



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3269

by Rep. Lawrence Walsh, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Alternative Fuels Act. Provides that the Secretary of State may collect user fees for vehicles of the Second Division registered under plate category C. Amends the Illinois Vehicle Code. Provides that a dealer may use a special plate issued to the dealer to transport a vehicle sold to a customer either by towing or by driving the sold vehicle with the special plate attached to the vehicle. Provides that the Secretary may limit the number of special plates authorized that are issued to dealers, manufacturers, or transporters based on factors including, but not limited to, sales of vehicles, revenue, or number of employees. Adds background check and education requirements for applicants for a remittance agent license. Adds requirements for licensure of a new vehicle dealer or a used vehicle dealer. Defines "Buy Here, Pay Here used vehicle dealer" and creates licensure requirements for a Buy Here, Pay Here used vehicle dealer. Provides that the Secretary may create special dealership licenses for entities that specialize in specific types of used motor vehicles that may be based on model, make, age, or other factors that the Secretary deems appropriate. Provides that any owner who is not a manufacturer of the vehicle and chooses to lease a used vehicle for a period of less than 12 months shall ensure that the lessee maintains valid registration and liability insurance and shall not collect any fees in connection with the registration of the vehicle unless the owner is also a licensed remittance agent.

LRB101 10800 TAE 55929 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Alternate Fuels Act is amended by changing
5 Section 35 as follows:

6 (415 ILCS 120/35)

7 Sec. 35. User fees.

8 (a) The Office of the Secretary of State shall collect
9 annual user fees from any individual, partnership,
10 association, corporation, or agency of the United States
11 government that registers any combination of 10 or more of the
12 following types of motor vehicles in the Covered Area: (1)
13 vehicles of the First Division, as defined in the Illinois
14 Vehicle Code; (2) vehicles of the Second Division registered
15 under the B, C, D, F, H, MD, MF, MG, MH and MJ plate categories,
16 as defined in the Illinois Vehicle Code; and (3) commuter vans
17 and livery vehicles as defined in the Illinois Vehicle Code.
18 This Section does not apply to vehicles registered under the
19 International Registration Plan under Section 3-402.1 of the
20 Illinois Vehicle Code. The user fee shall be \$20 for each
21 vehicle registered in the Covered Area for each fiscal year.
22 The Office of the Secretary of State shall collect the \$20 when
23 a vehicle's registration fee is paid.

1 (b) Owners of State, county, and local government vehicles,
2 rental vehicles, antique vehicles, expanded-use antique
3 vehicles, electric vehicles, and motorcycles are exempt from
4 paying the user fees on such vehicles.

5 (c) The Office of the Secretary of State shall deposit the
6 user fees collected into the Alternate Fuels Fund.

7 (Source: P.A. 97-412, eff. 1-1-12.)

8 Section 10. The Illinois Vehicle Code is amended by
9 changing Sections 3-601, 3-602, 3-904, 5-101, 5-102, 5-102.5,
10 5-102.7, 5-401.2, 5-402.1, 5-403.1, 5-501 and 5-503 and by
11 adding Sections 3-904.2, 3-904.5, 5-102.8, and 5-102.9 as
12 follows:

13 (625 ILCS 5/3-601) (from Ch. 95 1/2, par. 3-601)

14 Sec. 3-601. Operation of vehicles under special plates.

15 (a) A manufacturer owning any unregistered vehicle of a
16 type otherwise required to be registered under this Act may
17 operate or move such upon the highways without registering each
18 such vehicle upon condition that any such vehicle display
19 thereon, a special plate or plates issued to such owner as
20 provided in this Article.

21 (b) A dealer owning any unregistered vehicle of a type
22 otherwise required to be registered under this Act and held by
23 him for sale or resale, may operate or move such upon the
24 highways without registering each such vehicle upon condition

1 that any such vehicle display thereon a special plate or plates
2 issued to such owner as provided in this Article. A dealer may
3 use a special plate issued to the dealer to transport a vehicle
4 sold to a customer either by towing or by driving the sold
5 vehicle with the special plate attached to the vehicle.

6 (c) A transporter may operate or move any vehicle not owned
7 by him upon the highways by the driveaway or towaway methods
8 solely for the purpose of delivery upon likewise displaying
9 thereon like plates issued to him as provided in this Article.

10 (d) A boat dealer owning any boat trailer of a type
11 otherwise required to be registered under this Act may operate
12 or move such upon the highways and haul a boat customarily sold
13 with such boat trailer, without registering each such boat
14 trailer upon condition that any such boat trailer display
15 thereon, in the manner prescribed in Section 3-413, a special
16 plate or plates issued to such owner as provided in this
17 Article.

18 (e) Any person owning unregistered vehicles of a type
19 required to be registered and which are exclusively operated
20 off the highways and upon private property, may move such
21 vehicles from one plant location to another upon the highways
22 without registering each such vehicle upon conditions that any
23 such vehicle display thereon a special plate or plates issued
24 to such persons as provided in this Article. Such vehicles must
25 be unladen and may not be operated upon any highways with such
26 special plates except for the interplant movement.

