

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 3-104, 3-117.3, and 3-116.1 and by adding Section 4-208.1 as follows:

(625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

Sec. 3-104. Application for certificate of title.

(a) The application for a certificate of title for a vehicle in this State must be made by the owner to the Secretary of State on the form prescribed and must contain:

1. The name, Illinois residence or Illinois place of business, mail address, and, if available, email address of the owner. For the purposes of this subsection "Illinois place of business" means an Illinois location leased or owned by a business, or in the case of an insurance carrier, their contracted salvage disposal vendor;

2. A description of the vehicle including, so far as the following data exists: Its make, year-model, identifying number, type of body, whether new or used, as to house trailers as defined in Section 1-128 of this Code, and as to manufactured homes as defined in Section

1-144.03 of this Code, the square footage based upon the outside dimensions excluding the length of the tongue and hitch, and, as to vehicles of the second division, whether for-hire, not-for-hire, or both for-hire and not-for-hire;

3. The date of purchase by applicant and, if applicable, the name and address of the person from whom the vehicle was acquired and the names and addresses of any lienholders in the order of their priority and signatures of owners;

4. The current odometer reading at the time of transfer and that the stated odometer reading is one of the following: actual mileage, not the actual mileage or mileage is in excess of its mechanical limits; and

5. Any further information the Secretary of State reasonably requires to identify the vehicle and to enable him to determine whether the owner is entitled to a certificate of title and the existence or nonexistence of security interests in the vehicle.

(a-5) The Secretary of State shall designate on the prescribed application form a space where the owner of a vehicle may designate a beneficiary, to whom ownership of the vehicle shall pass in the event of the owner's death.

(b) If the application refers to a vehicle purchased from a dealer, it must also be signed by the dealer as well as the owner, and the dealer must promptly mail or deliver the application and required documents to the Secretary of State.

(c) If the application refers to a vehicle last previously registered in another State or country, the application must contain or be accompanied by:

1. Any certified document of ownership so recognized and issued by the other State or country and acceptable to the Secretary of State, and

2. Any other information and documents the Secretary of State reasonably requires to establish the ownership of the vehicle and the existence or nonexistence of security interests in it.

(d) If the application refers to a new vehicle it must be accompanied by the Manufacturer's Statement of Origin, or other documents as required and acceptable by the Secretary of State, with such assignments as may be necessary to show title in the applicant.

(e) If an application refers to a vehicle rebuilt from a vehicle previously salvaged, that application shall comply with the provisions set forth in Sections 3-302 through 3-304 of this Code.

(f) An application for a certificate of title for any vehicle, whether purchased in Illinois or outside Illinois, and even if previously registered in another State, must be accompanied by either an exemption determination from the Department of Revenue showing that no tax imposed pursuant to the Use Tax Act or the vehicle use tax imposed by Section 3-1001 of the Illinois Vehicle Code is owed by anyone with

respect to that vehicle, or a receipt from the Department of Revenue showing that any tax so imposed has been paid. An application for a certificate of title for any vehicle purchased outside Illinois, even if previously registered in another state, must be accompanied by either an exemption determination from the Department of Revenue showing that no tax imposed pursuant to the Municipal Use Tax Act or the County Use Tax Act is owed by anyone with respect to that vehicle, or a receipt from the Department of Revenue showing that any tax so imposed has been paid. In the absence of such a receipt for payment or determination of exemption from the Department, no certificate of title shall be issued to the applicant.

If the proof of payment of the tax or of nonliability therefor is, after the issuance of the certificate of title and display certificate of title, found to be invalid, the Secretary of State shall revoke the certificate and require that the certificate of title and, when applicable, the display certificate of title be returned to him.

(g) If the application refers to a vehicle not manufactured in accordance with federal safety and emission standards, the application must be accompanied by all documents required by federal governmental agencies to meet their standards before a vehicle is allowed to be issued title and registration.

(h) If the application refers to a vehicle sold at public sale by a sheriff, it must be accompanied by the required fee

and a bill of sale issued and signed by a sheriff. The bill of sale must identify the new owner's name and address, the year model, make and vehicle identification number of the vehicle, court order document number authorizing such sale, if applicable, and the name and address of any lienholders in order of priority, if applicable.

(i) If the application refers to a vehicle for which a court of law determined the ownership, it must be accompanied with a certified copy of such court order and the required fee. The court order must indicate the new owner's name and address, the complete description of the vehicle, if known, the name and address of the lienholder, if any, and must be signed and dated by the judge issuing such order.

(j) If the application refers to a vehicle sold at public auction pursuant to the Labor and Storage Lien (Small Amount) Act, it must be accompanied by an affidavit or affirmation furnished by the Secretary of State along with the documents described in the affidavit or affirmation and the required fee.

(k) The Secretary may provide an expedited process for the issuance of vehicle titles. Expedited title applications must be delivered to the Secretary of State's Vehicle Services Department in Springfield by express mail service or hand delivery. Applications must be complete, including necessary forms, fees, and taxes. Applications received before noon on a business day will be processed and shipped that same day.

Applications received after noon on a business day will be processed and shipped the next business day. The Secretary shall charge an additional fee of \$30 for this service, and that fee shall cover the cost of return shipping via an express mail service. All fees collected by the Secretary of State for expedited services shall be deposited into the Motor Vehicle License Plate Fund. In the event the Vehicle Services Department determines that the volume of expedited title requests received on a given day exceeds the ability of the Vehicle Services Department to process those requests in an expedited manner, the Vehicle Services Department may decline to provide expedited services, and the additional fee for the expedited service shall be refunded to the applicant.

