and the required fee. The  
21 security interest is perfected as of the time of its creation  
22 if the delivery to the Secretary of State is completed within  
23 30 ~~21~~ days after the creation of the security interest or  
24 receipt by the new lienholder of the existing certificate of  
25 title from a prior lienholder or licensed dealer, otherwise as

1 of the time of the delivery.

2 (c) If a vehicle is subject to a security interest when  
3 brought into this State, the validity of the security interest  
4 is determined by the law of the jurisdiction where the vehicle  
5 was when the security interest attached, subject to the  
6 following:

7 1. If the parties understood at the time the security  
8 interest attached that the vehicle would be kept in this  
9 State and it was brought into this State within 30 days  
10 thereafter for purposes other than transportation through  
11 this State, the validity of the security interest in this  
12 State is determined by the law of this State.

13 2. If the security interest was perfected under the law  
14 of the jurisdiction where the vehicle was when the security  
15 interest attached, the following rules apply:

16 (A) If the name of the lienholder is shown on an  
17 existing certificate of title issued by that  
18 jurisdiction, his security interest continues  
19 perfected in this State.

20 (B) If the name of the lienholder is not shown on  
21 an existing certificate of title issued by that  
22 jurisdiction, a security interest may be perfected by  
23 the lienholder delivering to the Secretary of State the  
24 prescribed notice and by payment of the required fee.  
25 Such security interest is perfected as of the time of  
26 delivery of the prescribed notice and payment of the

1           required fee.

2           3. If the security interest was not perfected under the  
3 law of the jurisdiction where the vehicle was when the  
4 security interest attached, it may be perfected in this  
5 State; in that case perfection dates from the time of  
6 perfection in this State.

7           4. A security interest may be perfected under paragraph  
8 3 of this subsection either as provided in subsection (b)  
9 or by the lienholder delivering to the Secretary of State a  
10 notice of security interest in the form the Secretary of  
11 State prescribes and the required fee.

12       (Source: P.A. 91-893, eff. 7-6-00.)