



Rep. David Friess

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10400HB2671ham001

LRB104 03419 LNS 25178 a

1 AMENDMENT TO HOUSE BILL 2671

2 AMENDMENT NO. _____. Amend House Bill 2671 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Vehicle Code is amended by
5 changing Section 3-117.1 as follows:

6 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

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

9 (a) Except as provided in Chapter 4 and Section 3-117.3 of
10 this Code, a person who possesses a junk vehicle shall within
11 15 days cause the certificate of title, salvage certificate,
12 certificate of purchase, or a similarly acceptable
13 out-of-state document of ownership to be surrendered to the
14 Secretary of State along with an application for a junking
15 certificate, except as provided in Section 3-117.2, whereupon
16 the Secretary of State shall issue to such a person a junking

1 certificate, which shall authorize the holder thereof to
2 possess, transport, or, by an endorsement, transfer ownership
3 in such junked vehicle, and a certificate of title shall not
4 again be issued for such vehicle. The owner of a junk vehicle
5 is not required to surrender the certificate of title under
6 this subsection if (i) there is no lienholder on the
7 certificate of title or (ii) the owner of the junk vehicle has
8 a valid lien release from the lienholder releasing all
9 interest in the vehicle and the owner applying for the junk
10 certificate matches the current record on the certificate of
11 title file for the vehicle.

12 A licensee who possesses a junk vehicle and a Certificate
13 of Title, Salvage Certificate, Certificate of Purchase, or a
14 similarly acceptable out-of-state document of ownership for
15 such junk vehicle, may transport the junk vehicle to another
16 licensee prior to applying for or obtaining a junking
17 certificate, by executing a uniform invoice. The licensee
18 transferor shall furnish a copy of the uniform invoice to the
19 licensee transferee at the time of transfer. In any case, the
20 licensee transferor shall apply for a junking certificate in
21 conformance with Section 3-117.1 of this Chapter. The
22 following information shall be contained on a uniform invoice:

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

26 (2) The name and address of the person acquiring the

1 vehicle, junk vehicle, or vehicle cowl and, if that person
2 is a dealer, the Illinois or out-of-state dealer license
3 number of that dealer;

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

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

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

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

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

19 The Secretary of State may certify a junking manifest in a
20 form prescribed by the Secretary of State that reflects those
21 vehicles for which junking certificates have been applied or
22 issued. A junking manifest may be issued to any person and it
23 shall constitute evidence of ownership for the vehicle listed
24 upon it. A junking manifest may be transferred only to a person
25 licensed under Section 5-301 of this Code as a scrap
26 processor. A junking manifest will allow the transportation of

1 those vehicles to a scrap processor prior to receiving the
2 junk certificate from the Secretary of State.

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

6 (1) When an insurance company makes a payment of
7 damages on a total loss claim for a vehicle, the insurance
8 company shall be deemed to be the owner of such vehicle and
9 the vehicle shall be considered to be salvage except that
10 ownership of (i) a vehicle that has incurred only hail
11 damage that does not affect the operational safety of the
12 vehicle or (ii) any vehicle 9 model years of age or older
13 may, by agreement between the registered owner and the
14 insurance company, be retained by the registered owner of
15 such vehicle; however, if the registered owner does not
16 agree to retain the vehicle, the insurer shall arrange for
17 disposal of the vehicle. Any storage charges shall be
18 limited to 5 days from the date the vehicle is declared a
19 total loss, not to exceed \$1,000. The insurance company
20 shall promptly deliver or mail within 20 days the
21 certificate of title along with proper application and fee
22 to the Secretary of State, and a salvage certificate shall
23 be issued in the name of the insurance company.
24 Notwithstanding the foregoing, an insurer making payment
25 of damages on a total loss claim for the theft of a vehicle
26 shall not be required to apply for a salvage certificate

1 unless the vehicle is recovered and has incurred damage
2 that initially would have caused the vehicle to be
3 declared a total loss by the insurer.

