

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
5 changing Sections 4-203, 5-102.1, 5-501, and 5-803 and by
6 adding Section 5-110 as follows:

7 (625 ILCS 5/4-203)

8 Sec. 4-203. Removal of motor vehicles or other vehicles;
9 towing or hauling away.

10 (a) When a vehicle is abandoned, or left unattended, on a
11 toll highway, interstate highway, or expressway for 2 hours or
12 more, its removal by a towing service may be authorized by a
13 law enforcement agency having jurisdiction.

14 (b) When a vehicle is abandoned on a highway in an urban
15 district for 10 hours or more, its removal by a towing service
16 may be authorized by a law enforcement agency having
17 jurisdiction.

18 (c) When a vehicle is abandoned or left unattended on a
19 highway other than a toll highway, interstate highway, or
20 expressway, outside of an urban district for 24 hours or more,
21 its removal by a towing service may be authorized by a law
22 enforcement agency having jurisdiction.

23 (d) When an abandoned, unattended, wrecked, burned, or

1 partially dismantled vehicle is creating a traffic hazard
2 because of its position in relation to the highway or its
3 physical appearance is causing the impeding of traffic, its
4 immediate removal from the highway or private property
5 adjacent to the highway by a towing service may be authorized
6 by a law enforcement agency having jurisdiction.

7 (e) Whenever a peace officer reasonably believes that a
8 person under arrest for a violation of Section 11-501 of this
9 Code or a similar provision of a local ordinance is likely,
10 upon release, to commit a subsequent violation of Section
11 11-501, or a similar provision of a local ordinance, the
12 arresting officer shall have the vehicle which the person was
13 operating at the time of the arrest impounded for a period of
14 12 hours after the time of arrest. However, such vehicle may be
15 released by the arresting law enforcement agency prior to the
16 end of the impoundment period if:

17 (1) the vehicle was not owned by the person under
18 arrest, and the lawful owner requesting such release
19 possesses a valid operator's license, proof of ownership,
20 and would not, as determined by the arresting law
21 enforcement agency, indicate a lack of ability to operate
22 a motor vehicle in a safe manner, or who would otherwise,
23 by operating such motor vehicle, be in violation of this
24 Code; or

25 (2) the vehicle is owned by the person under arrest,
26 and the person under arrest gives permission to another

1 person to operate such vehicle, provided however, that the
2 other person possesses a valid operator's license and
3 would not, as determined by the arresting law enforcement
4 agency, indicate a lack of ability to operate a motor
5 vehicle in a safe manner or who would otherwise, by
6 operating such motor vehicle, be in violation of this
7 Code.

8 (e-5) Whenever a registered owner of a vehicle is taken
9 into custody for operating the vehicle in violation of Section
10 11-501 of this Code or a similar provision of a local ordinance
11 or Section 6-303 of this Code, a law enforcement officer may
12 have the vehicle immediately impounded for a period not less
13 than:

14 (1) 24 hours for a second violation of Section 11-501
15 of this Code or a similar provision of a local ordinance or
16 Section 6-303 of this Code or a combination of these
17 offenses; or

18 (2) 48 hours for a third violation of Section 11-501
19 of this Code or a similar provision of a local ordinance or
20 Section 6-303 of this Code or a combination of these
21 offenses.

22 The vehicle may be released sooner if the vehicle is owned
23 by the person under arrest and the person under arrest gives
24 permission to another person to operate the vehicle and that
25 other person possesses a valid operator's license and would
26 not, as determined by the arresting law enforcement agency,

1 indicate a lack of ability to operate a motor vehicle in a safe
2 manner or would otherwise, by operating the motor vehicle, be
3 in violation of this Code.

4 (f) Except as provided in Chapter 18a of this Code, the
5 owner or lessor of privately owned real property within this
6 State, or any person authorized by such owner or lessor, or any
7 law enforcement agency in the case of publicly owned real
8 property may cause any motor vehicle abandoned or left
9 unattended upon such property without permission to be removed
10 by a towing service without liability for the costs of
11 removal, transportation, ~~or~~ storage, or damage caused by such
12 removal, transportation, or storage. The towing or removal of
13 any vehicle from private property without the consent of the
14 registered owner or other legally authorized person in control
15 of the vehicle is subject to compliance with the following
16 conditions and restrictions:

17 1. Any towed or removed vehicle must be stored at the
18 site of the towing service's place of business. The site
19 must be open during business hours, and for the purpose of
20 redemption of vehicles, during the time that the person or
21 firm towing such vehicle is open for towing purposes.

