



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2598

by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-110	from Ch. 95 1/2, par. 3-110
625 ILCS 5/3-116	from Ch. 95 1/2, par. 3-116
770 ILCS 45/1	from Ch. 82, par. 40
770 ILCS 50/2	from Ch. 82, par. 47b
770 ILCS 50/3	from Ch. 82, par. 47c
770 ILCS 90/3	from Ch. 141, par. 3

Amends the Illinois Vehicle Code. Provides that if an application for a certificate of title for a vehicle refers to a vehicle sold at public auction under the Labor and Storage Lien Act, the Labor and Storage Lien (Small Amount) Act, and the Sale of Unclaimed Property Act and the Secretary of State refuses to issue a certificate of title, the Secretary of State shall provide the applicant with a written explanation for the refusal and any proof supporting the explanation. Provides that if an application for a certificate of title for a vehicle refers to a vehicle sold at public auction under the Labor and Storage Lien Act, the Labor and Storage Lien (Small Amount) Act, or the Sale of Unclaimed Property Act, the Secretary of State shall, within 30 days after receiving the application, either issue the certificate of title or notify the applicant of the refusal to issue a certificate of title. Amends the Labor and Storage Lien Act, the Labor and Storage Lien (Small Amount) Act, and the Sale of Unclaimed Property Act. Provides that a lien on a motor vehicle may be enforced on or after the 16th day after the completion of the expenditure of labor, services, skill, or material or furnishing of storage on or after the 16th day after the date agreed upon for redemption. Provides that a lien created or enforced by the new provisions shall be subordinate to and may not exclude any prior lien interest existing upon the vehicle.

LRB098 08844 MLW 38973 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 changing
5 Sections 3-110 and 3-116 as follows:

6 (625 ILCS 5/3-110) (from Ch. 95 1/2, par. 3-110)

7 Sec. 3-110. Refusing certificate of title. The Secretary of
8 State shall refuse issuance of a certificate of title if any
9 required fee is not paid or if he has reasonable grounds to
10 believe that:

11 (a) the applicant is not the owner of the vehicle;

12 (b) the application contains a false or fraudulent
13 statement;

14 (c) the applicant fails to furnish required
15 information or documents or any additional information the
16 Secretary of State reasonably requires; or

17 (d) the applicant has not paid to the Secretary of
18 State any fees or taxes due under this Act and have not
19 been paid upon reasonable notice and demand.

20 If the application refers to a vehicle sold at public
21 auction under the Labor and Storage Lien Act, the Labor and
22 Storage Lien (Small Amount) Act, or the Sale of Unclaimed
23 Property Act and the Secretary of State refuses to issue a

1 certificate of title, the Secretary of State shall provide the
2 applicant with a written explanation for the refusal and any
3 proof supporting the explanation.

4 (Source: P.A. 97-333, eff. 8-12-11.)

5 (625 ILCS 5/3-116) (from Ch. 95 1/2, par. 3-116)

6 Sec. 3-116. When Secretary of State to issue a certificate
7 of title.

8 (a) The Secretary of State, upon receipt of a properly
9 assigned certificate of title, with an application for a
10 certificate of title, the required fee and any other documents
11 required by law, shall issue a new certificate of title in the
12 name of the transferee as owner and mail it to the first
13 lienholder named in it or, if none, to the owner or owner's
14 designee.

15 (b) The Secretary of State, upon receipt of an application
16 for a new certificate of title by a transferee other than by
17 voluntary transfer, with proof of the transfer, the required
18 fee and any other documents required by law, shall issue a new
19 certificate of title in the name of the transferee as owner.

20 (c) Any person, firm or corporation, who shall knowingly
21 possess, buy, sell, exchange or give away, or offer to buy,
22 sell, exchange or give away the certificate of title to any
23 motor vehicle which is a junk or salvage, or who shall fail to
24 surrender the certificate of title to the Secretary of State as
25 required under the provisions of this Section and Section

1 3-117.2, shall be guilty of Class 3 felony.

2 (d) The Secretary of State shall file and retain for four
3 (4) years a record of every surrendered certificate of title or
4 proof of ownership accepted by the Secretary of State, the file
5 to be maintained so as to permit the tracing of title of the
6 vehicle designated therein.

