

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 Auction License Act is amended by changing  
5 Section 10-1 as follows:

6 (225 ILCS 407/10-1)

7 (Text of Section after amendment by P.A. 95-572)

8 (Section scheduled to be repealed on January 1, 2010)

9 Sec. 10-1. Necessity of license; exemptions.

10 (a) It is unlawful for any person, corporation, limited  
11 liability company, partnership, or other entity to conduct an  
12 auction, provide an auction service, hold himself or herself  
13 out as an auctioneer, or advertise his or her services as an  
14 auctioneer in the State of Illinois without a license issued by  
15 the Department under this Act, except at:

16 (1) an auction conducted solely by or for a  
17 not-for-profit organization for charitable purposes;

18 (2) an auction conducted by the owner of the property,  
19 real or personal;

20 (3) an auction for the sale or lease of real property  
21 conducted by a licensee under the Real Estate License Act,  
22 or its successor Acts, in accordance with the terms of that  
23 Act;

1           (4) an auction conducted by a business registered as a  
2 market agency under the federal Packers and Stockyards Act  
3 (7 U.S.C. 181 et seq.) or under the Livestock Auction  
4 Market Law;

5           (5) an auction conducted by an agent, officer, or  
6 employee of a federal agency in the conduct of his or her  
7 official duties; and

8           (6) an auction conducted by an agent, officer, or  
9 employee of the State government or any political  
10 subdivision thereof performing his or her official duties.

11           (b) Nothing in this Act shall be construed to apply to a  
12 new or used vehicle dealer or a vehicle auctioneer licensed by  
13 the Secretary of State of Illinois, or to any employee of the  
14 licensee, who is a resident of the State of Illinois, while the  
15 employee is acting in the regular scope of his or her  
16 employment for the licensee while conducting an auction that is  
17 not open to the public, provided that only new or used vehicle  
18 dealers, rebuilders, automotive parts recyclers, or scrap  
19 processors, ~~or out of state salvage vehicle buyers~~ licensed by  
20 the Secretary of State or licensed by another state or  
21 jurisdiction may buy property at the auction, or to sales by or  
22 through the licensee. Out-of-state salvage vehicle buyers  
23 licensed in another state or jurisdiction may also buy property  
24 at the auction.

25           (c) Nothing in this Act shall be construed to prohibit a  
26 person under the age of 18 from selling property under \$250 in

1 value while under the direct supervision of a licensed  
2 auctioneer.

3 (d) Nothing in this Act, except Section 10-27, shall be  
4 construed to apply to a person while providing an Internet  
5 auction listing service as defined in Section 10-27.

6 (Source: P.A. 95-572, eff. 6-1-08.)

7 Section 10. The Illinois Vehicle Code is amended by  
8 changing Sections 1-154.7, 3-117.1, 3-118, 5-102, 5-302,  
9 5-403, and 5-702 as follows:

10 (625 ILCS 5/1-154.7)

11 Sec. 1-154.7. Out-of-state salvage vehicle buyer. A person  
12 who is licensed in another state or jurisdiction and acquires  
13 salvage or junk vehicles ~~state~~ for the primary purpose of  
14 ~~acquiring salvage vehicles and who is issued an out of state~~  
15 ~~salvage vehicle buyer's identification card in this State for~~  
16 ~~the sole purpose of acquiring salvage vehicles and taking them~~  
17 out of state.

18 (Source: P.A. 90-89, eff. 1-1-98.)

19 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

20 Sec. 3-117.1. When junking certificates or salvage  
21 certificates must be obtained.

22 (a) Except as provided in Chapter 4 of this Code, a person  
23 who possesses a junk vehicle shall within 15 days cause the

1 certificate of title, salvage certificate, certificate of  
2 purchase, or a similarly acceptable out of state document of  
3 ownership to be surrendered to the Secretary of State along  
4 with an application for a junking certificate, except as  
5 provided in Section 3-117.2, whereupon the Secretary of State  
6 shall issue to such a person a junking certificate, which shall  
7 authorize the holder thereof to possess, transport, or, by an  
8 endorsement, transfer ownership in such junked vehicle, and a  
9 certificate of title shall not again be issued for such  
10 vehicle.

11 A licensee who possesses a junk vehicle and a Certificate  
12 of Title, Salvage Certificate, Certificate of Purchase, or a  
13 similarly acceptable out-of-state document of ownership for  
14 such junk vehicle, may transport the junk vehicle to another  
15 licensee prior to applying for or obtaining a junking  
16 certificate, by executing a uniform invoice. The licensee  
17 transferor shall furnish a copy of the uniform invoice to the  
18 licensee transferee at the time of transfer. In any case, the  
19 licensee transferor shall apply for a junking certificate in  
20 conformance with Section 3-117.1 of this Chapter. The following  
21 information shall be contained on a uniform invoice:

22 (1) The business name, address and dealer license  
23 number of the person disposing of the vehicle, junk vehicle  
24 or vehicle cowl;

25 (2) The name and address of the person acquiring the  
26 vehicle, junk vehicle or vehicle cowl, and if that person

1 is a dealer, the Illinois or out-of-state dealer license  
2 number of that dealer;

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

5 (4) The year, make, model, color and description of  
6 each vehicle, junk vehicle or vehicle cowl disposed of by  
7 such person;

8 (5) The manufacturer's vehicle identification number,  
9 Secretary of State identification number or Illinois  
10 Department of State Police number, for each vehicle, junk  
11 vehicle or vehicle cowl part disposed of by such person;

12 (6) The printed name and legible signature of the  
13 person or agent disposing of the vehicle, junk vehicle or  
14 vehicle cowl; and

15 (7) The printed name and legible signature of the  
16 person accepting delivery of the vehicle, junk vehicle or  
17 vehicle cowl.