22 2. The towing service shall within 30 minutes of
23 completion of such towing or removal, notify the law
24 enforcement agency having jurisdiction of such towing or
25 removal, and the make, model, color, and license plate
26 number of the vehicle, and shall obtain and record the

1 name of the person at the law enforcement agency to whom
2 such information was reported.

3 3. If the registered owner or legally authorized
4 person entitled to possession of the vehicle shall arrive
5 at the scene prior to actual removal or towing of the
6 vehicle, the vehicle shall be disconnected from the tow
7 truck and that person shall be allowed to remove the
8 vehicle without interference, upon the payment of a
9 reasonable service fee of not more than one-half the
10 posted rate of the towing service as provided in paragraph
11 6 of this subsection, for which a receipt shall be given.

12 4. The rebate or payment of money or any other
13 valuable consideration from the towing service or its
14 owners, managers, or employees to the owners or operators
15 of the premises from which the vehicles are towed or
16 removed, for the privilege of removing or towing those
17 vehicles, is prohibited. Any individual who violates this
18 paragraph shall be guilty of a Class A misdemeanor.

19 5. Except for property appurtenant to and obviously a
20 part of a single family residence, and except for
21 instances where notice is personally given to the owner or
22 other legally authorized person in control of the vehicle
23 that the area in which that vehicle is parked is reserved
24 or otherwise unavailable to unauthorized vehicles and they
25 are subject to being removed at the owner or operator's
26 expense, any property owner or lessor, prior to towing or

1 removing any vehicle from private property without the
2 consent of the owner or other legally authorized person in
3 control of that vehicle, must post a notice meeting the
4 following requirements:

5 a. Except as otherwise provided in subparagraph
6 a.1 of this paragraph 5 of this subsection ~~subdivision~~
7 ~~(f)5~~, the notice must be prominently placed at each
8 driveway access or curb cut allowing vehicular access
9 to the property within 5 feet from the public
10 right-of-way line. If there are no curbs or access
11 barriers, the sign must be posted not less than one
12 sign each 100 feet of lot frontage.

13 a.1. In a municipality with a population of less
14 than 250,000, as an alternative to the requirement of
15 subparagraph a of this paragraph 5 of this subsection
16 ~~subdivision~~ ~~(f)5~~, the notice for a parking lot
17 contained within property used solely for a 2-family,
18 3-family, or 4-family residence may be prominently
19 placed at the perimeter of the parking lot, in a
20 position where the notice is visible to the occupants
21 of vehicles entering the lot.

22 b. The notice must indicate clearly, in not less
23 than 2 inch high light-reflective letters on a
24 contrasting background, that unauthorized vehicles
25 will be towed away at the owner's expense.

26 c. The notice must also provide the name and

1 current telephone number of the towing service towing
2 or removing the vehicle.

3 d. The sign structure containing the required
4 notices must be permanently installed with the bottom
5 of the sign not less than 4 feet above ground level,
6 and must be continuously maintained on the property
7 for not less than 24 hours prior to the towing or
8 removing of any vehicle.

9 6. Any towing service that tows or removes vehicles
10 and proposes to require the owner, operator, or person in
11 control of the vehicle to pay the costs of towing and
12 storage prior to redemption of the vehicle must file and
13 keep on record with the local law enforcement agency a
14 complete copy of the current rates to be charged for such
15 services, and post at the storage site an identical rate
16 schedule and any written contracts with property owners,
17 lessors, or persons in control of property which authorize
18 them to remove vehicles as provided in this Section. The
19 towing and storage charges, however, shall not exceed the
20 maximum allowed by the Illinois Commerce Commission under
21 Section 18a-200.

22 7. No person shall engage in the removal of vehicles
23 from private property as described in this Section without
24 filing a notice of intent in each community where he
25 intends to do such removal, and such notice shall be filed
26 at least 7 days before commencing such towing.

1 8. No removal of a vehicle from private property shall
2 be done except upon express written instructions of the
3 owners or persons in charge of the private property upon
4 which the vehicle is said to be trespassing.

5 9. Vehicle entry for the purpose of removal shall be
6 allowed with reasonable care on the part of the person or
7 firm towing the vehicle. Such person or firm shall be
8 liable for any damages occasioned to the vehicle if such
9 entry is not in accordance with the standards of
10 reasonable care.

11 9.5. Except as authorized by a law enforcement
12 officer, no towing service shall engage in the removal of
13 a commercial motor vehicle that requires a commercial
14 driver's license to operate by operating the vehicle under
15 its own power on a highway.