1 (f) Any person owning a vehicle of a type required to be
2 registered which when purchased is not yet equipped for work or
3 service, may move such vehicle from the point of original
4 manufacture or sale to a body shop or other place where the
5 vehicle is to be equipped for work or service and from such
6 point to the owner's place of business without first
7 registering each such vehicle upon condition that any such
8 vehicle display thereon a special plate or plates issued to
9 such person as provided in this Article. Upon completion of
10 such movement, any such vehicle subject to registration must be
11 properly registered.

12 (g) Special plates issued under this Article must be
13 displayed in the manner provided for in Section 3-413.

14 (h) Any such vehicle bearing such special plate or plates
15 may be operated without registration for any purpose, except
16 that no such special plate or plates shall be used on any
17 vehicle which is rented by the manufacturer or dealer to
18 another person or which is used to transport passengers or
19 property for hire, nor, except as provided in paragraph (i) of
20 this Section, shall any such special plate or plates be used on
21 a second division vehicle which is carrying cargo or
22 merchandise except in demonstrating such second division
23 vehicle for the purposes of sale, or for the purpose of testing
24 engine and driveline components.

25 (i) The provisions of this Article authorizing special
26 plates shall not apply to work or service vehicles owned by a

1 manufacturer, transporter or dealer except a truck up to 8,000
2 pounds gross weight owned by a dealer and used for hauling
3 parts incidental to the operation of the dealer's business.

4 (j) The Secretary of State may limit the number of special
5 plates issued to any applicant.

6 (Source: P.A. 78-753; 78-1297.)

7 (625 ILCS 5/3-602) (from Ch. 95 1/2, par. 3-602)

8 Sec. 3-602. Certificate and special plates for dealers,
9 manufacturers, and transporters.

10 (a) Any dealer, manufacturer, or transporter may make
11 application to the Secretary of State upon the appropriate form
12 for a certificate containing a general distinguishing number
13 and for one or more sets of special plates as appropriate to
14 various types of vehicles subject to registration hereunder.
15 The applicant shall submit such proof of his or her status as a
16 bona fide dealer, manufacturer, or transporter as may be
17 reasonably required by the Secretary of State.

18 (b) The Secretary of State, upon granting any such
19 application, shall issue to the applicant a certificate
20 containing the applicant's name and address and special plates
21 as applied for. Both the certificates and special plates shall
22 display the general distinguishing number assigned to the
23 applicant.

24 (c) The Secretary of State shall issue special plates to
25 dealers and manufacturers in accordance with the following

1 formula:

2	number vehicles	maximum number sets	maximum number
3	sold in previous	of special plates	additional sets
4	calendar year	issued at fee set	issued at fee
5		by Sec. 3-810	set by Sec. 3-806
6	0	0	0
7	1-10	1	1
8	11-25	2	2
9	26-100	8	8
10	101-250	12	12
11	251-500	20	20
12	501-750	30	30
13	751-1000	40	40
14	1001-1500	50	50
15	1501-2000	60	60
16	2001-2500	70	70
17	2501+	90	90

18 For those Dealers with annual sales over 2501, special
 19 plates will be allocated based on 10 sets of plates under each
 20 section for each additional 500 vehicles sold.

21 The limit on the maximum number of additional sets issued
 22 to manufacturers at the fee set by Section 3-806 may be lifted
 23 at the discretion of the Secretary of State.

24 The Secretary shall issue to a new dealer or manufacturer
 25 not more than 8 sets of special plates at each fee. If the new
 26 dealer or manufacturer has acquired his or her business from a

1 previous dealer or manufacturer, he or she may be issued a
2 number of sets based upon the number of vehicles sold in the
3 previous calendar year by the previous dealer or manufacturer.
4 If the new dealer or manufacturer was in business for only a
5 part of the previous calendar year, the number of special
6 plates to which he or she is entitled may be extrapolated from
7 the number of vehicles he or she sold during that part of the
8 year.

9 (c-5) The Secretary may limit the number of special plates
10 authorized under this Section that are issued to dealers,
11 manufacturers, or transporters based on factors including, but
12 not limited to, sales of vehicles, revenue, or number of
13 employees.

14 (d) Any manufacturer of engine and driveline components may
15 apply to the Secretary of State for a license to operate
16 vehicles in which such components are installed on the public
17 highways of the State for the purpose of testing such
18 components. The application shall describe the components and
19 the vehicles in which they are installed, and shall contain
20 such additional information as the Secretary shall prescribe.
21 Upon receipt of an application and an accompanying fee of
22 \$1000, the Secretary shall issue to the applicant a license for
23 the entire test period of the components described in the
24 application.

