

AN ACT concerning transportation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Vehicle Code is amended by changing Sections 3-114, 3-117.1, and 3-301 as follows:

(625 ILCS 5/3-114) (from Ch. 95 1/2, par. 3-114)

Sec. 3-114. Transfer by operation of law.

(a) If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in paragraph (b), promptly mail or deliver within 20 days to the Secretary of State the last certificate of title, if available, proof of the transfer, and his application for a new certificate in the form the Secretary of State prescribes. It shall be unlawful for any person having possession of a certificate of title for a motor vehicle, semi-trailer, or house car by reason of his having a lien or encumbrance on such vehicle, to fail or refuse to deliver such certificate to the owner, upon the satisfaction or discharge of the lien or encumbrance, indicated upon such certificate of title.

(b) If the interest of an owner in a vehicle passes to another under the provisions of the Small Estates provisions of the Probate Act of 1975 the transferee shall promptly mail

or deliver to the Secretary of State, within 120 days, the last certificate of title, if available, the documentation required under the provisions of the Probate Act of 1975, and an application for certificate of title. The Small Estate Affidavit form shall be furnished by the Secretary of State. The transfer may be to the transferee or to the nominee of the transferee.

(c) If the interest of an owner in a vehicle passes to another under other provisions of the Probate Act of 1975, as amended, and the transfer is made by a representative or guardian, such transferee shall promptly mail or deliver to the Secretary of State, the last certificate of title, if available, and a certified copy of the letters of office or guardianship, and an application for certificate of title. Such application shall be made before the estate is closed. The transfer may be to the transferee or to the nominee of the transferee.

(d) If the interest of an owner in joint tenancy passes to the other joint tenant with survivorship rights as provided by law, the transferee shall promptly mail or deliver to the Secretary of State, the last certificate of title, if available, proof of death of the one joint tenant and survivorship of the surviving joint tenant, and an application for certificate of title. Such application shall be made within 120 days after the death of the joint tenant. The transfer may be to the transferee or to the nominee of the

transferee.

(d-5) If the interest of an owner passes to the owner's spouse or if the spouse otherwise acquires ownership of the vehicle, then the transferee shall promptly mail or deliver to the Secretary of State, proof of (i) the owner's death; (ii) the transfer or acquisition of ownership; and (iii) proof of the marital relationship between the owner and the transferee, along with the last certificate of title, if available, and an application for certificate of title along with the appropriate fees and taxes, if applicable. The application shall be made within 180 days after the death of the owner.

(e) The Secretary of State shall transfer a decedent's vehicle title to any legatee, representative or heir of the decedent who submits to the Secretary a death certificate and an affidavit by an attorney at law on the letterhead stationery of the attorney at law stating the facts of the transfer.

(f) Repossession with assignment of title. In all cases wherein a lienholder has repossessed a vehicle by other than judicial process and holds it for resale under a security agreement, and the owner of record has executed an assignment of the existing certificate of title after default, the lienholder may proceed to sell or otherwise dispose of the vehicle as authorized under the Uniform Commercial Code. Upon selling the vehicle to another person, the lienholder need not send the certificate of title to the Secretary of State, but

shall promptly and within 20 days mail or deliver to the purchaser as transferee the existing certificate of title for the repossessed vehicle, reflecting the release of the lienholder's security interest in the vehicle. The application for a certificate of title made by the purchaser shall comply with subsection (a) of Section 3-104 and be accompanied by the existing certificate of title for the repossessed vehicle. The lienholder shall execute the assignment and warranty of title showing the name and address of the purchaser in the spaces provided therefor on the certificate of title or as the Secretary of State prescribes. The lienholder shall complete the assignment of title in the certificate of title to reflect the transfer of the vehicle to the lienholder and also a reassignment to reflect the transfer from the lienholder to the purchaser. For this purpose, the lienholder is specifically authorized to complete and execute the space reserved in the certificate of title for a dealer reassignment, notwithstanding that the lienholder is not a licensed dealer. Nothing herein shall be construed to mean that the lienholder is taking title to the repossessed vehicle for purposes of liability for retailer occupation, vehicle use, or other tax with respect to the proceeds from the repossession sale. Delivery of the existing certificate of title to the purchaser shall be deemed disclosure to the purchaser of the owner of the vehicle.