16 10. When a vehicle has been towed or removed pursuant
17 to this Section, it must be released to its owner,
18 custodian, agent, or lienholder within one-half hour after
19 requested, if such request is made during business hours.
20 Any vehicle owner, custodian, agent, or lienholder shall
21 have the right to inspect the vehicle before accepting its
22 return, and no release or waiver of any kind which would
23 release the towing service from liability for damages
24 incurred during the towing and storage may be required
25 from any vehicle owner or other legally authorized person
26 as a condition of release of the vehicle. A detailed,

1 signed receipt showing the legal name of the towing
2 service must be given to the person paying towing or
3 storage charges at the time of payment, whether requested
4 or not.

5 This Section shall not apply to law enforcement,
6 firefighting, rescue, ambulance, or other emergency
7 vehicles which are marked as such or to property owned by
8 any governmental entity.

9 When an authorized person improperly causes a motor
10 vehicle to be removed, such person shall be liable to the
11 owner or lessee of the vehicle for the cost of removal,
12 transportation and storage, any damages resulting from the
13 removal, transportation and storage, attorney's fee, and and
14 court costs.

15 Any towing or storage charges accrued shall be payable
16 in cash or by cashier's check, certified check, debit
17 card, credit card, or wire transfer, at the option of the
18 party taking possession of the vehicle.

19 11. Towing companies shall also provide insurance
20 coverage for areas where vehicles towed under the
21 provisions of this Chapter will be impounded or otherwise
22 stored, and shall adequately cover loss by fire, theft, or
23 other risks.

24 Any person who fails to comply with the conditions and
25 restrictions of this subsection shall be guilty of a Class C
26 misdemeanor and shall be fined not less than \$100 nor more than

1 \$500.

2 (g)(1) When a vehicle is determined to be a hazardous
3 dilapidated motor vehicle pursuant to Section 11-40-3.1 of the
4 Illinois Municipal Code or Section 5-12002.1 of the Counties
5 Code, its removal and impoundment by a towing service may be
6 authorized by a law enforcement agency with appropriate
7 jurisdiction.

8 (2) When a vehicle removal from either public or private
9 property is authorized by a law enforcement agency, the owner
10 of the vehicle shall be responsible for all towing and storage
11 charges.

12 (3) Vehicles removed from public or private property and
13 stored by a commercial vehicle relocater or any other towing
14 service authorized by a law enforcement agency in compliance
15 with this Section and Sections 4-201 and 4-202 of this Code, or
16 at the request of the vehicle owner or operator, shall be
17 subject to a possessor lien for services pursuant to the Labor
18 and Storage Lien (Small Amount) Act. The provisions of Section
19 1 of that Act relating to notice and implied consent shall be
20 deemed satisfied by compliance with Section 18a-302 and
21 subsection (6) of Section 18a-300. In no event shall such lien
22 be greater than the rate or rates established in accordance
23 with subsection (6) of Section 18a-200 of this Code. In no
24 event shall such lien be increased or altered to reflect any
25 charge for services or materials rendered in addition to those
26 authorized by this Code. Every such lien shall be payable in

1 cash or by cashier's check, certified check, debit card,
2 credit card, or wire transfer, at the option of the party
3 taking possession of the vehicle.

4 (4) Any personal property belonging to the vehicle owner
5 in a vehicle subject to a lien under this subsection (g) shall
6 likewise be subject to that lien, excepting only: child
7 restraint systems as defined in Section 4 of the Child
8 Passenger Protection Act and other child booster seats;
9 eyeglasses; food; medicine; personal medical and health care
10 devices, including hearing instruments; perishable property;
11 any operator's licenses; any cash, credit cards, or checks or
12 checkbooks; any wallet, purse, or other property containing
13 any operator's licenses, social security cards, or other
14 identifying documents or materials, cash, credit cards,
15 checks, checkbooks, or passbooks; higher education textbooks
16 and study materials; and any personal property belonging to a
17 person other than the vehicle owner if that person provides
18 adequate proof that the personal property belongs to that
19 person. The spouse, child, mother, father, brother, or sister
20 of the vehicle owner may claim personal property excepted
21 under this paragraph (4) if the person claiming the personal
22 property provides the commercial vehicle relocater or towing
23 service with the authorization of the vehicle owner.