25 Every licensee shall keep a record of each vehicle operated
26 under such license which shall be open to inspection by the

1 Secretary or his authorized representative for inspection at
2 any reasonable time during the day or night.

3 The license of a manufacturer of engine and driveline
4 components may be denied, revoked or suspended if the Secretary
5 finds that the manufacturer has:

6 (1) violated this Code;

7 (2) made any material misrepresentation to the
8 Secretary of State in connection with an application for a
9 license; or

10 (3) failed to produce for the Secretary of State any
11 record required to be produced by this Code.

12 This amendatory Act of 1983 shall be applicable to the 1984
13 registration year and thereafter.

14 (Source: P.A. 91-357, eff. 7-29-99.)

15 (625 ILCS 5/3-904) (from Ch. 95 1/2, par. 3-904)

16 Sec. 3-904. Application; contents; affidavits; prelicense
17 education certification ~~—Contents—Affidavits.~~

18 (a) Any person who desires to act as a "remittance agent"
19 shall first file with the Secretary of State a written
20 application for a license. The application shall be under oath
21 and shall contain the following:

22 1. The name and address of the applicant.

23 2. The address of each location at which the applicant
24 intends to act as a remittance agent.

25 3. The applicant's business, occupation or profession.

1 4. A statement disclosing whether he has been involved
2 in any civil or criminal litigation and if so, the material
3 facts pertaining thereto.

4 5. A statement that the applicant has not committed in
5 the past 3 years any violation as determined in any civil,
6 criminal, or administrative proceedings under the
7 Retailers' Occupation Tax Act or under Article I or VII of
8 Chapter 3 of this Code.

9 6. Any other information concerning the business of the
10 applicant that the Secretary of State may prescribe.

11 (b) The application under subsection (a) shall be
12 accompanied by the affidavits of two persons residing in the
13 city or town of such applicant's residence. Such affiants shall
14 state that they have known the applicant for a period of at
15 least two years; that the applicant is of good moral character
16 and that his reputation for honesty and business integrity in
17 the community in which he resides is good. If the applicant is
18 not an individual, the requirements of this paragraph shall
19 apply to each of its officers or members.

20 (c) The application under subsection (a) shall be
21 accompanied by a copy of the certification from the
22 prelicensing education program required by Section 3-904.5.

23 (Source: P.A. 97-832, eff. 7-20-12.)

24 (625 ILCS 5/3-904.2 new)

25 Sec. 3-904.2. Remittance agent background check. Each

1 applicant for a remittance license shall have his or her
2 fingerprints submitted to the Department of State Police in an
3 electronic format that complies with the form and manner for
4 requesting and furnishing criminal history record information
5 as prescribed by the Department of State Police. These
6 fingerprints shall be checked against the Department of State
7 Police and Federal Bureau of Investigation criminal history
8 record databases now and hereafter filed, including, but not
9 limited to, civil, criminal, and latent fingerprint databases.
10 The Department of State Police shall charge applicants a fee
11 for conducting the criminal history records check, which shall
12 be deposited in the State Police Services Fund and shall not
13 exceed the actual cost of the records check. The Department of
14 State Police shall furnish, pursuant to positive
15 identification, records of Illinois convictions to the
16 Secretary of State.

17 (625 ILCS 5/3-904.5 new)

18 Sec. 3-904.5. Remittance agent prelicensing education
19 program courses.

20 (a) An applicant for a license as a remittance agent shall
21 complete a minimum of 8 hours of prelicensing education program
22 courses under this Section prior to submitting an application
23 to the Secretary of State.

24 (b) To meet the requirements of this Section, at least one
25 person who is associated with the remittance agent as an owner,

1 principal, corporate officer, director, or member or partner of
2 a limited liability company or limited liability partnership
3 shall complete the education program courses.

4 (c) The prelicensing education program courses shall be
5 provided by public or private entities with an expertise in the
6 area as approved by the Secretary of State. The Secretary of
7 State must approve course curricula and instruction, in
8 consultation with the Department of Transportation and any
9 private entity with expertise in the area in the Secretary's
10 discretion.

11 (d) Each person who successfully completes an approved
12 prelicensing education program under this Section shall be
13 issued a certificate by the education program provider. The
14 current certificate of completion, or a copy of the current
15 certificate, shall be posted conspicuously in the principal
16 office of the licensee.

17 (e) The provisions of this Section apply to all remittance
18 agents including, but not limited to, persons, corporations,
19 and partnerships, except for the following:

20 (1) motor vehicle rental companies having a national
21 franchise;

22 (2) national motor vehicle auction companies;

23 (3) wholesale dealer-only auction companies;

24 (4) used vehicle dealerships owned by a franchise motor
25 vehicle dealer; and

26 (5) banks, credit unions, and savings and loan

1 associations.

2 (625 ILCS 5/5-101) (from Ch. 95 1/2, par. 5-101)

3 Sec. 5-101. New vehicle dealers must be licensed.

4 (a) No person shall engage in this State in the business of
5 selling or dealing in, on consignment or otherwise, new
6 vehicles of any make, or act as an intermediary or agent or
7 broker for any licensed dealer or vehicle purchaser other than
8 as a salesperson, or represent or advertise that he is so
9 engaged or intends to so engage in such business unless
10 licensed to do so in writing by the Secretary of State under
11 the provisions of this Section.