18 The Secretary of State may certify a junking manifest in a  
19 form prescribed by the Secretary of State that reflects those  
20 vehicles for which junking certificates have been applied or  
21 issued. A junking manifest may be issued to any person and it  
22 shall constitute evidence of ownership for the vehicle listed  
23 upon it. A junking manifest may be transferred only to a person  
24 licensed under Section 5-301 of this Code as a scrap processor.  
25 A junking manifest will allow the transportation of those  
26 vehicles to a scrap processor prior to receiving the junk

1 certificate from the Secretary of State.

2 (b) An application for a salvage certificate shall be  
3 submitted to the Secretary of State in any of the following  
4 situations:

5 (1) When an insurance company makes a payment of  
6 damages on a total loss claim for a vehicle, the insurance  
7 company shall be deemed to be the owner of such vehicle and  
8 the vehicle shall be considered to be salvage except that  
9 ownership of (i) a vehicle that has incurred only hail  
10 damage that does not affect the operational safety of the  
11 vehicle or (ii) any vehicle 9 model years of age or older  
12 may, by agreement between the registered owner and the  
13 insurance company, be retained by the registered owner of  
14 such vehicle. The insurance company shall promptly deliver  
15 or mail within 20 days the certificate of title along with  
16 proper application and fee to the Secretary of State, and a  
17 salvage certificate shall be issued in the name of the  
18 insurance company. Notwithstanding the foregoing, an  
19 insurer making payment of damages on a total loss claim for  
20 the theft of a vehicle shall not be required to apply for a  
21 salvage certificate unless the vehicle is recovered and has  
22 incurred damage that initially would have caused the  
23 vehicle to be declared a total loss by the insurer. ~~An~~  
24 ~~insurer making payment of damages on a total loss claim for~~  
25 ~~the theft of a vehicle may exchange the salvage certificate~~  
26 ~~for a certificate of title if the vehicle is recovered~~

1 ~~without damage. In such a situation, the insurer shall fill~~  
2 ~~out and sign a form prescribed by the Secretary of State~~  
3 ~~which contains an affirmation under penalty of perjury that~~  
4 ~~the vehicle was recovered without damage and the Secretary~~  
5 ~~of State may, by rule or regulation, require photographs to~~  
6 ~~be submitted.~~

7 (1.1) When a vehicle of a self-insured company is to be  
8 sold in the State of Illinois and has sustained damaged by  
9 collision, fire, theft, rust corrosion, or other means so  
10 that the self-insured company determines the vehicle to be  
11 a total loss, or if the cost of repairing the damage,  
12 including labor, would be greater than 50% of its fair  
13 market value without that damage, the vehicle shall be  
14 considered salvage. The self-insured company shall  
15 promptly deliver the certificate of title along with proper  
16 application and fee to the Secretary of State, and a  
17 salvage certificate shall be issued in the name of the  
18 self-insured company. A self-insured company making  
19 payment of damages on a total loss claim for the theft of a  
20 vehicle may exchange the salvage certificate for a  
21 certificate of title if the vehicle is recovered without  
22 damage. In such a situation, the self-insured shall fill  
23 out and sign a form prescribed by the Secretary of State  
24 which contains an affirmation under penalty of perjury that  
25 the vehicle was recovered without damage and the Secretary  
26 of State may, by rule, require photographs to be submitted.

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

22           (3) A vehicle which has been repossessed by a  
23 lienholder shall be considered to be salvage only when the  
24 repossessed vehicle, on the date of repossession by the  
25 lienholder, has sustained damage by collision, fire,  
26 theft, rust corrosion, or other means so that the cost of



1 repairing such damage, including labor, would be greater  
2 than 33 1/3% of its fair market value without such damage.  
3 If the lienholder determines that such vehicle is damaged  
4 in excess of 33 1/3% of such fair market value, the  
5 lienholder shall, before sale, transfer or assignment of  
6 the vehicle, make application for a salvage certificate,  
7 and shall submit with such application the proper fee and  
8 evidence of possession. If the facts required to be shown  
9 in subsection (f) of Section 3-114 are satisfied, the  
10 Secretary of State shall issue a salvage certificate in the  
11 name of the lienholder making the application. In any case  
12 wherein the vehicle repossessed is not damaged in excess of  
13 33 1/3% of its fair market value, the lienholder shall  
14 comply with the requirements of subsections (f), (f-5), and  
15 (f-10) of Section 3-114, except that the affidavit of  
16 repossession made by or on behalf of the lienholder shall  
17 also contain an affirmation under penalty of perjury that  
18 the vehicle on the date of sale is not damaged in excess of  
19 33 1/3% of its fair market value. If the facts required to  
20 be shown in subsection (f) of Section 3-114 are satisfied,  
21 the Secretary of State shall issue a certificate of title  
22 as set forth in Section 3-116 of this Code. The Secretary  
23 of State may by rule or regulation require photographs to  
24 be submitted.