(f-5) Repossession without assignment of title. Subject to

subsection (f-30), in all cases wherein a lienholder has repossessed a vehicle by other than judicial process and holds it for resale under a security agreement, and the owner of record has not executed an assignment of the existing certificate of title, the lienholder shall comply with the following provisions:

(1) Prior to sale, the lienholder shall deliver or mail to the owner at the owner's last known address and to any other lienholder of record, a notice of redemption setting forth the following information: (i) the name of the owner of record and in bold type at or near the top of the notice a statement that the owner's vehicle was repossessed on a specified date for failure to make payments on the loan (or other reason), (ii) a description of the vehicle subject to the lien sufficient to identify it, (iii) the right of the owner to redeem the vehicle, (iv) the lienholder's intent to sell or otherwise dispose of the vehicle after the expiration of 21 days from the date of mailing or delivery of the notice, and (v) the name, address, and telephone number of the lienholder from whom information may be obtained concerning the amount due to redeem the vehicle and from whom the vehicle may be redeemed under Section 9-623 of the Uniform Commercial Code. At the lienholder's option, the information required to be set forth in this notice of redemption may be made a part of or accompany the notification of sale or other

disposition required under Section 9-611 of the Uniform Commercial Code, but none of the information required by this notice shall be construed to impose any requirement under Article 9 of the Uniform Commercial Code.

(2) With respect to the repossession of a vehicle used primarily for personal, family, or household purposes, the lienholder shall also deliver or mail to the owner at the owner's last known address an affidavit of defense. The affidavit of defense shall accompany the notice of redemption required in subdivision (f-5)(1) of this Section. The affidavit of defense shall (i) identify the lienholder, owner, and the vehicle; (ii) provide space for the owner to state the defense claimed by the owner; and (iii) include an acknowledgment by the owner that the owner may be liable to the lienholder for fees, charges, and costs incurred by the lienholder in establishing the insufficiency or invalidity of the owner's defense. To stop the transfer of title, the affidavit of defense must be received by the lienholder no later than 21 days after the date of mailing or delivery of the notice required in subdivision (f-5)(1) of this Section. If the lienholder receives the affidavit from the owner in a timely manner, the lienholder must apply to a court of competent jurisdiction to determine if the lienholder is entitled to possession of the vehicle.

(3) Upon selling the vehicle to another person, the

lienholder need not send the certificate of title to the Secretary of State, but shall promptly and within 20 days mail or deliver to the purchaser as transferee (i) the existing certificate of title for the repossessed vehicle, reflecting the release of the lienholder's security interest in the vehicle; and (ii) an affidavit of repossession made by or on behalf of the lienholder which provides the following information: that the vehicle was repossessed, a description of the vehicle sufficient to identify it, whether the vehicle has been damaged in excess of 50% ~~33 1/3%~~ of its fair market value as required under subdivision (b)(3) of Section 3-117.1, that the owner and any other lienholder of record were given the notice required in subdivision (f-5)(1) of this Section, that the owner of record was given the affidavit of defense required in subdivision (f-5)(2) of this Section, that the interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement, and the purchaser's name and address. If the vehicle is damaged in excess of 50% ~~33 1/3%~~ of its fair market value, the lienholder shall make application for a salvage certificate under Section 3-117.1 and transfer the vehicle to a person eligible to receive assignments of salvage certificates identified in Section 3-118.