12 (b) An application for a new vehicle dealer's license shall
13 be filed with the Secretary of State, duly verified by oath, on
14 such form as the Secretary of State may by rule or regulation
15 prescribe and shall contain:

16 1. The name and type of business organization of the
17 applicant and his established and additional places of
18 business, if any, in this State.

19 2. If the applicant is a corporation, a list of its
20 officers, directors, and shareholders having a ten percent
21 or greater ownership interest in the corporation, setting
22 forth the residence address of each; if the applicant is a
23 sole proprietorship, a partnership, an unincorporated
24 association, a trust, or any similar form of business
25 organization, the name and residence address of the

1 proprietor or of each partner, member, officer, director,
2 trustee, or manager.

3 3. The make or makes of new vehicles which the
4 applicant will offer for sale at retail in this State.

5 4. The name of each manufacturer or franchised
6 distributor, if any, of new vehicles with whom the
7 applicant has contracted for the sale of such new vehicles.
8 As evidence of this fact, the application shall be
9 accompanied by a signed statement from each such
10 manufacturer or franchised distributor. If the applicant
11 is in the business of offering for sale new conversion
12 vehicles, trucks or vans, except for trucks modified to
13 serve a special purpose which includes but is not limited
14 to the following vehicles: street sweepers, fertilizer
15 spreaders, emergency vehicles, implements of husbandry or
16 maintenance type vehicles, he must furnish evidence of a
17 sales and service agreement from both the chassis
18 manufacturer and second stage manufacturer.

19 5. A statement that the applicant has been approved for
20 registration under the Retailers' Occupation Tax Act by the
21 Department of Revenue: Provided that this requirement does
22 not apply to a dealer who is already licensed hereunder
23 with the Secretary of State, and who is merely applying for
24 a renewal of his license. As evidence of this fact, the
25 application shall be accompanied by a certification from
26 the Department of Revenue showing that that Department has

1 approved the applicant for registration under the
2 Retailers' Occupation Tax Act.

3 6. A statement that the applicant has complied with the
4 appropriate liability insurance requirement. A Certificate
5 of Insurance in a solvent company authorized to do business
6 in the State of Illinois shall be included with each
7 application covering each location at which he proposes to
8 act as a new vehicle dealer. The policy must provide
9 liability coverage in the minimum amounts of \$100,000 for
10 bodily injury to, or death of, any person, \$300,000 for
11 bodily injury to, or death of, two or more persons in any
12 one accident, and \$50,000 for damage to property. Such
13 policy shall expire not sooner than December 31 of the year
14 for which the license was issued or renewed. The expiration
15 of the insurance policy shall not terminate the liability
16 under the policy arising during the period for which the
17 policy was filed. Trailer and mobile home dealers are
18 exempt from this requirement.

19 If the permitted user has a liability insurance policy
20 that provides automobile liability insurance coverage of
21 at least \$100,000 for bodily injury to or the death of any
22 person, \$300,000 for bodily injury to or the death of any 2
23 or more persons in any one accident, and \$50,000 for damage
24 to property, then the permitted user's insurer shall be the
25 primary insurer and the dealer's insurer shall be the
26 secondary insurer. If the permitted user does not have a

1 liability insurance policy that provides automobile
2 liability insurance coverage of at least \$100,000 for
3 bodily injury to or the death of any person, \$300,000 for
4 bodily injury to or the death of any 2 or more persons in
5 any one accident, and \$50,000 for damage to property, or
6 does not have any insurance at all, then the dealer's
7 insurer shall be the primary insurer and the permitted
8 user's insurer shall be the secondary insurer.

9 When a permitted user is "test driving" a new vehicle
10 dealer's automobile, the new vehicle dealer's insurance
11 shall be primary and the permitted user's insurance shall
12 be secondary.

13 As used in this paragraph 6, a "permitted user" is a
14 person who, with the permission of the new vehicle dealer
15 or an employee of the new vehicle dealer, drives a vehicle
16 owned and held for sale or lease by the new vehicle dealer
17 which the person is considering to purchase or lease, in
18 order to evaluate the performance, reliability, or
19 condition of the vehicle. The term "permitted user" also
20 includes a person who, with the permission of the new
21 vehicle dealer, drives a vehicle owned or held for sale or
22 lease by the new vehicle dealer for loaner purposes while
23 the user's vehicle is being repaired or evaluated.

24 As used in this paragraph 6, "test driving" occurs when
25 a permitted user who, with the permission of the new
26 vehicle dealer or an employee of the new vehicle dealer,

1 drives a vehicle owned and held for sale or lease by a new
2 vehicle dealer that the person is considering to purchase
3 or lease, in order to evaluate the performance,
4 reliability, or condition of the vehicle.

5 As used in this paragraph 6, "loaner purposes" means
6 when a person who, with the permission of the new vehicle
7 dealer, drives a vehicle owned or held for sale or lease by
8 the new vehicle dealer while the user's vehicle is being
9 repaired or evaluated.