25 (4) A vehicle which is a part of a fleet of more than 5  
26 commercial vehicles registered in this State or any other

1 state or registered proportionately among several states  
2 shall be considered to be salvage when such vehicle has  
3 sustained damage by collision, fire, theft, rust,  
4 corrosion or similar means so that the cost of repairing  
5 such damage, including labor, would be greater than 33 1/3%  
6 of the fair market value of the vehicle without such  
7 damage. If the owner of a fleet vehicle desires to sell,  
8 transfer, or assign his interest in such vehicle to a  
9 person within this State other than an insurance company  
10 licensed to do business within this State, and the owner  
11 determines that such vehicle, at the time of the proposed  
12 sale, transfer or assignment is damaged in excess of 33  
13 1/3% of its fair market value, the owner shall, before such  
14 sale, transfer or assignment, make application for a  
15 salvage certificate. The application shall contain with it  
16 evidence of possession of the vehicle. If the fleet vehicle  
17 at the time of its sale, transfer, or assignment is not  
18 damaged in excess of 33 1/3% of its fair market value, the  
19 owner shall so state in a written affirmation on a form  
20 prescribed by the Secretary of State by rule or regulation.  
21 The Secretary of State may by rule or regulation require  
22 photographs to be submitted. Upon sale, transfer or  
23 assignment of the fleet vehicle the owner shall mail the  
24 affirmation to the Secretary of State.

25 (5) A vehicle that has been submerged in water to the  
26 point that rising water has reached over the door sill and

1 has entered the passenger or trunk compartment is a "flood  
2 vehicle". A flood vehicle shall be considered to be salvage  
3 only if the vehicle has sustained damage so that the cost  
4 of repairing the damage, including labor, would be greater  
5 than 33 1/3% of the fair market value of the vehicle  
6 without that damage. The salvage certificate issued under  
7 this Section shall indicate the word "flood", and the word  
8 "flood" shall be conspicuously entered on subsequent  
9 titles for the vehicle. A person who possesses or acquires  
10 a flood vehicle that is not damaged in excess of 33 1/3% of  
11 its fair market value shall make application for title in  
12 accordance with Section 3-116 of this Code, designating the  
13 vehicle as "flood" in a manner prescribed by the Secretary  
14 of State. The certificate of title issued shall indicate  
15 the word "flood", and the word "flood" shall be  
16 conspicuously entered on subsequent titles for the  
17 vehicle.

18 (c) 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 (d) Any person who knowingly fails to surrender to the  
24 Secretary of State a certificate of title, salvage certificate,  
25 certificate of purchase or a similarly acceptable out-of-state  
26 document of ownership as required under the provisions of this

1 Section is guilty of a Class A misdemeanor for a first offense  
2 and a Class 4 felony for a subsequent offense; except that a  
3 person licensed under this Code who violates paragraph (5) of  
4 subsection (b) of this Section is guilty of a business offense  
5 and shall be fined not less than \$1,000 nor more than \$5,000  
6 for a first offense and is guilty of a Class 4 felony for a  
7 second or subsequent violation.

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

18 (Source: P.A. 95-495, eff. 1-1-08.)

19 (625 ILCS 5/3-118) (from Ch. 95 1/2, par. 3-118)

20 Sec. 3-118. Application for salvage or junking  
21 certificate; contents.

22 (a) An application for a salvage certificate or junking  
23 certificate shall be made upon the forms prescribed by the  
24 Secretary of State and contain:

25 1. The name and address of the owner;

1           2. A description of the vehicle including, so far as  
2           the following data exists: its make, year-model,  
3           identifying number, type of body, whether new or used;

4           3. The date of purchase by applicant; and

5           4. Any further information reasonably required by the  
6           Secretary of State.

7           (b) The application for salvage certificate must also  
8           contain the current odometer reading and that the stated  
9           odometer reading is one of the following: actual mileage, not  
10          the actual mileage or mileage is in excess of its mechanical  
11          limits.

12          (c) A salvage certificate may be assigned to any person  
13          licensed under this Act as a rebuilder, automotive parts  
14          recycler, or scrap processor, or to an out-of-state salvage  
15          vehicle buyer. A salvage certificate for a vehicle that has  
16          come from a police impoundment may be assigned to a municipal  
17          fire department. A junking certificate may be assigned to  
18          anyone. The provisions for reassignment by dealers under  
19          paragraph (a) of Section 3-113 shall apply to salvage  
20          certificates, except as provided in Section 3-117.2. A salvage  
21          certificate may be reassigned to one other person to whom a  
22          salvage certificate may be assigned pursuant to this Section  
23          ~~licensed under this Act.~~

24          (Source: P.A. 95-301, eff. 1-1-08.)