24 (5) This paragraph (5) applies only in the case of a
25 vehicle that is towed as a result of being involved in a crash.
26 In addition to the personal property excepted under paragraph

1 (4), all other personal property in a vehicle subject to a lien
2 under this subsection (g) is exempt from that lien and may be
3 claimed by the vehicle owner if the vehicle owner provides the
4 commercial vehicle relocater or towing service with proof that
5 the vehicle owner has an insurance policy covering towing and
6 storage fees. The spouse, child, mother, father, brother, or
7 sister of the vehicle owner may claim personal property in a
8 vehicle subject to a lien under this subsection (g) if the
9 person claiming the personal property provides the commercial
10 vehicle relocater or towing service with the authorization of
11 the vehicle owner and proof that the vehicle owner has an
12 insurance policy covering towing and storage fees. The
13 regulation of liens on personal property and exceptions to
14 those liens in the case of vehicles towed as a result of being
15 involved in a crash are exclusive powers and functions of the
16 State. A home rule unit may not regulate liens on personal
17 property and exceptions to those liens in the case of vehicles
18 towed as a result of being involved in a crash. This paragraph
19 (5) is a denial and limitation of home rule powers and
20 functions under subsection (h) of Section 6 of Article VII of
21 the Illinois Constitution.

22 (6) No lien under this subsection (g) shall: exceed \$2,000
23 in its total amount; or be increased or altered to reflect any
24 charge for services or materials rendered in addition to those
25 authorized by this Code.

26 (h) Whenever a peace officer issues a citation to a driver

1 for a violation of subsection (a), (a-5), or (b-5) of Section
2 11-506 of this Code or for a violation of paragraph (1) of
3 subsection (a) of Section 11-503 of this Code, the arresting
4 officer may have the vehicle which the person was operating at
5 the time of the arrest impounded for a period of 5 days after
6 the time of arrest. An impounding agency shall release a motor
7 vehicle impounded under this subsection (h) to the registered
8 owner of the vehicle under any of the following circumstances:

9 (1) if the vehicle is a stolen vehicle; or

10 (2) if the person ticketed for a violation of
11 subsection (a), (a-5), or (b-5) of Section 11-506 or
12 paragraph (1) of subsection (a) of Section 11-503 of this
13 Code was not authorized by the registered owner of the
14 vehicle to operate the vehicle at the time of the
15 violation; or

16 (3) if the registered owner of the vehicle was neither
17 the driver nor a passenger in the vehicle at the time of
18 the violation or was unaware that the driver was using the
19 vehicle to engage in street racing, street sideshow, or
20 reckless driving; or

21 (4) if the legal owner or registered owner of the
22 vehicle is a rental car agency; or

23 (5) if, prior to the expiration of the impoundment
24 period specified above, the citation is dismissed or the
25 defendant is found not guilty of the offense.

26 (i) Except for vehicles exempted under subsection (b) of

1 Section 7-601 of this Code, whenever a law enforcement officer
2 issues a citation to a driver for a violation of Section 3-707
3 of this Code, and the driver has a prior conviction for a
4 violation of Section 3-707 of this Code in the past 12 months,
5 the arresting officer shall authorize the removal and
6 impoundment of the vehicle by a towing service.

7 (j) Notwithstanding any other provision of law, if a
8 person has indicated in a timely filed report to the
9 appropriate law enforcement agency that a vehicle towed
10 pursuant to this Section has been stolen or hijacked then:

11 (1) the person shall not be liable for any
12 governmentally imposed fees, fines, or penalties; and

13 (2) if a vehicle towed pursuant to this Section is
14 registered in Illinois and the name and address of the
15 registered owner of the vehicle is provided or made
16 available to the towing service at the time of the tow,
17 then the towing service must provide written notice of the
18 tow to the registered owner within 2 business days after
19 the vehicle is towed by certified mail, return receipt
20 requested. No storage charges shall accrue if the vehicle
21 is reclaimed by paying recovery and towing charges at the
22 posted rates of the towing service as provided by
23 paragraph 6 of subsection (f) within 7 days after such
24 notice is mailed. If the vehicle is registered in a state
25 other than Illinois, then no storage charges shall accrue
26 if the vehicle is reclaimed by paying recovery and towing

1 charges at the posted rates of the towing service as
2 provided by paragraph 6 of subsection (f) within 7 days
3 after a request for registered owner information is mailed
4 by the towing service, certified mail, return receipt
5 requested, to the applicable administrative agency or
6 office in that state.

7 The towing service shall enjoy a lien to secure payment of
8 charges accrued in compliance with this subsection.

9 (k) If a vehicle is displayed for sale or for transfer of
10 ownership with a vehicle identification number that has been
11 destroyed, removed, covered, altered, or defaced, its removal
12 by a towing service may be authorized by a law enforcement
13 agency having jurisdiction.