(4) The application for a certificate of title made by the purchaser shall comply with subsection (a) of Section

3-104 and be accompanied by the affidavit of repossession furnished by the lienholder and the existing certificate of title for the repossessed vehicle. The lienholder shall execute the assignment and warranty of title showing the name and address of the purchaser in the spaces provided therefor on the certificate of title or as the Secretary of State prescribes. The lienholder shall complete the assignment of title in the certificate of title to reflect the transfer of the vehicle to the lienholder and also a reassignment to reflect the transfer from the lienholder to the purchaser. For this purpose, the lienholder is specifically authorized to execute the assignment on behalf of the owner as seller if the owner has not done so and to complete and execute the space reserved in the certificate of title for a dealer reassignment, notwithstanding that the lienholder is not a licensed dealer. Nothing herein shall be construed to mean that the lienholder is taking title to the repossessed vehicle for purposes of liability for retailer occupation, vehicle use, or other tax with respect to the proceeds from the repossession sale. Delivery of the existing certificate of title to the purchaser shall be deemed disclosure to the purchaser of the owner of the vehicle. In the event the lienholder does not hold the certificate of title for the repossessed vehicle, the lienholder shall make application for and may obtain a new certificate of title in the name

of the lienholder upon furnishing information satisfactory to the Secretary of State. Upon receiving the new certificate of title, the lienholder may proceed with the sale described in subdivision (f-5)(3), except that upon selling the vehicle the lienholder shall promptly and within 20 days mail or deliver to the purchaser the new certificate of title reflecting the assignment and transfer of title to the purchaser.

(5) Neither the lienholder nor the owner shall file with the Office of the Secretary of State the notice of redemption or affidavit of defense described in subdivisions (f-5)(1) and (f-5)(2) of this Section. The Office of the Secretary of State shall not determine the merits of an owner's affidavit of defense, nor consider any allegations or assertions regarding the validity or invalidity of a lienholder's claim to the vehicle or an owner's asserted defenses to the repossession action.

(f-7) Notice of reinstatement in certain cases.

(1) Subject to subsection (f-30), if, at the time of repossession by a lienholder that is seeking to transfer title pursuant to subsection (f-5), the owner has paid an amount equal to 30% or more of the deferred payment price or total of payments due, the owner may, within 21 days of the date of repossession, reinstate the contract or loan agreement and recover the vehicle from the lienholder by tendering in a lump sum (i) the total of all unpaid

amounts, including any unpaid delinquency or deferral charges due at the date of reinstatement, without acceleration; and (ii) performance necessary to cure any default other than nonpayment of the amounts due; and (iii) all reasonable costs and fees incurred by the lienholder in retaking, holding, and preparing the vehicle for disposition and in arranging for the sale of the vehicle. Reasonable costs and fees incurred by the lienholder include without limitation repossession and storage expenses and, if authorized by the contract or loan agreement, reasonable attorneys' fees and collection agency charges.

(2) Tender of payment and performance pursuant to this limited right of reinstatement restores to the owner his rights under the contract or loan agreement as though no default had occurred. The owner has the right to reinstate the contract or loan agreement and recover the vehicle from the lienholder only once under this subsection. The lienholder may, in the lienholder's sole discretion, extend the period during which the owner may reinstate the contract or loan agreement and recover the vehicle beyond the 21 days allowed under this subsection, and the extension shall not subject the lienholder to liability to the owner under the laws of this State.

(3) The lienholder shall deliver or mail written notice to the owner at the owner's last known address,

within 3 business days of the date of repossession, of the owner's right to reinstate the contract or loan agreement and recover the vehicle pursuant to the limited right of reinstatement described in this subsection. At the lienholder's option, the information required to be set forth in this notice of reinstatement may be made part of or accompany the notice of redemption required in subdivision (f-5)(1) of this Section and the notification of sale or other disposition required under Section 9-611 of the Uniform Commercial Code, but none of the information required by this notice of reinstatement shall be construed to impose any requirement under Article 9 of the Uniform Commercial Code.

(4) The reinstatement period, if applicable, and the redemption period described in subdivision (f-5)(1) of this Section, shall run concurrently if the information required to be set forth in the notice of reinstatement is part of or accompanies the notice of redemption. In any event, the 21 day redemption period described in subdivision (f-5)(1) of this Section shall commence on the date of mailing or delivery to the owner of the information required to be set forth in the notice of redemption, and the 21 day reinstatement period described in this subdivision, if applicable, shall commence on the date of mailing or delivery to the owner of the information required to be set forth in the notice of

reinstatement.