25                 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

1           Sec. 5-102. Used vehicle dealers must be licensed.

2           (a) No person, other than a licensed new vehicle dealer,  
3 shall engage in the business of selling or dealing in, on  
4 consignment or otherwise, 5 or more used vehicles of any make  
5 during the year (except house trailers as authorized by  
6 paragraph (j) of this Section and rebuilt salvage vehicles sold  
7 by their rebuilders to persons licensed under this Chapter), or  
8 act as an intermediary, agent or broker for any licensed dealer  
9 or vehicle purchaser (other than as a salesperson) or represent  
10 or advertise that he is so engaged or intends to so engage in  
11 such business unless licensed to do so by the Secretary of  
12 State under the provisions of this Section.

13           (b) An application for a used vehicle dealer's license  
14 shall be filed with the Secretary of State, duly verified by  
15 oath, in such form as the Secretary of State may by rule or  
16 regulation prescribe and shall contain:

17           1. The name and type of business organization  
18 established and additional places of business, if any, in  
19 this State.

20           2. If the applicant is a corporation, a list of its  
21 officers, directors, and shareholders having a ten percent  
22 or greater ownership interest in the corporation, setting  
23 forth the residence address of each; if the applicant is a  
24 sole proprietorship, a partnership, an unincorporated  
25 association, a trust, or any similar form of business  
26 organization, the names and residence address of the

1 proprietor or of each partner, member, officer, director,  
2 trustee or manager.

3 3. A statement that the applicant has been approved for  
4 registration under the Retailers' Occupation Tax Act by the  
5 Department of Revenue. However, this requirement does not  
6 apply to a dealer who is already licensed hereunder with  
7 the Secretary of State, and who is merely applying for a  
8 renewal of his license. As evidence of this fact, the  
9 application shall be accompanied by a certification from  
10 the Department of Revenue showing that the Department has  
11 approved the applicant for registration under the  
12 Retailers' Occupation Tax Act.

13 4. A statement that the applicant has complied with the  
14 appropriate liability insurance requirement. A Certificate  
15 of Insurance in a solvent company authorized to do business  
16 in the State of Illinois shall be included with each  
17 application covering each location at which he proposes to  
18 act as a used vehicle dealer. The policy must provide  
19 liability coverage in the minimum amounts of \$100,000 for  
20 bodily injury to, or death of, any person, \$300,000 for  
21 bodily injury to, or death of, two or more persons in any  
22 one accident, and \$50,000 for damage to property. Such  
23 policy shall expire not sooner than December 31 of the year  
24 for which the license was issued or renewed. The expiration  
25 of the insurance policy shall not terminate the liability  
26 under the policy arising during the period for which the

1 policy was filed. Trailer and mobile home dealers are  
2 exempt from this requirement.

3 If the permitted user has a liability insurance policy  
4 that provides automobile liability insurance coverage of  
5 at least \$100,000 for bodily injury to or the death of any  
6 person, \$300,000 for bodily injury to or the death of any 2  
7 or more persons in any one accident, and \$50,000 for damage  
8 to property, then the permitted user's insurer shall be the  
9 primary insurer and the dealer's insurer shall be the  
10 secondary insurer. If the permitted user does not have a  
11 liability insurance policy that provides automobile  
12 liability insurance coverage of at least \$100,000 for  
13 bodily injury to or the death of any person, \$300,000 for  
14 bodily injury to or the death of any 2 or more persons in  
15 any one accident, and \$50,000 for damage to property, or  
16 does not have any insurance at all, then the dealer's  
17 insurer shall be the primary insurer and the permitted  
18 user's insurer shall be the secondary insurer.

19 When a permitted user is "test driving" a used vehicle  
20 dealer's automobile, the used vehicle dealer's insurance  
21 shall be primary and the permitted user's insurance shall  
22 be secondary.

23 As used in this paragraph 4, a "permitted user" is a  
24 person who, with the permission of the used vehicle dealer  
25 or an employee of the used vehicle dealer, drives a vehicle  
26 owned and held for sale or lease by the used vehicle dealer



1       which the person is considering to purchase or lease, in  
2       order to evaluate the performance, reliability, or  
3       condition of the vehicle. The term "permitted user" also  
4       includes a person who, with the permission of the used  
5       vehicle dealer, drives a vehicle owned or held for sale or  
6       lease by the used vehicle dealer for loaner purposes while  
7       the user's vehicle is being repaired or evaluated.

8       As used in this paragraph 4, "test driving" occurs when  
9       a permitted user who, with the permission of the used  
10      vehicle dealer or an employee of the used vehicle dealer,  
11      drives a vehicle owned and held for sale or lease by a used  
12      vehicle dealer that the person is considering to purchase  
13      or lease, in order to evaluate the performance,  
14      reliability, or condition of the vehicle.

15      As used in this paragraph 4, "loaner purposes" means  
16      when a person who, with the permission of the used vehicle  
17      dealer, drives a vehicle owned or held for sale or lease by  
18      the used vehicle dealer while the user's vehicle is being  
19      repaired or evaluated.

