

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 3-113 and 3-202 as follows:

(625 ILCS 5/3-113) (from Ch. 95 1/2, par. 3-113)

Sec. 3-113. Transfer to or from dealer; records.

(a) After a dealer buys a vehicle and holds it for resale, the dealer must procure the certificate of title from the owner or the lienholder. The dealer may hold the certificate until he or she transfers the vehicle to another person. Upon transferring the vehicle to another person, the dealer shall promptly and within 20 days execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any lienholder holding a security interest created or reserved at the time of the resale, in the spaces provided therefor on the certificate or as the Secretary of State prescribes, and mail or deliver the certificate to the Secretary of State with the transferee's application for a new certificate, except as provided in Section 3-117.2. A dealer has complied with this Section if the date of the mailing of the certificate, as indicated by the postmark, is within 20 days of the date on which the vehicle was transferred to

another person.

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

(c) Any person who violates this Section shall be guilty of a petty offense.

(Source: P.A. 94-239, eff. 1-1-06.)

(625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

Sec. 3-202. Perfection of security interest.

(a) Unless excepted by Section 3-201, a security interest in a vehicle of a type for which a certificate of title is required is not valid against subsequent transferees or lienholders of the vehicle unless perfected as provided in this Act.

(b) A security interest is perfected by the delivery to the Secretary of State of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the required fee. The security interest is perfected as of the time of its creation if the delivery to the Secretary of State is completed within 30 ~~21~~ days after the creation of the security interest or receipt by the new lienholder of the existing certificate of title from a prior lienholder or licensed dealer, otherwise as

of the time of the delivery.

(c) If a vehicle is subject to a security interest when brought into this State, the validity of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest attached, subject to the following:

1. If the parties understood at the time the security interest attached that the vehicle would be kept in this State and it was brought into this State within 30 days thereafter for purposes other than transportation through this State, the validity of the security interest in this State is determined by the law of this State.

2. If the security interest was perfected under the law of the jurisdiction where the vehicle was when the security interest attached, the following rules apply:

- (A) If the name of the lienholder is shown on an existing certificate of title issued by that jurisdiction, his security interest continues perfected in this State.

- (B) If the name of the lienholder is not shown on an existing certificate of title issued by that jurisdiction, a security interest may be perfected by the lienholder delivering to the Secretary of State the prescribed notice and by payment of the required fee. Such security interest is perfected as of the time of delivery of the prescribed notice and payment of the

required fee.

3. If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest attached, it may be perfected in this State; in that case perfection dates from the time of perfection in this State.

4. A security interest may be perfected under paragraph 3 of this subsection either as provided in subsection (b) or by the lienholder delivering to the Secretary of State a notice of security interest in the form the Secretary of State prescribes and the required fee.

(Source: P.A. 91-893, eff. 7-6-00.)