(5) The Office of the Secretary of State shall not determine the merits of an owner's claim of right to reinstatement, nor consider any allegations or assertions regarding the validity or invalidity of a lienholder's claim to the vehicle or an owner's asserted right to reinstatement. Where a lienholder is subject to licensing and regulatory supervision by the State of Illinois, the lienholder shall be subject to all of the powers and authority of the lienholder's primary State regulator to enforce compliance with the procedures set forth in this subsection (f-7).

(f-10) Repossession by judicial process. In all cases wherein a lienholder has repossessed a vehicle by judicial process and holds it for resale under a security agreement, order for replevin, or other court order establishing the lienholder's right to possession of the vehicle, the lienholder may proceed to sell or otherwise dispose of the vehicle as authorized under the Uniform Commercial Code or the court order. Upon selling the vehicle to another person, the lienholder need not send the certificate of title to the Secretary of State, but shall promptly and within 20 days mail or deliver to the purchaser as transferee (i) the existing certificate of title for the repossessed vehicle reflecting the release of the lienholder's security interest in the vehicle; (ii) a certified copy of the court order; and (iii) a

bill of sale identifying the new owner's name and address and the year, make, model, and vehicle identification number of the vehicle. The application for a certificate of title made by the purchaser shall comply with subsection (a) of Section 3-104 and be accompanied by the certified copy of the court order furnished by the lienholder and the existing certificate of title for the repossessed vehicle. The lienholder shall execute the assignment and warranty of title showing the name and address of the purchaser in the spaces provided therefor on the certificate of title or as the Secretary of State prescribes. The lienholder shall complete the assignment of title in the certificate of title to reflect the transfer of the vehicle to the lienholder and also a reassignment to reflect the transfer from the lienholder to the purchaser. For this purpose, the lienholder is specifically authorized to execute the assignment on behalf of the owner as seller if the owner has not done so and to complete and execute the space reserved in the certificate of title for a dealer reassignment, notwithstanding that the lienholder is not a licensed dealer. Nothing herein shall be construed to mean that the lienholder is taking title to the repossessed vehicle for purposes of liability for retailer occupation, vehicle use, or other tax with respect to the proceeds from the repossession sale. Delivery of the existing certificate of title to the purchaser shall be deemed disclosure to the purchaser of the owner of the vehicle. In the event the

lienholder does not hold the certificate of title for the repossessed vehicle, the lienholder shall make application for and may obtain a new certificate of title in the name of the lienholder upon furnishing information satisfactory to the Secretary of State. Upon receiving the new certificate of title, the lienholder may proceed with the sale described in this subsection, except that upon selling the vehicle the lienholder shall promptly and within 20 days mail or deliver to the purchaser the new certificate of title reflecting the assignment and transfer of title to the purchaser.

(f-15) The Secretary of State shall not issue a certificate of title to a purchaser under subsection (f), (f-5), or (f-10) of this Section, unless the person from whom the vehicle has been repossessed by the lienholder is shown to be the last registered owner of the motor vehicle. The Secretary of State may provide by rule for the standards to be followed by a lienholder in assigning and transferring certificates of title with respect to repossessed vehicles.

(f-20) If applying for a salvage certificate or a junking certificate, the lienholder shall within 20 days make an application to the Secretary of State for a salvage certificate or a junking certificate, as set forth in this Code. The Secretary of State shall not issue a salvage certificate or a junking certificate to such lienholder unless the person from whom such vehicle has been repossessed is shown to be the last registered owner of such motor vehicle and

such lienholder establishes to the satisfaction of the Secretary of State that he is entitled to such salvage certificate or junking certificate. The Secretary of State may provide by rule for the standards to be followed by a lienholder in order to obtain a salvage certificate or junking certificate for a repossessed vehicle.