20      5. An application for a used vehicle dealer's license  
21      shall be accompanied by the following license fees:

22      \$1,000 for applicant's established place of business,  
23      and \$50 for each additional place of business, if any, to  
24      which the application pertains; however, if the  
25      application is made after June 15 of any year, the license  
26      fee shall be \$500 for applicant's established place of

1 business plus \$25 for each additional place of business, if  
2 any, to which the application pertains. License fees shall  
3 be returnable only in the event that the application is  
4 denied by the Secretary of State. Of the money received by  
5 the Secretary of State as license fees under this Section  
6 for the 2004 licensing year and thereafter, 95% shall be  
7 deposited into the General Revenue Fund.

8 6. A statement that the applicant's officers,  
9 directors, shareholders having a 10% or greater ownership  
10 interest therein, proprietor, partner, member, officer,  
11 director, trustee, manager or other principals in the  
12 business have not committed in the past 3 years any one  
13 violation as determined in any civil, criminal or  
14 administrative proceedings of any one of the following  
15 Acts:

16 (A) The Anti Theft Laws of the Illinois Vehicle  
17 Code;

18 (B) The Certificate of Title Laws of the Illinois  
19 Vehicle Code;

20 (C) The Offenses against Registration and  
21 Certificates of Title Laws of the Illinois Vehicle  
22 Code;

23 (D) The Dealers, Transporters, Wreckers and  
24 Rebuilders Laws of the Illinois Vehicle Code;

25 (E) Section 21-2 of the Illinois Criminal Code of  
26 1961, Criminal Trespass to Vehicles; or

1 (F) The Retailers' Occupation Tax Act.

2 7. A statement that the applicant's officers,  
3 directors, shareholders having a 10% or greater ownership  
4 interest therein, proprietor, partner, member, officer,  
5 director, trustee, manager or other principals in the  
6 business have not committed in any calendar year 3 or more  
7 violations, as determined in any civil or criminal or  
8 administrative proceedings, of any one or more of the  
9 following Acts:

10 (A) The Consumer Finance Act;

11 (B) The Consumer Installment Loan Act;

12 (C) The Retail Installment Sales Act;

13 (D) The Motor Vehicle Retail Installment Sales  
14 Act;

15 (E) The Interest Act;

16 (F) The Illinois Wage Assignment Act;

17 (G) Part 8 of Article XII of the Code of Civil  
18 Procedure; or

19 (H) The Consumer Fraud Act.

20 8. A bond or Certificate of Deposit in the amount of  
21 \$20,000 for each location at which the applicant intends to  
22 act as a used vehicle dealer. The bond shall be for the  
23 term of the license, or its renewal, for which application  
24 is made, and shall expire not sooner than December 31 of  
25 the year for which the license was issued or renewed. The  
26 bond shall run to the People of the State of Illinois, with

1           surety by a bonding or insurance company authorized to do  
2           business in this State. It shall be conditioned upon the  
3           proper transmittal of all title and registration fees and  
4           taxes (excluding taxes under the Retailers' Occupation Tax  
5           Act) accepted by the applicant as a used vehicle dealer.

6           9. Such other information concerning the business of  
7           the applicant as the Secretary of State may by rule or  
8           regulation prescribe.

9           10. A statement that the applicant understands Chapter  
10          1 through Chapter 5 of this Code.

11          (c) Any change which renders no longer accurate any  
12          information contained in any application for a used vehicle  
13          dealer's license shall be amended within 30 days after the  
14          occurrence of each change on such form as the Secretary of  
15          State may prescribe by rule or regulation, accompanied by an  
16          amendatory fee of \$2.

17          (d) Anything in this Chapter to the contrary  
18          notwithstanding, no person shall be licensed as a used vehicle  
19          dealer unless such person maintains an established place of  
20          business as defined in this Chapter.

21          (e) The Secretary of State shall, within a reasonable time  
22          after receipt, examine an application submitted to him under  
23          this Section. Unless the Secretary makes a determination that  
24          the application submitted to him does not conform to this  
25          Section or that grounds exist for a denial of the application  
26          under Section 5-501 of this Chapter, he must grant the

1 applicant an original used vehicle dealer's license in writing  
2 for his established place of business and a supplemental  
3 license in writing for each additional place of business in  
4 such form as he may prescribe by rule or regulation which shall  
5 include the following:

6 1. The name of the person licensed;

7 2. If a corporation, the name and address of its  
8 officers or if a sole proprietorship, a partnership, an  
9 unincorporated association or any similar form of business  
10 organization, the name and address of the proprietor or of  
11 each partner, member, officer, director, trustee or  
12 manager;

13 3. In case of an original license, the established  
14 place of business of the licensee;

15 4. In the case of a supplemental license, the  
16 established place of business of the licensee and the  
17 additional place of business to which such supplemental  
18 license pertains.

19 (f) The appropriate instrument evidencing the license or a  
20 certified copy thereof, provided by the Secretary of State  
21 shall be kept posted, conspicuously, in the established place  
22 of business of the licensee and in each additional place of  
23 business, if any, maintained by such licensee.