4 (1.1) When a vehicle of a self-insured company is to
5 be sold in the State of Illinois and has sustained damaged
6 by collision, fire, theft, rust corrosion, or other means
7 so that the self-insured company determines the vehicle to
8 be a total loss, or if the cost of repairing the damage,
9 including labor, would be greater than 70% of its fair
10 market value without that damage, the vehicle shall be
11 considered salvage. The self-insured company shall
12 promptly deliver the certificate of title along with
13 proper application and fee to the Secretary of State, and
14 a salvage certificate shall be issued in the name of the
15 self-insured company. A self-insured company making
16 payment of damages on a total loss claim for the theft of a
17 vehicle may exchange the salvage certificate for a
18 certificate of title if the vehicle is recovered without
19 damage. In such a situation, the self-insured shall fill
20 out and sign a form prescribed by the Secretary of State
21 which contains an affirmation under penalty of perjury
22 that the vehicle was recovered without damage and the
23 Secretary of State may, by rule, require photographs to be
24 submitted.

25 (2) When a vehicle the ownership of which has been
26 transferred to any person through a certificate of

1 purchase from acquisition of the vehicle at an auction,
2 other dispositions as set forth in Sections 4-208 and
3 4-209 of this Code, or a lien arising under Section
4 18a-501 of this Code shall be deemed salvage or junk at the
5 option of the purchaser. The person acquiring such vehicle
6 in such manner shall promptly deliver or mail, within 20
7 days after the acquisition of the vehicle, the certificate
8 of purchase, the proper application and fee, and, if the
9 vehicle is an abandoned mobile home under the Abandoned
10 Mobile Home Act, a certification from a local law
11 enforcement agency that the vehicle was purchased or
12 acquired at a public sale under the Abandoned Mobile Home
13 Act to the Secretary of State and a salvage certificate or
14 junking certificate shall be issued in the name of that
15 person. The salvage certificate or junking certificate
16 issued by the Secretary of State under this Section shall
17 be free of any lien that existed against the vehicle prior
18 to the time the vehicle was acquired by the applicant
19 under this Code.

20 (3) A vehicle which has been repossessed by a
21 lienholder shall be considered to be salvage only when the
22 repossessed vehicle, on the date of repossession by the
23 lienholder, has sustained damage by collision, fire,
24 theft, rust corrosion, or other means so that the cost of
25 repairing such damage, including labor, would be greater
26 than 50% of its fair market value without such damage. If

1 the lienholder determines that such vehicle is damaged in
2 excess of 50% of such fair market value, the lienholder
3 shall, before sale, transfer, or assignment of the
4 vehicle, make application for a salvage certificate, and
5 shall submit with such application the proper fee and
6 evidence of possession. If the facts required to be shown
7 in subsection (f) of Section 3-114 are satisfied, the
8 Secretary of State shall issue a salvage certificate in
9 the name of the lienholder making the application. In any
10 case wherein the vehicle repossessed is not damaged in
11 excess of 50% of its fair market value, the lienholder
12 shall comply with the requirements of subsections (f),
13 (f-5), and (f-10) of Section 3-114, except that the
14 affidavit of repossession made by or on behalf of the
15 lienholder shall also contain an affirmation under penalty
16 of perjury that the vehicle on the date of sale is not
17 damaged in excess of 50% of its fair market value. If the
18 facts required to be shown in subsection (f) of Section
19 3-114 are satisfied, the Secretary of State shall issue a
20 certificate of title as set forth in Section 3-116 of this
21 Code. The Secretary of State may by rule or regulation
22 require photographs to be submitted.