14 (Source: P.A. 102-982, eff. 7-1-23; 103-154, eff. 6-30-23;
15 103-706, eff. 1-1-25; 103-756, eff. 1-1-25; revised 11-26-24.)

16 (625 ILCS 5/5-102.1) (from Ch. 95 1/2, par. 5-102.1)

17 Sec. 5-102.1. Permits for off site sales and exhibitions.

18 (a) A licensed new or used motor vehicle dealer licensed
19 under Section 5-101 or 5-102 shall not engage in any off site
20 sale without an off site sale permit issued by the Secretary
21 under this Section.

22 The Secretary shall issue an off site sale permit to a
23 dealer if:

24 (1) an application therefor is received by the
25 Secretary prior to the beginning date of the proposed off

1 site sale, accompanied by a fee of \$25;

2 (2) the applicant is a licensed new vehicle dealer or
3 used vehicle dealer in good standing; and

4 (3) the Secretary determines that the proposed off
5 site sale will conform with the requirements imposed by
6 law.

7 However, in no event shall an off site sale permit be
8 issued to any licensed new or used vehicle dealer for any off
9 site sale to be conducted outside that dealer's relevant
10 market area, as that term is defined in this Chapter, except
11 that this restriction shall not apply to off site sales of
12 motor homes or recreational vehicles.

13 The provisions of this subsection shall not apply to
14 self-contained motor homes, mini motor homes, van campers, and
15 recreational trailers, including trailers designed and used to
16 transport vessels or watercraft.

17 An off site sale permit does not authorize the sale of
18 vehicles on a Sunday.

19 (b) Only a new or used vehicle dealer licensed under
20 Section 5-101 or 5-102 may participate in a display exhibition
21 and shall obtain a display exhibition permit issued by the
22 Secretary under this Section.

23 The Secretary shall issue a display exhibition permit to a
24 dealer if:

25 (1) an application therefor is received by the
26 Secretary prior to the beginning date of the proposed

1 exhibition, accompanied by a fee of \$10;

2 (2) the applicant is a licensed new vehicle dealer or
3 used vehicle dealer in good standing; and

4 (3) the Secretary determines that the proposed
5 exhibition will conform with the requirements imposed by
6 law.

7 A display exhibition permit shall be valid for a period of
8 no longer than 30 days.

9 (c) A licensed new or used motor vehicle dealer under
10 Section 5-101 or 5-102, or any other person as defined in this
11 Section, may participate in a trade show exhibition and must
12 obtain a trade show exhibition permit issued by the Secretary
13 under this Section.

14 The Secretary shall issue a trade show exhibition permit
15 if:

16 (1) an application is received by the Secretary before
17 the beginning date of the proposed trade show exhibition,
18 accompanied by a fee of \$10;

19 (2) the applicant is a licensed new vehicle dealer or
20 used vehicle dealer in good standing; and

21 (3) the Secretary determines that the proposed trade
22 show exhibition shall conform with the requirements
23 imposed by law.

24 A trade show exhibition permit shall be valid for a period
25 of no longer than 30 days.

26 The provisions of this subsection shall not apply to

1 self-contained motor homes, mini motor homes, van campers, and
2 recreational trailers, including trailers designed and used to
3 transport vessels or watercraft.

4 The term "any other person" shall mean new or used vehicle
5 dealers licensed by other states; provided however, a trade
6 show exhibition of new vehicles shall only be participated in
7 by licensed new vehicle dealers, at least 2 of which must be
8 licensed under Section 5-101.

9 (d) An Illinois or out-of-state licensed new or used
10 trailer dealer, manufactured home dealer, motor home dealer,
11 mini motor home dealer, or van camper dealer shall not engage
12 in any off site sale or trade show exhibition without first
13 acquiring a permit issued by the Secretary under this
14 subsection. However, the provisions of this Section shall not
15 apply to a licensed trailer dealer selling a mobile home or
16 manufactured housing, as defined in the Illinois Manufactured
17 Housing and Mobile Home Safety Act, if the manufactured
18 housing or mobile home has utilities permanently attached. The
19 Secretary shall issue a permit to an Illinois dealer if:

20 (1) an application is received by the Secretary before
21 the beginning date of the proposed off site sale or trade
22 show exhibition, accompanied by a fee of \$25;

23 (2) the applicant is a licensed new or used vehicle
24 dealer in good standing; and

25 (3) the Secretary determines that the proposed off
26 site sale or trade show exhibition will conform with the

1 requirements imposed by law.

