

SB3358



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3358

Introduced 2/7/2012, by Sen. Don Harmon

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-109

from Ch. 95 1/2, par. 3-109

Amend the Illinois Vehicle Code. Makes a technical change in a Section concerning registration.

LRB097 18619 HEP 63853 b

A BILL FOR

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 Section 3-109 as follows:

6 (625 ILCS 5/3-109) (from Ch. 95 1/2, par. 3-109)

7 Sec. 3-109. Registration without certificate of title;
8 bond. If the ~~the~~ Secretary of State is not satisfied as to the
9 ownership of the vehicle or that there are no undisclosed
10 security interests in it, the Secretary of State may register
11 the vehicle but shall either:

12 (a) Withhold issuance of a certificate of title until the
13 applicant presents documents reasonably sufficient to satisfy
14 the Secretary of State as to the applicant's ownership of the
15 vehicle and that there are no undisclosed security interests in
16 it; or

17 (b) As a condition of issuing a certificate of title,
18 require the applicant to file with the Secretary of State a
19 bond in the form prescribed by the Secretary of State and
20 executed by the applicant, and either accompanied by the
21 deposit of cash with the Secretary of State or also executed by
22 a person authorized to conduct a surety business in this State.
23 The bond shall be in an amount equal to one and one-half times

1 the value of the vehicle as determined by the Secretary of
2 State and conditioned to indemnify any prior owner and
3 lienholder and any subsequent purchaser of the vehicle or
4 person acquiring any security interest in it, and their
5 respective successors in interest, against any expense, loss or
6 damage, including reasonable attorney's fees, by reason of the
7 issuance of the certificate of title of the vehicle or on
8 account of any defect in or undisclosed security interest upon
9 the right, title and interest of the applicant in and to the
10 vehicle. Any such interested person has a right of action to
11 recover on the bond for any breach of its conditions, but the
12 aggregate liability of the surety to all persons shall not
13 exceed the amount of the bond. The bond, and any deposit
14 accompanying it, shall be returned at the end of three (3)
15 years or prior thereto if the vehicle is no longer registered
16 in this State and the currently valid certificate of title is
17 surrendered to the Secretary of State, unless the Secretary of
18 State has been notified of the pendency of an action to recover
19 on the bond.

20 Security deposited as a bond hereunder shall be placed by
21 the Secretary of State in the custody of the State Treasurer.

22 (c) During July, annually, the Secretary shall compile a
23 list of all bonds on deposit, pursuant to this Section, for
24 more than 3 years and concerning which he has received no
25 notice as to the pendency of any judicial proceeding that could
26 affect the disposition thereof. Thereupon, he shall promptly

1 send a notice by certified mail to the last known address of
2 each depositor advising him that his bond will be subject to
3 escheat to the State of Illinois if not claimed within 30 days
4 after the mailing date of such notice. At the expiration of
5 such time, the Secretary of State shall file with the State
6 Treasurer an order directing the transfer of such deposit to
7 the Road Fund in the State Treasury. Upon receipt of such
8 order, the State Treasurer shall make such transfer, after
9 converting to cash any other type of security. Thereafter any
10 person having a legal claim against such deposit may enforce it
11 by appropriate proceedings in the Court of Claims subject to
12 the limitations prescribed for such Court. At the expiration of
13 such limitation period such deposit shall escheat to the State
14 of Illinois.

15 (Source: P.A. 81-1458.)