10 7. (A) An application for a new motor vehicle dealer's
11 license shall be accompanied by the following license fees:

12 (i) \$1,000 for applicant's established place of
13 business, and \$100 for each additional place of
14 business, if any, to which the application pertains;
15 but if the application is made after June 15 of any
16 year, the license fee shall be \$500 for applicant's
17 established place of business plus \$50 for each
18 additional place of business, if any, to which the
19 application pertains. License fees shall be returnable
20 only in the event that the application is denied by the
21 Secretary of State. All moneys received by the
22 Secretary of State as license fees under this
23 subparagraph (i) prior to applications for the 2004
24 licensing year shall be deposited into the Motor
25 Vehicle Review Board Fund and shall be used to
26 administer the Motor Vehicle Review Board under the

1 Motor Vehicle Franchise Act. Of the money received by
2 the Secretary of State as license fees under this
3 subparagraph (i) for the 2004 licensing year and
4 thereafter, 10% shall be deposited into the Motor
5 Vehicle Review Board Fund and shall be used to
6 administer the Motor Vehicle Review Board under the
7 Motor Vehicle Franchise Act and 90% shall be deposited
8 into the General Revenue Fund.

9 (ii) Except for dealers selling 25 or fewer
10 automobiles or as provided in subsection (h) of Section
11 5-102.7 of this Code, an Annual Dealer Recovery Fund
12 Fee in the amount of \$500 for the applicant's
13 established place of business, and \$50 for each
14 additional place of business, if any, to which the
15 application pertains; but if the application is made
16 after June 15 of any year, the fee shall be \$250 for
17 the applicant's established place of business plus \$25
18 for each additional place of business, if any, to which
19 the application pertains. For a license renewal
20 application, the fee shall be based on the amount of
21 automobiles sold in the past year according to the
22 following formula:

23 (1) \$0 for dealers selling 25 or less
24 automobiles;

25 (2) \$150 for dealers selling more than 25 but
26 less than 200 automobiles;

1 (3) \$300 for dealers selling 200 or more
2 automobiles but less than 300 automobiles; and

3 (4) \$500 for dealers selling 300 or more
4 automobiles.

5 License fees shall be returnable only in the event
6 that the application is denied by the Secretary of
7 State. Moneys received under this subparagraph (ii)
8 shall be deposited into the Dealer Recovery Trust Fund.

9 (B) An application for a new vehicle dealer's license,
10 other than for a new motor vehicle dealer's license, shall
11 be accompanied by the following license fees:

12 (i) \$1,000 for applicant's established place of
13 business, and \$50 for each additional place of
14 business, if any, to which the application pertains;
15 but if the application is made after June 15 of any
16 year, the license fee shall be \$500 for applicant's
17 established place of business plus \$25 for each
18 additional place of business, if any, to which the
19 application pertains. License fees shall be returnable
20 only in the event that the application is denied by the
21 Secretary of State. Of the money received by the
22 Secretary of State as license fees under this
23 subparagraph (i) for the 2004 licensing year and
24 thereafter, 95% shall be deposited into the General
25 Revenue Fund.

26 (ii) Except as provided in subsection (h) of

1 Section 5-102.7 of this Code, an Annual Dealer Recovery
2 Fund Fee in the amount of \$500 for the applicant's
3 established place of business, and \$50 for each
4 additional place of business, if any, to which the
5 application pertains; but if the application is made
6 after June 15 of any year, the fee shall be \$250 for
7 the applicant's established place of business plus \$25
8 for each additional place of business, if any, to which
9 the application pertains. License fees shall be
10 returnable only in the event that the application is
11 denied by the Secretary of State. Moneys received under
12 this subparagraph (ii) shall be deposited into the
13 Dealer Recovery Trust Fund.

14 8. A statement that the applicant's officers,
15 directors, shareholders having a 10% or greater ownership
16 interest therein, proprietor, a partner, member, officer,
17 director, trustee, manager or other principals in the
18 business have not committed in the past 3 years any one
19 violation as determined in any civil, criminal or
20 administrative proceedings of any one of the following
21 Acts:

22 (A) The Anti-Theft Laws of the Illinois Vehicle
23 Code;

24 (B) The Certificate of Title Laws of the Illinois
25 Vehicle Code;

26 (C) The Offenses against Registration and

1 Certificates of Title Laws of the Illinois Vehicle
2 Code;

3 (D) The Dealers, Transporters, Wreckers and
4 Rebuilders Laws of the Illinois Vehicle Code;

5 (E) Section 21-2 of the Criminal Code of 1961 or
6 the Criminal Code of 2012, Criminal Trespass to
7 Vehicles; or

8 (F) The Retailers' Occupation Tax Act.