2 The Secretary shall issue a permit to an out-of-state
3 dealer if the requirements of subdivisions (1), (2), and (3)
4 of this subsection (d) are met and at least 2 licensed Illinois
5 dealers will participate in the off site sale or trade show
6 exhibition.

7 A permit issued pursuant to this subsection shall allow
8 for the sale of vehicles at either an off site sale or at a
9 trade show exhibition. The permit shall be valid for a period
10 not to exceed 30 days.

11 (e) The Secretary of State may adopt rules regulating the
12 conduct of off site deliveries, sales, and exhibitions, and
13 governing the issuance and enforcement of the permits
14 authorized under this Section. An Illinois licensed new or
15 used motor vehicle dealer is authorized to conduct sales
16 activities, including the collection of electronic signatures,
17 via the Internet and deliver vehicles to a customer at the
18 address provided in the customer's application, if the sale,
19 lease, or delivery is requested by the customer in writing and
20 only after the identity of the customer has been verified at
21 the time of delivery. Any documents that State or federal law
22 require to be signed in person may be signed at the time of
23 delivery without constituting an off site sale that is subject
24 to this Section. If a vehicle is delivered to an address other
25 than the licensed dealer's established place of business, the
26 date of the sale shall be that date on which the application

1 for title is signed by the purchaser of the vehicle.

2 (f) Except as otherwise provided in this Section, a motor
3 vehicle dealer or person acting as a motor vehicle dealer
4 shall not park a motor vehicle for the primary purpose of
5 displaying the vehicle for sale or for transfer of ownership
6 on any of the following:

7 (1) a public street or highway;

8 (2) a public parking lot;

9 (3) any other public property; or

10 (4) any private property if the public may lawfully
11 drive a motor vehicle on the property. This paragraph does
12 not apply if the property is a motor vehicle dealer's lot
13 and the motor vehicle that is parked on the property is in
14 the motor vehicle dealer's inventory.

15 This subsection does not prohibit off-site sales,
16 displays, or other activities permitted under this Section.

17 (g) A vehicle that is displayed for sale with a vehicle
18 identification number that has been destroyed, removed,
19 covered, altered, or defaced is subject to removal pursuant to
20 subsection (k) of Section 4-203.

21 (Source: P.A. 103-392, eff. 1-1-24.)

22 (625 ILCS 5/5-110 new)

23 Sec. 5-110. Unlicensed Motor Vehicle Dealer Enforcement
24 Task Force.

25 (a) The Unlicensed Motor Vehicle Dealer Enforcement Task

1 Force is established within the Office of the Secretary of
2 State.

3 (b) The members of the Task Force shall be appointed as
4 follows:

5 (1) 3 members of the Secretary of State's Office,
6 appointed by the Secretary of State;

7 (2) 3 members of the Department of Revenue, appointed
8 by the Director of the Department of Revenue;

9 (3) 3 members of the Office of the Illinois Attorney
10 General, appointed by the Attorney General;

11 (4) 3 members who represent automobile dealers, one of
12 which is a member of a statewide trade association
13 representing franchised dealers and 2 of which who are
14 nonfranchised, appointed by the Secretary of State; and

15 (5) one member who represents an auction firm or
16 credentialing company, appointed by the Secretary of
17 State.

18 (c) The purpose of the Task Force is to review unlicensed
19 motor vehicle dealer enforcement activities in the State. The
20 Task Force shall:

21 (1) explore and recommend ways to ensure consumer
22 protections are afforded to State consumers making
23 purchases from unlicensed vehicle dealers, including those
24 who are using out-of-state licenses in a manner that
25 evades the State's licensing requirements and protections;

26 (2) consider methods to identify and investigate

1 violators, with a focus on retail sales occurring through
2 the internet;

3 (3) explore methods to collect tax revenue and license
4 and title fees owed to the State;

5 (4) explore enhanced penalties and enforcement
6 mechanisms for violators; and

7 (5) address practices relating to renting dealer
8 plates and auction authority.

9 (d) Initial appointments to the Task Force shall be made
10 as soon as practicable after the effective date of this
11 amendatory Act of the 104th General Assembly. The Task Force
12 shall meet at least 4 times and issue a report to the General
13 Assembly by December 31, 2026.

14 (e) The Secretary of State shall provide administrative
15 and technical support to the Task Force.

16 (f) The members of the Task Force shall serve without
17 compensation.

18 (g) The Task Force established by this Section is
19 dissolved on January 1, 2027.