(f-25) If the interest of an owner in a mobile home, as defined in the Mobile Home Local Services Tax Act, passes to another under the provisions of the Mobile Home Local Services Tax Enforcement Act, the transferee shall promptly mail or deliver to the Secretary of State (i) the last certificate of title, if available, (ii) a certified copy of the court order ordering the transfer of title, and (iii) an application for certificate of title.

(f-30) Bankruptcy. If the repossessed vehicle is the subject of a bankruptcy proceeding or discharge:

(1) the lienholder may proceed to sell or otherwise dispose of the vehicle as authorized by the Bankruptcy Code and the Uniform Commercial Code;

(2) the notice of redemption, affidavit of defense, and notice of reinstatement otherwise required to be sent by the lienholder to the owner of record or other lienholder of record under this Section are not required to be delivered or mailed;

(3) the requirement to delay disposition of the vehicle for 21 days, (i) from the mailing or delivery of

the notice of redemption under subdivision (f-5)(1) of this Section, (ii) from the mailing or delivery of the affidavit of defense under subdivision (f-5)(2) of this Section, or (iii) from the date of repossession when the owner is entitled to a notice of reinstatement under subsection (f-7) of this Section, does not apply;

(4) the affidavit of repossession that is required under subdivision (f-5)(3) shall contain a notation of "bankruptcy" where the affidavit requires the date of the mailing or delivery of the notice of redemption. The notation of "bankruptcy" means the lienholder makes no sworn representations regarding the mailing or delivery of the notice of redemption or affidavit of defense or lienholder's compliance with the requirements that otherwise apply to the notices listed in this subsection (f-30), and makes no sworn representation that the lienholder assumes liability or costs for any litigation that may arise from the issuance of a certificate of title based on the excluded representations;

(5) the right of redemption, the right to assert a defense to the transfer of title, and reinstatement rights under this Section do not apply; and

(6) references to judicial process and court orders in subsection (f-10) of this Section do not include bankruptcy proceedings or orders.

(g) A person holding a certificate of title whose interest

in the vehicle has been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate, within 20 days upon request of the Secretary of State. The delivery of the certificate pursuant to the request of the Secretary of State does not affect the rights of the person surrendering the certificate, and the action of the Secretary of State in issuing a new certificate of title as provided herein is not conclusive upon the rights of an owner or lienholder named in the old certificate.

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

(i) The Secretary of State shall not be held civilly or criminally liable to any person because any purported transferor may not have had the power or authority to make a transfer of any interest in any vehicle or because a certificate of title issued in error is subsequently used to commit a fraudulent act.

(Source: P.A. 99-260, eff. 1-1-16.)

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

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

(a) Except as provided in Chapter 4 and Section 3-117.3 of

this Code, a person who possesses a junk vehicle shall within 15 days cause the certificate of title, salvage certificate, certificate of purchase, or a similarly acceptable out-of-state document of ownership to be surrendered to the Secretary of State along with an application for a junking certificate, except as provided in Section 3-117.2, whereupon the Secretary of State shall issue to such a person a junking certificate, which shall authorize the holder thereof to possess, transport, or, by an endorsement, transfer ownership in such junked vehicle, and a certificate of title shall not again be issued for such vehicle. The owner of a junk vehicle is not required to surrender the certificate of title under this subsection if (i) there is no lienholder on the certificate of title or (ii) the owner of the junk vehicle has a valid lien release from the lienholder releasing all interest in the vehicle and the owner applying for the junk certificate matches the current record on the certificate of title file for the vehicle.