9 9. A statement that the applicant's officers,
10 directors, shareholders having a 10% or greater ownership
11 interest therein, proprietor, partner, member, officer,
12 director, trustee, manager or other principals in the
13 business have not committed in any calendar year 3 or more
14 violations, as determined in any civil, criminal or
15 administrative proceedings, of any one or more of the
16 following Acts:

17 (A) The Consumer Finance Act;

18 (B) The Consumer Installment Loan Act;

19 (C) The Retail Installment Sales Act;

20 (D) The Motor Vehicle Retail Installment Sales
21 Act;

22 (E) The Interest Act;

23 (F) The Illinois Wage Assignment Act;

24 (G) Part 8 of Article XII of the Code of Civil
25 Procedure; or

26 (H) The Consumer Fraud Act.

1 9.5. A statement that, within 10 years of application,
2 each officer, director, shareholder having a 10% or greater
3 ownership interest therein, proprietor, partner, member,
4 officer, director, trustee, manager, or other principal in
5 the business of the applicant has not committed, as
6 determined in any civil, criminal, or administrative
7 proceeding, in any calendar year one or more forcible
8 felonies under the Criminal Code of 1961 or the Criminal
9 Code of 2012, or a violation of either or both Article 16
10 or 17 of the Criminal Code of 1961 or a violation of either
11 or both Article 16 or 17 of the Criminal Code of 2012,
12 Article 29B of the Criminal Code of 1961 or the Criminal
13 Code of 2012, or a similar out-of-state offense. For the
14 purposes of this paragraph, "forcible felony" has the
15 meaning provided in Section 2-8 of the Criminal Code of
16 2012.

17 10. A bond or certificate of deposit in the amount of
18 \$50,000 for each location at which the applicant intends to
19 act as a new vehicle dealer. The bond shall be for the term
20 of the license, or its renewal, for which application is
21 made, and shall expire not sooner than December 31 of the
22 year for which the license was issued or renewed. The bond
23 shall run to the People of the State of Illinois, with
24 surety by a bonding or insurance company authorized to do
25 business in this State. It shall be conditioned upon the
26 proper transmittal of all title and registration fees and

1 taxes (excluding taxes under the Retailers' Occupation Tax
2 Act) accepted by the applicant as a new vehicle dealer.

3 11. Such other information concerning the business of
4 the applicant as the Secretary of State may by rule or
5 regulation prescribe.

6 12. A statement that the applicant understands Chapter
7 1 through Chapter 5 of this Code.

8 (c) Any change which renders no longer accurate any
9 information contained in any application for a new vehicle
10 dealer's license shall be amended within 30 days after the
11 occurrence of such change on such form as the Secretary of
12 State may prescribe by rule or regulation, accompanied by an
13 amendatory fee of \$2.

14 (d) Anything in this Chapter 5 to the contrary
15 notwithstanding no person shall be licensed as a new vehicle
16 dealer unless:

17 1. He is authorized by contract in writing between
18 himself and the manufacturer or franchised distributor of
19 such make of vehicle to so sell the same in this State, and

20 2. Such person shall maintain an established place of
21 business as defined in this Act.

22 (e) The Secretary of State shall, within a reasonable time
23 after receipt, examine an application submitted to him under
24 this Section and unless he makes a determination that the
25 application submitted to him does not conform with the
26 requirements of this Section or that grounds exist for a denial

1 of the application, under Section 5-501 of this Chapter, grant
2 the applicant an original new vehicle dealer's license in
3 writing for his established place of business and a
4 supplemental license in writing for each additional place of
5 business in such form as he may prescribe by rule or regulation
6 which shall include the following:

7 1. The name of the person licensed;

8 2. If a corporation, the name and address of its
9 officers or if a sole proprietorship, a partnership, an
10 unincorporated association or any similar form of business
11 organization, the name and address of the proprietor or of
12 each partner, member, officer, director, trustee or
13 manager;

14 3. In the case of an original license, the established
15 place of business of the licensee;

16 4. In the case of a supplemental license, the
17 established place of business of the licensee and the
18 additional place of business to which such supplemental
19 license pertains;

20 5. The make or makes of new vehicles which the licensee
21 is licensed to sell.

22 (f) The appropriate instrument evidencing the license or a
23 certified copy thereof, provided by the Secretary of State,
24 shall be kept posted conspicuously in the established place of
25 business of the licensee and in each additional place of
26 business, if any, maintained by such licensee.

1 (g) Except as provided in subsection (h) hereof, all new
2 vehicle dealer's licenses granted under this Section shall
3 expire by operation of law on December 31 of the calendar year
4 for which they are granted unless sooner revoked or cancelled
5 under the provisions of Section 5-501 of this Chapter.

6 (h) A new vehicle dealer's license may be renewed upon
7 application and payment of the fee required herein, and
8 submission of proof of coverage under an approved bond under
9 the Retailers' Occupation Tax Act or proof that applicant is
10 not subject to such bonding requirements, as in the case of an
11 original license, but in case an application for the renewal of
12 an effective license is made during the month of December, the
13 effective license shall remain in force until the application
14 is granted or denied by the Secretary of State.