20 (625 ILCS 5/5-501) (from Ch. 95 1/2, par. 5-501)

21 Sec. 5-501. Denial, suspension or revocation or
22 cancellation of a license.

23 (a) The license of a person issued under this Chapter may
24 be denied, revoked or suspended if the Secretary of State
25 finds that the applicant, or the officer, director,

1 shareholder having a ten percent or greater ownership interest
2 in the corporation, owner, partner, trustee, manager, employee
3 or the licensee has:

4 1. Violated this Act;

5 2. Made any material misrepresentation to the
6 Secretary of State in connection with an application for a
7 license, junking certificate, salvage certificate, title
8 or registration;

9 3. Committed a fraudulent act in connection with
10 selling, bartering, exchanging, offering for sale or
11 otherwise dealing in vehicles, chassis, essential parts,
12 or vehicle shells;

13 4. As a new vehicle dealer has no contract with a
14 manufacturer or enfranchised distributor to sell that new
15 vehicle in this State;

16 5. Not maintained an established place of business as
17 defined in this Code;

18 6. Failed to file or produce for the Secretary of
19 State any application, report, document or other pertinent
20 books, records, documents, letters, contracts, required to
21 be filed or produced under this Code or any rule or
22 regulation made by the Secretary of State pursuant to this
23 Code;

24 7. Previously had, within 3 years, such a license
25 denied, suspended, revoked, or cancelled under the
26 provisions of subsection (c) (2) of this Section;

1 8. Has committed in any calendar year 3 or more
2 violations, as determined in any civil or criminal
3 proceeding, of any one or more of the following Acts:

4 a. the "Consumer Finance Act";

5 b. the "Consumer Installment Loan Act";

6 c. the "Retail Installment Sales Act";

7 d. the "Motor Vehicle Retail Installment Sales
8 Act";

9 e. "An Act in relation to the rate of interest and
10 other charges in connection with sales on credit and
11 the lending of money", approved May 24, 1879, as
12 amended;

13 f. "An Act to promote the welfare of wage-earners
14 by regulating the assignment of wages, and prescribing
15 a penalty for the violation thereof", approved July 1,
16 1935, as amended;

17 g. Part 8 of Article XII of the Code of Civil
18 Procedure; or

19 h. the "Consumer Fraud Act";

20 9. Failed to pay any fees or taxes due under this Act,
21 or has failed to transmit any fees or taxes received by him
22 for transmittal by him to the Secretary of State or the
23 State of Illinois;

24 10. Converted an abandoned vehicle;

25 11. Used a vehicle identification plate or number
26 assigned to a vehicle other than the one to which

1 originally assigned;

2 12. Violated the provisions of Chapter 5 of this Act,
3 as amended;

4 13. Violated the provisions of Chapter 4 of this Act,
5 as amended;

6 14. Violated the provisions of Chapter 3 of this Act,
7 as amended;

8 15. Violated Section 21-2 of the Criminal Code of 1961
9 or the Criminal Code of 2012, Criminal Trespass to
10 Vehicles;

11 16. Made or concealed a material fact in connection
12 with his application for a license;

13 17. Acted in the capacity of a person licensed or
14 acted as a licensee under this Chapter without having a
15 license therefor;

16 18. Failed to pay, within 90 days after a final
17 judgment, any fines assessed against the licensee pursuant
18 to an action brought under Section 5-404;

19 19. Failed to pay the Dealer Recovery Trust Fund fee
20 under Section 5-102.7 of this Code;

21 20. Failed to pay, within 90 days after notice has
22 been given, any fine or fee owed as a result of an
23 administrative citation issued by the Secretary under this
24 Code;

25 21. Violated Article 16 or 17 of the Criminal Code of
26 2102;

1 22. Was convicted of a forcible felony under either
2 the Criminal Code of 1961 or Criminal Code of 2012 or
3 convicted of a similar out-of-state offense; ~~+~~

4 23. Offered for private sale a motor vehicle in the
5 licensee's or exhibitor's inventory.

6 (b) In addition to other grounds specified in this
7 Chapter, the Secretary of State, on complaint of the
8 Department of Revenue, shall refuse the issuance or renewal of
9 a license, or suspend or revoke such license, for any of the
10 following violations of the "Retailers' Occupation Tax Act",
11 the tax imposed on corporations under subsection (b) of
12 Section 201 of the Illinois Income Tax Act, the Personal
13 Property Tax Replacement Income Tax imposed under subsections
14 (c) and (d) of Section 201 of the Illinois Income Tax Act, or
15 the tax imposed under Section 704A of the Illinois Income Tax
16 Act:

17 1. Failure to make a tax return;

18 2. The filing of a fraudulent return;

19 3. Failure to pay all or part of any tax or penalty
20 finally determined to be due;

21 4. Failure to comply with the bonding requirements of
22 the "Retailers' Occupation Tax Act".