23 (4) A vehicle which is a part of a fleet of more than 5
24 commercial vehicles registered in this State or any other
25 state or registered proportionately among several states
26 shall be considered to be salvage when such vehicle has

1 sustained damage by collision, fire, theft, rust,
2 corrosion or similar means so that the cost of repairing
3 such damage, including labor, would be greater than 50% of
4 the fair market value of the vehicle without such damage.
5 If the owner of a fleet vehicle desires to sell, transfer,
6 or assign his interest in such vehicle to a person within
7 this State other than an insurance company licensed to do
8 business within this State, and the owner determines that
9 such vehicle, at the time of the proposed sale, transfer
10 or assignment is damaged in excess of 50% of its fair
11 market value, the owner shall, before such sale, transfer
12 or assignment, make application for a salvage certificate.
13 The application shall contain with it evidence of
14 possession of the vehicle. If the fleet vehicle at the
15 time of its sale, transfer, or assignment is not damaged
16 in excess of 50% of its fair market value, the owner shall
17 so state in a written affirmation on a form prescribed by
18 the Secretary of State by rule or regulation. The
19 Secretary of State may by rule or regulation require
20 photographs to be submitted. Upon sale, transfer or
21 assignment of the fleet vehicle the owner shall mail the
22 affirmation to the Secretary of State.

23 (5) A vehicle that has been submerged in water to the
24 point that rising water has reached over the door sill and
25 has entered the passenger or trunk compartment is a "flood
26 vehicle". A flood vehicle shall be considered to be

1 salvage only if the vehicle has sustained damage so that
2 the cost of repairing the damage, including labor, would
3 be greater than 50% of the fair market value of the vehicle
4 without that damage. The salvage certificate issued under
5 this Section shall indicate the word "flood", and the word
6 "flood" shall be conspicuously entered on subsequent
7 titles for the vehicle. A person who possesses or acquires
8 a flood vehicle that is not damaged in excess of 50% of its
9 fair market value shall make application for title in
10 accordance with Section 3-116 of this Code, designating
11 the vehicle as "flood" in a manner prescribed by the
12 Secretary of State. The certificate of title issued shall
13 indicate the word "flood", and the word "flood" shall be
14 conspicuously entered on subsequent titles for the
15 vehicle.

16 (6) When any licensed rebuilder, repairer, new or used
17 vehicle dealer, or remittance agent has submitted an
18 application for title to a vehicle (other than an
19 application for title to a rebuilt vehicle) that he or she
20 knows or reasonably should have known to have sustained
21 damages in excess of 50% of the vehicle's fair market
22 value without that damage; provided, however, that any
23 application for a salvage certificate for a vehicle
24 recovered from theft and acquired from an insurance
25 company shall be made as required by paragraph (1) of this
26 subsection (b).

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

6 (d) Except as provided under subsection (a), any person
7 who knowingly fails to surrender to the Secretary of State a
8 certificate of title, salvage certificate, certificate of
9 purchase or a similarly acceptable out-of-state document of
10 ownership as required under the provisions of this Section is
11 guilty of a Class A misdemeanor for a first offense and a Class
12 4 felony for a subsequent offense; except that a person
13 licensed under this Code who violates paragraph (5) of
14 subsection (b) of this Section is guilty of a business offense
15 and shall be fined not less than \$1,000 nor more than \$5,000
16 for a first offense and is guilty of a Class 4 felony for a
17 second or subsequent violation.

18 (e) Any vehicle which is salvage or junk may not be driven
19 or operated on roads and highways within this State. A
20 violation of this subsection is a Class A misdemeanor. A
21 salvage vehicle displaying valid special plates issued under
22 Section 3-601(b) of this Code, which is being driven to or from
23 an inspection conducted under Section 3-308 of this Code, is
24 exempt from the provisions of this subsection. A salvage
25 vehicle for which a short term permit has been issued under
26 Section 3-307 of this Code is exempt from the provisions of

1 this subsection for the duration of the permit.
2 (Source: P.A. 101-81, eff. 7-12-19; 102-319, eff. 1-1-22;
3 102-538, eff. 8-20-21; 102-813, eff. 5-13-22.)".