15 (i) All persons licensed as a new vehicle dealer are
16 required to furnish each purchaser of a motor vehicle:

17 1. In the case of a new vehicle a manufacturer's
18 statement of origin and in the case of a used motor vehicle
19 a certificate of title, in either case properly assigned to
20 the purchaser;

21 2. A statement verified under oath that all identifying
22 numbers on the vehicle agree with those on the certificate
23 of title or manufacturer's statement of origin;

24 3. A bill of sale properly executed on behalf of such
25 person;

26 4. A copy of the Uniform Invoice-transaction reporting

1 return referred to in Section 5-402 hereof;

2 5. In the case of a rebuilt vehicle, a copy of the
3 Disclosure of Rebuilt Vehicle Status; and

4 6. In the case of a vehicle for which the warranty has
5 been reinstated, a copy of the warranty.

6 (j) Except at the time of sale or repossession of the
7 vehicle, no person licensed as a new vehicle dealer may issue
8 any other person a newly created key to a vehicle unless the
9 new vehicle dealer makes a color photocopy or electronic scan
10 of the driver's license or State identification card of the
11 person requesting or obtaining the newly created key. The new
12 vehicle dealer must retain the photocopy or scan for 30 days.

13 A new vehicle dealer who violates this subsection (j) is
14 guilty of a petty offense. Violation of this subsection (j) is
15 not cause to suspend, revoke, cancel, or deny renewal of the
16 new vehicle dealer's license.

17 This amendatory Act of 1983 shall be applicable to the 1984
18 registration year and thereafter.

19 (Source: P.A. 99-78, eff. 7-20-15; 100-450, eff. 1-1-18;
20 100-956, eff. 1-1-19.)

21 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

22 Sec. 5-102. Used vehicle dealers must be licensed.

23 (a) No person, other than a licensed new vehicle dealer,
24 shall engage in the business of selling or dealing in, on
25 consignment or otherwise, 5 or more used vehicles of any make

1 during the year (except house trailers as authorized by
2 paragraph (j) of this Section and rebuilt salvage vehicles sold
3 by their rebuilders to persons licensed under this Chapter), or
4 act as an intermediary, agent or broker for any licensed dealer
5 or vehicle purchaser (other than as a salesperson) or represent
6 or advertise that he is so engaged or intends to so engage in
7 such business unless licensed to do so by the Secretary of
8 State under the provisions of this Section.

9 (b) An application for a used vehicle dealer's license
10 shall be filed with the Secretary of State, duly verified by
11 oath, in such form as the Secretary of State may by rule or
12 regulation prescribe and shall contain:

13 1. The name and type of business organization
14 established and additional places of business, if any, in
15 this State.

16 2. If the applicant is a corporation, a list of its
17 officers, directors, and shareholders having a ten percent
18 or greater ownership interest in the corporation, setting
19 forth the residence address of each; if the applicant is a
20 sole proprietorship, a partnership, an unincorporated
21 association, a trust, or any similar form of business
22 organization, the names and residence address of the
23 proprietor or of each partner, member, officer, director,
24 trustee or manager.

25 3. A statement that the applicant has been approved for
26 registration under the Retailers' Occupation Tax Act by the

1 Department of Revenue. However, this requirement does not
2 apply to a dealer who is already licensed hereunder with
3 the Secretary of State, and who is merely applying for a
4 renewal of his license. As evidence of this fact, the
5 application shall be accompanied by a certification from
6 the Department of Revenue showing that the Department has
7 approved the applicant for registration under the
8 Retailers' Occupation Tax Act.

9 4. A statement that the applicant has complied with the
10 appropriate liability insurance requirement. A Certificate
11 of Insurance in a solvent company authorized to do business
12 in the State of Illinois shall be included with each
13 application covering each location at which he proposes to
14 act as a used vehicle dealer. The policy must provide
15 liability coverage in the minimum amounts of \$100,000 for
16 bodily injury to, or death of, any person, \$300,000 for
17 bodily injury to, or death of, two or more persons in any
18 one accident, and \$50,000 for damage to property. Such
19 policy shall expire not sooner than December 31 of the year
20 for which the license was issued or renewed. The expiration
21 of the insurance policy shall not terminate the liability
22 under the policy arising during the period for which the
23 policy was filed. Trailer and mobile home dealers are
24 exempt from this requirement.

25 If the permitted user has a liability insurance policy
26 that provides automobile liability insurance coverage of

1 at least \$100,000 for bodily injury to or the death of any
2 person, \$300,000 for bodily injury to or the death of any 2
3 or more persons in any one accident, and \$50,000 for damage
4 to property, then the permitted user's insurer shall be the
5 primary insurer and the dealer's insurer shall be the
6 secondary insurer. If the permitted user does not have a
7 liability insurance policy that provides automobile
8 liability insurance coverage of at least \$100,000 for
9 bodily injury to or the death of any person, \$300,000 for
10 bodily injury to or the death of any 2 or more persons in
11 any one accident, and \$50,000 for damage to property, or
12 does not have any insurance at all, then the dealer's
13 insurer shall be the primary insurer and the permitted
14 user's insurer shall be the secondary insurer.