24 (g) Except as provided in subsection (h) of this Section,  
25 all used vehicle dealer's licenses granted under this Section  
26 expire by operation of law on December 31 of the calendar year

1 for which they are granted unless sooner revoked or cancelled  
2 under Section 5-501 of this Chapter.

3 (h) A used vehicle dealer's license may be renewed upon  
4 application and payment of the fee required herein, and  
5 submission of proof of coverage by an approved bond under the  
6 "Retailers' Occupation Tax Act" or proof that applicant is not  
7 subject to such bonding requirements, as in the case of an  
8 original license, but in case an application for the renewal of  
9 an effective license is made during the month of December, the  
10 effective license shall remain in force until the application  
11 for renewal is granted or denied by the Secretary of State.

12 (i) All persons licensed as a used vehicle dealer are  
13 required to furnish each purchaser of a motor vehicle:

14 1. A certificate of title properly assigned to the  
15 purchaser;

16 2. A statement verified under oath that all identifying  
17 numbers on the vehicle agree with those on the certificate  
18 of title;

19 3. A bill of sale properly executed on behalf of such  
20 person;

21 4. A copy of the Uniform Invoice-transaction reporting  
22 return referred to in Section 5-402 of this Chapter;

23 5. In the case of a rebuilt vehicle, a copy of the  
24 Disclosure of Rebuilt Vehicle Status; and

25 6. In the case of a vehicle for which the warranty has  
26 been reinstated, a copy of the warranty.

1           (j) A real estate broker holding a valid certificate of  
2 registration issued pursuant to "The Real Estate Brokers and  
3 Salesmen License Act" may engage in the business of selling or  
4 dealing in house trailers not his own without being licensed as  
5 a used vehicle dealer under this Section; however such broker  
6 shall maintain a record of the transaction including the  
7 following:

8                   (1) the name and address of the buyer and seller,

9                   (2) the date of sale,

10                   (3) a description of the mobile home, including the  
11 vehicle identification number, make, model, and year, and

12                   (4) the Illinois certificate of title number.

13           The foregoing records shall be available for inspection by  
14 any officer of the Secretary of State's Office at any  
15 reasonable hour.

16           (k) Except at the time of sale or repossession of the  
17 vehicle, no person licensed as a used vehicle dealer may issue  
18 any other person a newly created key to a vehicle unless the  
19 used vehicle dealer makes a copy of the driver's license or  
20 State identification card of the person requesting or obtaining  
21 the newly created key. The used vehicle dealer must retain the  
22 copy for 30 days.

23           A used vehicle dealer who violates this subsection (k) is  
24 guilty of a petty offense. Violation of this subsection (k) is  
25 not cause to suspend, revoke, cancel, or deny renewal of the  
26 used vehicle dealer's license.

1       (1) Used vehicle dealers licensed under this Section shall  
2 provide the Secretary of State a register for the sale at  
3 auction of each salvage or junk certificate vehicle. Each  
4 register shall include the following information:

5           1. The year, make, model, style and color of the  
6 vehicle;

7           2. The vehicle's manufacturer's identification number  
8 or, if applicable, the Secretary of State or Illinois  
9 Department of State Police identification number;

10          3. The date of acquisition of the vehicle;

11          4. The name and address of the person from whom the  
12 vehicle was acquired;

13          5. The name and address of the person to whom any  
14 vehicle was disposed, the person's Illinois license number  
15 or if the person is an out-of-state salvage vehicle buyer,  
16 the license number from the state or jurisdiction where the  
17 buyer is licensed; and

18          6. The purchase price of the vehicle.

19       The register shall be submitted to the Secretary of State  
20 via written or electronic means within 10 calendar days from  
21 the date of the auction.

22       (Source: P.A. 92-391, eff. 8-16-01; 92-835, eff. 6-1-03; 93-32,  
23 eff. 7-1-03.)

24       (625 ILCS 5/5-302) (from Ch. 95 1/2, par. 5-302)

25       Sec. 5-302. Out-of-state salvage vehicle buyer must be



1 licensed. (a) No person in this State shall sell or offer at  
2 auction salvage vehicles to a nonresident who is not licensed  
3 in another state or jurisdiction. ~~has not been issued an~~  
4 ~~out-of-state salvage vehicle buyer's ID card from the Secretary~~  
5 ~~of State under this Section. To qualify for this ID card, the~~  
6 ~~applicant shall submit with the application an out of state~~  
7 ~~dealer license which is issued by the applicant's state and is~~  
8 ~~substantially equivalent to that of a rebuilder, automotive~~  
9 ~~parts recycler or scrap processor, as licensed under this Code.~~

10 (b) (Blank) ~~Any application filed with the Secretary of~~  
11 ~~State, shall be duly verified by oath, in such form as the~~  
12 ~~Secretary of State may by rule or regulation prescribe.~~

13 (c) (Blank) ~~An application for an out-of-state ID card~~  
14 ~~shall be accompanied by a fee of \$100; provided however, that~~  
15 ~~if an application is made after June 15 of any year, the ID~~  
16 ~~card fee shall be \$50. Any fees shall be returnable only in the~~  
17 ~~event that such application is denied by the Secretary of~~  
18 ~~State.~~