7 (e) The Secretary of State, upon receipt of an application
8 for corrected certificate of title, with the original title,
9 the required fee and any other required documents, shall issue
10 a corrected certificate of title in the name of the owner and
11 mail it to the first lienholder named in it or, if none, to the
12 owner or owner's designee.

13 (f) The Secretary of State, upon receipt of a certified
14 copy of a court order awarding ownership to an applicant along
15 with an application for a certificate of title and the required
16 fee, shall issue a certificate of title to the applicant.

17 (g) If the application refers to a vehicle sold at public
18 auction pursuant to the Labor and Storage Lien Act, the Labor
19 and Storage Lien (Small Amount) Act, or the Sale of Unclaimed
20 Property Act, the Secretary of State shall, within 30 days
21 after receiving the application, either issue the certificate
22 of title in accordance with this Section or notify the
23 applicant of the refusal to issue a certificate of title under
24 Section 3-110.

25 (Source: P.A. 90-212, eff. 1-1-98.)

1 Section 10. The Labor and Storage Lien Act is amended by
2 changing Section 1 as follows:

3 (770 ILCS 45/1) (from Ch. 82, par. 40)

4 Sec. 1. (a) Every person, firm or corporation who has
5 expended labor, skill or materials upon any chattel, or has
6 furnished storage for said chattel, at the request of its
7 owner, reputed owner, or authorized agent of the owner, or
8 lawful possessor thereof, shall have a lien upon such chattel
9 beginning on the date of the commencement of such expenditure
10 of labor, skill and materials or of such storage for the
11 contract price for all such expenditure of labor, skill or
12 materials, or for all such storage, or in the absence of such
13 contract price, for the reasonable worth of such expenditure of
14 labor, skill and materials, or of such storage, for a period of
15 one year from and after the completion of such expenditure of
16 labor, skill or materials, or of such storage, notwithstanding
17 the fact that the possession of such chattel has been
18 surrendered to the owner, or lawful possessor thereof.

19 (b) If the chattel is a motor vehicle, a lien may be
20 enforced under Section 3 of the Sale of Unclaimed Property Act
21 on or after the 16th day after the completion of the
22 expenditure of labor, services, skill, or material or
23 furnishing of storage on or after the 16th day after the date
24 agreed upon for redemption.

25 (Source: Laws 1921, p. 508.)

1 Section 15. The Labor and Storage Lien (Small Amount) Act
2 is amended by changing Sections 2 and 3 as follows:

3 (770 ILCS 50/2) (from Ch. 82, par. 47b)

4 Sec. 2. (a) Unless the chattel is redeemed within 90 days
5 of the completion of the expenditure of such labor, services,
6 skill, or material or furnishing of storage, or within 90 days
7 of the date agreed upon for redemption, the lien may be
8 enforced by a commercially reasonable public or private sale
9 conducted so as to maximize the net proceeds of said sale as
10 hereinafter provided.

11 (b) Notwithstanding the provisions of subsection (a), if
12 the chattel is a motor vehicle, a lien may be enforced under
13 subsection (a) on or after the 16th day after the completion of
14 the expenditure of labor, services, skill, or material or
15 furnishing of storage or on or after the 16th day after the
16 date agreed upon for redemption.

17 (Source: P.A. 85-1283.)

18 (770 ILCS 50/3) (from Ch. 82, par. 47c)

19 Sec. 3. Such sale shall be held only after giving 30 days'
20 notice of the time and place of such sale, by publication once
21 in some newspaper of general circulation in the city, village,
22 or incorporated town in which such lienor expended such labor,
23 services, skill, or material or furnished such storage, or if

1 there be none, or if the labor, service, skill or material was
 2 not expended in a city, village, or incorporated town, then in
 3 some newspaper of general circulation in the county in which
 4 such lienor expended such labor, service, skill, or material or
 5 furnished such storage, and also by certified mailing, 30 days
 6 before such sale, a copy of such notice addressed to the person
 7 requesting or consenting to such expenditure of labor,
 8 services, skill, or material or furnishing of storage, if his
 9 address is known, or if his address is unknown, to the last
 10 known address of such person. If no address is known or
 11 discoverable after reasonable inquiry, the sale may be made
 12 without mailing such notice. The published notice required by
 13 this Section shall be in substantially the following form:

14 -----

15 NOTICE IS HEREBY GIVEN

16 That on (insert date), a sale will be held at (insert
 17 place), to sell the following articles to enforce a lien
 18 existing under the laws of the State of Illinois against such
 19 articles for labor, services, skill or material expended upon a
 20 storage furnished for such articles at the request of the
 21 following designated persons, unless such articles are
 22 redeemed within thirty days of the publication of this notice.