(l) If the application refers to a homemade trailer, (i) it must be accompanied by the appropriate documentation regarding the source of materials used in the construction of the trailer, as required by the Secretary of State, (ii) the trailer must be inspected by a Secretary of State employee prior to the issuance of the title, and (iii) upon approval of the Secretary of State, the trailer must have a vehicle identification number, as provided by the Secretary of State, stamped or riveted to the frame.

(m) The holder of a Manufacturer's Statement of Origin to a manufactured home may deliver it to any person to facilitate conveying or encumbering the manufactured home. Any person receiving any such Manufacturer's Statement of Origin so

delivered holds it in trust for the person delivering it.

(n) Within 45 days after the completion of the first retail sale of a manufactured home, the Manufacturer's Statement of Origin to that manufactured home must be surrendered to the Secretary of State either in conjunction with an application for a certificate of title for that manufactured home or in accordance with Section 3-116.1.

(o) Each application for certificate of title for a motor vehicle shall be verified by the National Motor Vehicle Title Information System (NMVTIS) for a vehicle history report prior to the Secretary issuing a certificate of title.

(p) The Secretary, at the Secretary's discretion, may use any commercially available title history service to assist in determining the proper title designation of a motor vehicle before the issuance of a certificate of title.

(Source: P.A. 102-154, eff. 1-1-22.)

(625 ILCS 5/3-117.3)

Sec. 3-117.3. Junking or salvage certificates; insurance company; salvage dealer.

(a) For purposes of this Section, "salvage dealer" means a licensed dealer who primarily sells salvage vehicles on behalf of insurance companies and obtains a "salvage dealer" designation through the used dealer application process under Section 5-102 of this Code.

(b) Notwithstanding any other provision of law to the

contrary, an insurance company or salvage dealer may, after completing a record search for any owner of a vehicle or a lienholder of record, obtain free of any lien a junking certificate or salvage certificate in the insurance company's name by submitting an application for a junking certificate or salvage certificate to the Secretary of State. The application shall include, ~~but is not limited to,~~ proof of full payment, in whole or in part, to the vehicle owner or, if applicable, any lienholder of record and proof of notice to the vehicle owner and any lienholder via certified mail or other proof of service that a transfer of title shall occur no earlier than 30 days after the date the notice is sent. Upon approval of the application, the Secretary shall issue to the insurance company a junking certificate or salvage certificate free of any lien in the insurance company's name. For the purposes of this subsection, "proof of full payment" means either a photocopy of a deposited insurance claim check or, for an electronic claims payment, a screen shot from the insurer's proprietary claim system that shows the payee, the amount paid, and the date of payment. No other additional requirements shall be required of the insurer.

An insurance company or salvage dealer shall not sell a salvage vehicle with a title obtained under this subsection (b) to anyone not authorized to buy salvage vehicles under this Code.

This subsection (b) shall apply only to a motor vehicle

titled in this State that has been through an insurance claims process and the owner of the vehicle or lienholder, if applicable, has received compensation in exchange for relinquishing the ownership rights of the vehicle to an insurance company licensed under the Illinois Insurance Code and the insurance company is unable to obtain an endorsed certificate of title within 30 days of payment to the owner or lienholder.

(c) Notwithstanding any other provision of law to the contrary, a salvage dealer may, after completing a record search for any owner of a vehicle or a lienholder of record, obtain free of any lien a junking certificate or salvage certificate in his or her name by submitting an application for a junking certificate or a salvage certificate to the Secretary of State which shall include, but is not limited to, proof of notice via certified mail or other proof of service to the vehicle owner or any lienholder that a transfer of title shall occur no earlier than 30 days after the date the notice is sent. The notice shall inform the vehicle owner or lienholder that upon payment of any applicable charges, the vehicle may be removed from the salvage dealer's facility. Upon approval of the application, the Secretary shall issue to the salvage dealer a junking certificate or salvage certificate free of any lien in the salvage dealer's name.

A salvage dealer shall not sell a salvage vehicle with a title obtained under this subsection (c) to anyone not

authorized to buy salvage vehicles under this Code.

This subsection (c) shall apply only to a motor vehicle titled in this State and in possession of a salvage dealer by request of an insurance company licensed under the Illinois Insurance Code to take possession of the motor vehicle subject to an insurance claim and the insurance company denies coverage of the vehicle or does not take ownership of the vehicle within 45 days of possession by the salvage dealer.

(d) A vehicle owner or lienholder may send notice of dispute of the transfer of title under this Section within 30 days after the required notice is sent by the insurance company or salvage dealer. If a dispute between a vehicle owner or lienholder and an insurance company or salvage dealer cannot be resolved within 45 days after the required notice to the vehicle owner or lienholder is sent, the vehicle owner or lienholder, within 90 days after sending notice of dispute, shall petition a court of competent jurisdiction for an order to determine ownership of the vehicle and shall notify the Secretary of State of the filing of the petition. If a vehicle owner or lienholder does not file a petition within the 90-day period, the title to the vehicle shall be issued to the insurance company or salvage dealer under this Section.

(e) 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.

(f) Any person who knowingly fails to surrender to the Secretary of State a certificate of title, salvage certificate, or certificate of purchase is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for a second and subsequent offense.

(g) 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 (g) is a Class A misdemeanor. A salvage vehicle displaying valid special plates issued under subsection (b) of Section 3-601 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 (g). 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 (g) for the duration of the permit.

(h) The Secretary of State may adopt any rules necessary to implement this Section.

(Source: P.A. 100-104, eff. 11-9-17.)