23 (b-1) In addition to other grounds specified in this
24 Chapter, the Secretary of State, on complaint of the Motor
25 Vehicle Review Board, shall refuse the issuance or renewal of
26 a license, or suspend or revoke that license, if costs or fees

1 assessed under Section 29 or Section 30 of the Motor Vehicle
2 Franchise Act have remained unpaid for a period in excess of 90
3 days after the licensee received from the Motor Vehicle Board
4 a second notice and demand for the costs or fees. The Motor
5 Vehicle Review Board must send the licensee written notice and
6 demand for payment of the fees or costs at least 2 times, and
7 the second notice and demand must be sent by certified mail.

8 (c) Cancellation of a license.

9 1. The license of a person issued under this Chapter
10 may be cancelled by the Secretary of State prior to its
11 expiration in any of the following situations:

12 A. When a license is voluntarily surrendered, by
13 the licensed person; or

14 B. If the business enterprise is a sole
15 proprietorship, which is not a franchised dealership,
16 when the sole proprietor dies or is imprisoned for any
17 period of time exceeding 30 days; or

18 C. If the license was issued to the wrong person or
19 corporation, or contains an error on its face. If any
20 person above whose license has been cancelled wishes
21 to apply for another license, whether during the same
22 license year or any other year, that person shall be
23 treated as any other new applicant and the
24 cancellation of the person's prior license shall not,
25 in and of itself, be a bar to the issuance of a new
26 license.

1 2. The license of a person issued under this Chapter
2 may be cancelled without a hearing when the Secretary of
3 State is notified that the applicant, or any officer,
4 director, shareholder having a 10 per cent or greater
5 ownership interest in the corporation, owner, partner,
6 trustee, manager, employee or member of the applicant or
7 the licensee has been convicted of any felony involving
8 the selling, bartering, exchanging, offering for sale, or
9 otherwise dealing in vehicles, chassis, essential parts,
10 vehicle shells, or ownership documents relating to any of
11 the above items.

12 (Source: P.A. 101-505, eff. 1-1-20.)

13 (625 ILCS 5/5-803)

14 Sec. 5-803. Administrative penalties. Instead of filing a
15 criminal complaint against a new or used vehicle dealer, or
16 against any other entity licensed by the Secretary under this
17 Code, or any other unlicensed entity acting in violation of
18 this Code, a Secretary of State Police investigator may issue
19 administrative citations for violations of any of the
20 provisions of this Code or any administrative rule adopted by
21 the Secretary under this Code. A party receiving a citation
22 shall have the right to contest the citation in proceedings
23 before the Secretary of State Department of Administrative
24 Hearings. Penalties imposed by issuance of an administrative
25 citation shall not exceed \$50 per violation, except for

1 violations of subsections (f) and (g) of Section 5-102.1, in
2 which case penalties imposed by issuance of an administrative
3 citation shall not be less than \$1,000 and shall not exceed
4 \$3,000 per violation. A penalty may not be imposed unless,
5 during the course of a single investigation or upon review of
6 the party's records, the party is found to have committed at
7 least 3 separate violations of one or more of the provisions of
8 this Code or any administrative rule adopted by the Secretary
9 under this Code, except for violations of subsections (f) and
10 (g) of Section 5-102.1. Penalties paid as a result of the
11 issuance of administrative citations shall be deposited in the
12 Secretary of State Police Services Fund. If the Secretary of
13 State has reasonable cause to believe from information
14 furnished to the Secretary or from an investigation made by a
15 Secretary of State Police that a person is engaged in a
16 business regulated by this Chapter without being licensed as
17 required by law, the Secretary shall immediately issue and
18 serve on the person by personal delivery or first class mail at
19 the person's last known address a cease and desist order
20 requiring the person to immediately cease and desist from
21 further engaging in the business and shall notify the person
22 that the person has the right to contest the cease and desist
23 order in proceedings before the Secretary of State's
24 Department of Administrative Hearings and that penalties may
25 be imposed pursuant to this Section. The Secretary shall
26 provide a copy of the cease and desist order to the Director of

1 the Department of Revenue.

2 (Source: P.A. 101-572, eff. 8-23-19.)