A licensee who possesses a junk vehicle and a Certificate of Title, Salvage Certificate, Certificate of Purchase, or a similarly acceptable out-of-state document of ownership for such junk vehicle, may transport the junk vehicle to another licensee prior to applying for or obtaining a junking certificate, by executing a uniform invoice. The licensee transferor shall furnish a copy of the uniform invoice to the licensee transferee at the time of transfer. In any case, the

licensee transferor shall apply for a junking certificate in conformance with Section 3-117.1 of this Chapter. The following information shall be contained on a uniform invoice:

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

(2) The name and address of the person acquiring the vehicle, junk vehicle or vehicle cowl, and if that person is a dealer, the Illinois or out-of-state dealer license number of that dealer;

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

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

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

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

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

The Secretary of State may certify a junking manifest in a

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

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

(1) When an insurance company makes a payment of damages on a total loss claim for a vehicle, the insurance company shall be deemed to be the owner of such vehicle and the vehicle shall be considered to be salvage except that ownership of (i) a vehicle that has incurred only hail damage that does not affect the operational safety of the vehicle or (ii) any vehicle 9 model years of age or older may, by agreement between the registered owner and the insurance company, be retained by the registered owner of such vehicle. The insurance company shall promptly deliver or mail within 20 days the certificate of title along with proper application and fee to the Secretary of State, and a salvage certificate shall be issued in the name of the insurance company. Notwithstanding the foregoing, an

insurer making payment of damages on a total loss claim for the theft of a vehicle shall not be required to apply for a salvage certificate unless the vehicle is recovered and has incurred damage that initially would have caused the vehicle to be declared a total loss by the insurer.

(1.1) When a vehicle of a self-insured company is to be sold in the State of Illinois and has sustained damaged by collision, fire, theft, rust corrosion, or other means so that the self-insured company determines the vehicle to be a total loss, or if the cost of repairing the damage, including labor, would be greater than 70% of its fair market value without that damage, the vehicle shall be considered salvage. The self-insured company shall promptly deliver the certificate of title along with proper application and fee to the Secretary of State, and a salvage certificate shall be issued in the name of the self-insured company. A self-insured company making payment of damages on a total loss claim for the theft of a vehicle may exchange the salvage certificate for a certificate of title if the vehicle is recovered without damage. In such a situation, the self-insured shall fill out and sign a form prescribed by the Secretary of State which contains an affirmation under penalty of perjury that the vehicle was recovered without damage and the Secretary of State may, by rule, require photographs to be submitted.

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

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

repairing such damage, including labor, would be greater than 50% ~~33 1/3%~~ of its fair market value without such damage. If the lienholder determines that such vehicle is damaged in excess of 50% ~~33 1/3%~~ of such fair market value, the lienholder shall, before sale, transfer or assignment of the vehicle, make application for a salvage certificate, and shall submit with such application the proper fee and evidence of possession. If the facts required to be shown in subsection (f) of Section 3-114 are satisfied, the Secretary of State shall issue a salvage certificate in the name of the lienholder making the application. In any case wherein the vehicle repossessed is not damaged in excess of 50% ~~33 1/3%~~ of its fair market value, the lienholder shall comply with the requirements of subsections (f), (f-5), and (f-10) of Section 3-114, except that the affidavit of repossession made by or on behalf of the lienholder shall also contain an affirmation under penalty of perjury that the vehicle on the date of sale is not damaged in excess of 50% ~~33 1/3%~~ of its fair market value. If the facts required to be shown in subsection (f) of Section 3-114 are satisfied, the Secretary of State shall issue a certificate of title as set forth in Section 3-116 of this Code. The Secretary of State may by rule or regulation require photographs to be submitted.

(4) A vehicle which is a part of a fleet of more than 5

commercial vehicles registered in this State or any other state or registered proportionately among several states shall be considered to be salvage when such vehicle has sustained damage by collision, fire, theft, rust, corrosion or similar means so that the cost of repairing such damage, including labor, would be greater than 50% ~~33 1/3%~~ of the fair market value of the vehicle without such damage. If the owner of a fleet vehicle desires to sell, transfer, or assign his interest in such vehicle to a person within this State other than an insurance company licensed to do business within this State, and the owner determines that such vehicle, at the time of the proposed sale, transfer or assignment is damaged in excess of 50% ~~33 1/3%~~ of its fair market value, the owner shall, before such sale, transfer or assignment, make application for a salvage certificate. The application shall contain with it evidence of possession of the vehicle. If the fleet vehicle at the time of its sale, transfer, or assignment is not damaged in excess of 50% ~~33 1/3%~~ of its fair market value, the owner shall so state in a written affirmation on a form prescribed by the Secretary of State by rule or regulation. The Secretary of State may by rule or regulation require photographs to be submitted. Upon sale, transfer or assignment of the fleet vehicle the owner shall mail the affirmation to the Secretary of State.