19 (d) (Blank) ~~The Secretary of State shall within a~~  
20 ~~reasonable time after receipt thereof, examine an application~~  
21 ~~submitted to him under this Section and unless he makes a~~  
22 ~~determination that the application submitted to him does not~~  
23 ~~conform with the requirements of this Section or that grounds~~  
24 ~~exist for a denial of the application, as prescribed in Section~~  
25 ~~5-501 of this Chapter, grant the applicant an out-of-state~~  
26 ~~salvage vehicle buyer's ID card.~~

1           (e) (Blank) ~~Except as provided in subsection (f) of this~~  
2 ~~Section, licenses granted under this Section shall expire by~~  
3 ~~operation of law on December 31 of the calendar year for which~~  
4 ~~they are granted unless revoked or cancelled under the~~  
5 ~~provisions of Section 5-501 of this Chapter.~~

6           (f) (Blank) ~~Any license granted under this Section may be~~  
7 ~~renewed upon application and payment of the fee required for an~~  
8 ~~original license, provided however, that where an application~~  
9 ~~for the renewal of a license is made during the month of~~  
10 ~~December, the license in effect at the time of application for~~  
11 ~~renewal shall remain in force until such application is granted~~  
12 ~~or denied by the Secretary of State.~~

13           (g) An out-of-state salvage vehicle buyer shall be subject  
14 to the inspection of records pertaining to the acquisition of  
15 salvage vehicles in this State in accordance with this Code and  
16 such rules as the Secretary of State may promulgate.

17           (h) (Blank) ~~Beginning July 1, 1988, the application filed~~  
18 ~~with the Secretary of State shall also contain:~~

19           1. ~~The name and type of business organization of the~~  
20 ~~applicant and his principal or other places of business;~~

21           2. ~~If the applicant is a corporation, a list of its~~  
22 ~~officers, directors, and shareholders having a 10% or greater~~  
23 ~~ownership interest in the corporation, setting forth the~~  
24 ~~residence address of each; if the applicant is a sole~~  
25 ~~proprietorship, a partnership, an unincorporated association,~~  
26 ~~a trust, or any similar form of business organization, the~~

1 ~~names and residence address of the proprietor, or of each~~  
2 ~~partner, member, officer, director, trustee or manager;~~

3 ~~3. A statement that the applicant's officers, directors,~~  
4 ~~shareholders having a 10% or greater ownership interest~~  
5 ~~therein, proprietor, partner, member, officer, director,~~  
6 ~~trustee, manager, or other principals in the business have not~~  
7 ~~committed in the past 3 years any one violation as determined~~  
8 ~~in any civil or criminal or administrative proceedings of any~~  
9 ~~one of the following Acts:~~

10 ~~(A) The "Anti Theft Laws" of the Illinois Vehicle Code;~~

11 ~~(B) The "Certificate of Title Laws" of the Illinois Vehicle~~  
12 ~~Code;~~

13 ~~(C) The "Offenses against Registration and Certificates of~~  
14 ~~Title Laws" of the Illinois Vehicle Code;~~

15 ~~(D) The "Dealers, Transporters, Wreckers and Rebuilders~~  
16 ~~Laws" of the Illinois Vehicle Code;~~

17 ~~(E) Section 21-2 of the Criminal Code of 1961, Criminal~~  
18 ~~Trespass to Vehicles; or~~

19 ~~(F) The "Retailers Occupation Tax Act";~~

20 ~~4. A statement that the applicant's officers, directors,~~  
21 ~~shareholders having a 10% or greater ownership interest~~  
22 ~~therein, proprietor, partner, member, officer, director,~~  
23 ~~trustee, manager or other principals in the business have not~~  
24 ~~committed in any calendar year 3 or more violations, as~~  
25 ~~determined in any civil or criminal or administrative~~  
26 ~~proceedings, of any one or more of the following Acts:~~

1       ~~(A) The "Consumer Finance Act";~~  
2       ~~(B) The "Consumer Installment Loan Act";~~  
3       ~~(C) The "Retail Installment Sales Act";~~  
4       ~~(D) The "Motor Vehicle Retail Installment Sales Act";~~  
5       ~~(E) "An Act in relation to the rate of interest and other~~  
6 ~~charges in connection with sales on credit and the lending of~~  
7 ~~money", approved May 24, 1879, as amended;~~

8       ~~(F) "An Act to promote the welfare of wage earners by~~  
9 ~~regulating the assignment of wages, and prescribing a penalty~~  
10 ~~for the violation thereof", approved July 1, 1935, as amended;~~

11       ~~(G) Part 8 of Article XII of the Code of Civil Procedure;~~  
12 ~~or~~

13       ~~(H) The "Consumer Fraud Act"; and~~  
14       ~~5. A statement that the applicant understands Chapters 1~~  
15 ~~through 5 of this Code.~~

16       (i) (Blank) ~~Any change which renders no longer accurate any~~  
17 ~~information contained in any application for a license filed~~  
18 ~~with the Secretary of State shall be amended within 30 days~~  
19 ~~after the occurrence of such change on such form as the~~  
20 ~~Secretary of State may prescribe by rule or regulation,~~  
21 ~~accompanied by an amendatory fee of \$2.~~

22       (Source: P.A. 86-444.)