23 -----

24 Name of Person	Description of Article	Amount of lien
25	\$.....
26	\$.....

1 A separate notice need not be published for each lien to be
2 enforced, but several may be combined in one publication.

3 If the chattel is a motor vehicle, the sale shall be held
4 only after giving notice as required above and after giving
5 written notice by certified mail to all lienholders of the
6 vehicle. The notice must contain the name of the vehicle owner
7 and the names of all lienholders; the year, make, and vehicle
8 identification number of the vehicle; and the amount due and
9 owing. The notice shall state the intent of the person having
10 possession of the vehicle to enforce a lien under this Act
11 unless the owner or a lienholder claims the vehicle within 10
12 days of receipt of the letter, and shall provide the date and
13 location of the sale. The amount due and owing must be
14 reasonable and may not exceed the usual and customary fees
15 charged for the labor, services, skill, material, or storage.
16 The lienholder claiming the vehicle shall be liable for no more
17 than 15 days of storage fees. Proper documentation supporting
18 the fees must be provided to the lienholder claiming the
19 vehicle. If the lienholder does not claim the vehicle within 30
20 days of the date of the certified letter, the lienholder
21 surrenders interest in the vehicle.

22 (Source: P.A. 87-206.)

23 Section 20. The Sale of Unclaimed Property Act is amended
24 by changing Section 3 as follows:

1 (770 ILCS 90/3) (from Ch. 141, par. 3)

2 Sec. 3. (a) All persons other than common carriers having a
3 lien on personal property, by virtue of the Innkeepers Lien Act
4 or for more than \$2,000 by virtue of the Labor and Storage Lien
5 Act may enforce the lien by a sale of the property, on giving
6 to the owner thereof, if he and his residence be known to the
7 person having such lien, 30 days' notice by certified mail, in
8 writing of the time and place of such sale, and if the owner or
9 his place of residence be unknown to the person having such
10 lien, then upon his filing his affidavit to that effect with
11 the clerk of the circuit court in the county where such
12 property is situated; notice of the sale may be given by
13 publishing the same once in each week for 3 successive weeks in
14 some newspaper of general circulation published in the county,
15 and out of the proceeds of the sale all costs and charges for
16 advertising and making the same, and the amount of the lien
17 shall be paid, and the surplus, if any, shall be paid to the
18 owner of the property or, if not claimed by said owner, such
19 surplus, if any, shall be disposed under the Uniform
20 Disposition of Unclaimed Property Act. All sales pursuant to
21 this Section must be public and conducted in a commercially
22 reasonable manner so as to maximize the net proceeds of the
23 sale. Conformity to the requirements of this Act shall be a
24 perpetual bar to any action against such lienor by any person
25 for the recovery of such chattels or the value thereof or any
26 damages growing out of the failure of such person to receive

1 such chattels.

2 (b) Notwithstanding the provisions of subsection (a), if
3 the chattel is a motor vehicle, a person having a lien on the
4 vehicle by virtue of the Labor and Storage Lien Act may enforce
5 the lien on or after the 16th day after the completion of the
6 expenditure of labor, services, skill, or material or
7 furnishing of storage or on or after the 16th day after the
8 date agreed upon for redemption. The lien may be enforced only
9 after giving written notice by certified mail to all
10 lienholders of the vehicle. The notice must contain the name of
11 the vehicle owner and the names of all lienholders; the year,
12 make, and vehicle identification number of the vehicle; and the
13 amount due and owing. The notice shall state the intent of the
14 person having possession of the vehicle to enforce a lien under
15 this Act unless the owner or a lienholder claims the vehicle
16 within 10 days of receipt of the letter, and shall provide the
17 date and location of the sale. The amount due and owing must be
18 reasonable and may not exceed the usual and customary fees
19 charged for the labor, services, skill, material, or storage.
20 The lienholder claiming the vehicle shall be liable for no more
21 than 15 days of storage fees. Proper documentation supporting
22 the fees must be provided to the lienholder claiming the
23 vehicle. If the lienholder does not claim the vehicle within 30
24 days of the date of the certified letter, the lienholder
25 surrenders interest in the vehicle.

26 (Source: P.A. 87-206.)