(5) A vehicle that has been submerged in water to the

point that rising water has reached over the door sill and has entered the passenger or trunk compartment is a "flood vehicle". A flood vehicle shall be considered to be salvage only if the vehicle has sustained damage so that the cost of repairing the damage, including labor, would be greater than 50% ~~33-1/3%~~ of the fair market value of the vehicle without that damage. The salvage certificate issued under this Section shall indicate the word "flood", and the word "flood" shall be conspicuously entered on subsequent titles for the vehicle. A person who possesses or acquires a flood vehicle that is not damaged in excess of 50% ~~33-1/3%~~ of its fair market value shall make application for title in accordance with Section 3-116 of this Code, designating the vehicle as "flood" in a manner prescribed by the Secretary of State. The certificate of title issued shall indicate the word "flood", and the word "flood" shall be conspicuously entered on subsequent titles for the vehicle.

(6) When any licensed rebuilder, repairer, new or used vehicle dealer, or remittance agent has submitted an application for title to a vehicle (other than an application for title to a rebuilt vehicle) that he or she knows or reasonably should have known to have sustained damages in excess of 50% ~~33-1/3%~~ of the vehicle's fair market value without that damage; provided, however, that any application for a salvage certificate for a vehicle

recovered from theft and acquired from an insurance company shall be made as required by paragraph (1) of this subsection (b).

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

(d) Except as provided under subsection (a), any person who knowingly fails to surrender to the Secretary of State a certificate of title, salvage certificate, certificate of purchase or a similarly acceptable out-of-state document of ownership as required under the provisions of this Section is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for a subsequent offense; except that a person licensed under this Code who violates paragraph (5) of subsection (b) of this Section is guilty of a business offense and shall be fined not less than \$1,000 nor more than \$5,000 for a first offense and is guilty of a Class 4 felony for a second or subsequent violation.

(e) Any vehicle which is salvage or junk may not be driven or operated on roads and highways within this State. A violation of this subsection is a Class A misdemeanor. A salvage vehicle displaying valid special plates issued under Section 3-601(b) of this Code, which is being driven to or from an inspection conducted under Section 3-308 of this Code, is

exempt from the provisions of this subsection. A salvage vehicle for which a short term permit has been issued under Section 3-307 of this Code is exempt from the provisions of this subsection for the duration of the permit.

(Source: P.A. 100-104, eff. 11-9-17; 100-956, eff. 1-1-19; 100-1083, eff. 1-1-19; 101-81, eff. 7-12-19.)

(625 ILCS 5/3-301) (from Ch. 95 1/2, par. 3-301)

Sec. 3-301. New certificate of title for rebuilt vehicle.

(a) For vehicles 8 model years of age or newer, the Secretary of State shall issue a new certificate of title to any rebuilt vehicle or any vehicle which previously had been titled as salvage in this State or any other jurisdiction upon the successful inspection of the vehicle in accordance with Section 3-308 of this Article.

(b) Vehicles more than 8 model years old shall not be required to complete a successful inspection required under Section 3-308 of this Code before being issued a new certificate of title as provided under this Section.

(c) Vehicles designated as flood vehicles that have sustained damage greater than 50% ~~33 1/3%~~ of their fair market value with that damage shall be required to complete a successful inspection required under Section 3-308 of this Code before being issued a new certificate of title provided under paragraph (5), subsection (b) of Section 3-117.1.

(Source: P.A. 88-685, eff. 1-24-95; 89-669, eff. 1-1-97.)