23       (625 ILCS 5/5-403) (from Ch. 95 1/2, par. 5-403)

24       Sec. 5-403. (1) Authorized representatives of the  
25 Secretary of State including officers of the Secretary of

1 State's Department of Police, other peace officers, and such  
2 other individuals as the Secretary may designate from time to  
3 time shall make inspections of individuals and facilities  
4 licensed or required to be licensed under Chapter 5 of the  
5 Illinois Vehicle Code for the purpose of reviewing records  
6 required to be maintained under Chapter 5 for accuracy and  
7 completeness and reviewing and examining the premises of the  
8 licensee's established or additional place of business for the  
9 purpose of determining the accuracy of the required records.  
10 Premises that may be inspected in order to determine the  
11 accuracy of the books and records required to be kept includes  
12 all premises used by the licensee to store vehicles and parts  
13 that are reflected by the required books and records.

14 (2) Persons having knowledge of or conducting inspections  
15 pursuant to this Chapter shall not in advance of such  
16 inspections knowingly notify a licensee or representative of a  
17 licensee of the contemplated inspection unless the Secretary or  
18 an individual designated by him for this purpose authorizes  
19 such notification. Any individual who, without authorization,  
20 knowingly violates this subparagraph shall be guilty of a Class  
21 A misdemeanor.

22 (3) The licensee or a representative of the licensee shall  
23 be entitled to be present during an inspection conducted  
24 pursuant to Chapter 5, however, the presence of the licensee or  
25 an authorized representative of the licensee is not a condition  
26 precedent to such an inspection.

1           (4) Inspection conducted pursuant to Chapter 5 may be  
2 initiated at any time that business is being conducted or work  
3 is being performed, whether or not open to the public or when  
4 the licensee or a representative of the licensee, other than a  
5 mere custodian or watchman, is present. The fact that a  
6 licensee or representative of the licensee leaves the licensed  
7 premises after an inspection has been initiated shall not  
8 require the termination of the inspection.

9           (5) Any inspection conducted pursuant to Chapter 5 shall  
10 not continue for more than 24 hours after initiation.

11           (6) In the event information comes to the attention of the  
12 individuals conducting an inspection that may give rise to the  
13 necessity of obtaining a search warrant, and in the event steps  
14 are initiated for the procurement of a search warrant, the  
15 individuals conducting such inspection may take all necessary  
16 steps to secure the premises under inspection until the warrant  
17 application is acted upon by a judicial officer.

18           (7) No more than 6 inspections of a premises may be  
19 conducted pursuant to Chapter 5 within any 6 month period  
20 except pursuant to a search warrant. Notwithstanding this  
21 limitation, nothing in this subparagraph (7) shall be construed  
22 to limit the authority of law enforcement agents to respond to  
23 public complaints of violations of the Code. For the purpose of  
24 this subparagraph (7), a public complaint is one in which the  
25 complainant identifies himself or herself and sets forth, in  
26 writing, the specific basis for their complaint against the

1 licensee. For the purpose of this subparagraph (7), the  
2 inspection of records pertaining only to scrap metals, as  
3 provided in subdivision (a) (5) of Section 5-401.3 of this Code,  
4 shall not be counted as an inspection of a premises.

5 (8) Nothing in this Section shall be construed to limit the  
6 authority of individuals by the Secretary pursuant to this  
7 Section to conduct searches of licensees pursuant to a duly  
8 issued and authorized search warrant.

9 (9) Any licensee who, having been informed by a person  
10 authorized to make inspections and examine records under this  
11 Section that he desires to inspect records and the licensee's  
12 premises as authorized by this Section, refuses either to  
13 produce for that person records required to be kept by this  
14 Chapter or to permit such authorized person to make an  
15 inspection of the premises in accordance with this Section  
16 shall subject the license to immediate suspension by the  
17 Secretary of State.

18 (10) Beginning July 1, 1988, any person referenced ~~licensed~~  
19 under Section 5-302 shall produce for inspection upon demand  
20 those records pertaining to the acquisition of salvage vehicles  
21 in this State. ~~This inspection may be conducted at the~~  
22 ~~principal offices of the Secretary of State.~~

23 (Source: P.A. 95-253, eff. 1-1-08.)

24 (625 ILCS 5/5-702) (from Ch. 95 1/2, par. 5-702)

25 Sec. 5-702. No person shall engage in the business of

1 auctioning any vehicles for which a salvage certificate is  
2 required by law except to a bidder who is an out-of-state  
3 salvage vehicle buyer or who is properly licensed as a  
4 rebuilder, automotive parts recycler, or scrap processor ~~or~~  
5 ~~out of state salvage buyer~~, as required by Section ~~Sections~~  
6 5-301 ~~and 5-302~~ of this Chapter.

7 (Source: P.A. 89-663, eff. 8-14-96.)