15 When a permitted user is "test driving" a used vehicle
16 dealer's automobile, the used vehicle dealer's insurance
17 shall be primary and the permitted user's insurance shall
18 be secondary.

19 As used in this paragraph 4, a "permitted user" is a
20 person who, with the permission of the used vehicle dealer
21 or an employee of the used vehicle dealer, drives a vehicle
22 owned and held for sale or lease by the used vehicle dealer
23 which the person is considering to purchase or lease, in
24 order to evaluate the performance, reliability, or
25 condition of the vehicle. The term "permitted user" also
26 includes a person who, with the permission of the used

1 vehicle dealer, drives a vehicle owned or held for sale or
2 lease by the used vehicle dealer for loaner purposes while
3 the user's vehicle is being repaired or evaluated.

4 As used in this paragraph 4, "test driving" occurs when
5 a permitted user who, with the permission of the used
6 vehicle dealer or an employee of the used vehicle dealer,
7 drives a vehicle owned and held for sale or lease by a used
8 vehicle dealer that the person is considering to purchase
9 or lease, in order to evaluate the performance,
10 reliability, or condition of the vehicle.

11 As used in this paragraph 4, "loaner purposes" means
12 when a person who, with the permission of the used vehicle
13 dealer, drives a vehicle owned or held for sale or lease by
14 the used vehicle dealer while the user's vehicle is being
15 repaired or evaluated.

16 5. An application for a used vehicle dealer's license
17 shall be accompanied by the following license fees:

18 (A) \$1,000 for applicant's established place of
19 business, and \$50 for each additional place of
20 business, if any, to which the application pertains;
21 however, if the application is made after June 15 of
22 any year, the license fee shall be \$500 for applicant's
23 established place of business plus \$25 for each
24 additional place of business, if any, to which the
25 application pertains. License fees shall be returnable
26 only in the event that the application is denied by the

1 Secretary of State. Of the money received by the
2 Secretary of State as license fees under this
3 subparagraph (A) for the 2004 licensing year and
4 thereafter, 95% shall be deposited into the General
5 Revenue Fund.

6 (B) Except for dealers selling 25 or fewer
7 automobiles or as provided in subsection (h) of Section
8 5-102.7 of this Code, an Annual Dealer Recovery Fund
9 Fee in the amount of \$500 for the applicant's
10 established place of business, and \$50 for each
11 additional place of business, if any, to which the
12 application pertains; but if the application is made
13 after June 15 of any year, the fee shall be \$250 for
14 the applicant's established place of business plus \$25
15 for each additional place of business, if any, to which
16 the application pertains. For a license renewal
17 application, the fee shall be based on the amount of
18 automobiles sold in the past year according to the
19 following formula:

20 (1) \$0 for dealers selling 25 or less
21 automobiles;

22 (2) \$150 for dealers selling more than 25 but
23 less than 200 automobiles;

24 (3) \$300 for dealers selling 200 or more
25 automobiles but less than 300 automobiles; and

26 (4) \$500 for dealers selling 300 or more

1 automobiles.

2 License fees shall be returnable only in the event
3 that the application is denied by the Secretary of
4 State. Moneys received under this subparagraph (B)
5 shall be deposited into the Dealer Recovery Trust Fund.

6 6. A statement that the applicant's officers,
7 directors, shareholders having a 10% or greater ownership
8 interest therein, proprietor, partner, member, officer,
9 director, trustee, manager or other principals in the
10 business have not committed in the past 3 years any one
11 violation as determined in any civil, criminal or
12 administrative proceedings of any one of the following
13 Acts:

14 (A) The Anti-Theft Laws of the Illinois Vehicle
15 Code;

16 (B) The Certificate of Title Laws of the Illinois
17 Vehicle Code;

18 (C) The Offenses against Registration and
19 Certificates of Title Laws of the Illinois Vehicle
20 Code;

21 (D) The Dealers, Transporters, Wreckers and
22 Rebuilders Laws of the Illinois Vehicle Code;

23 (E) Section 21-2 of the Illinois Criminal Code of
24 1961 or the Criminal Code of 2012, Criminal Trespass to
25 Vehicles; or

26 (F) The Retailers' Occupation Tax Act.

1 7. A statement that the applicant's officers,
2 directors, shareholders having a 10% or greater ownership
3 interest therein, proprietor, partner, member, officer,
4 director, trustee, manager or other principals in the
5 business have not committed in any calendar year 3 or more
6 violations, as determined in any civil or criminal or
7 administrative proceedings, of any one or more of the
8 following Acts:

9 (A) The Consumer Finance Act;

10 (B) The Consumer Installment Loan Act;

11 (C) The Retail Installment Sales Act;

12 (D) The Motor Vehicle Retail Installment Sales
13 Act;

14 (E) The Interest Act;

15 (F) The Illinois Wage Assignment Act;

16 (G) Part 8 of Article XII of the Code of Civil
17 Procedure; or

18 (H) The Consumer Fraud and Deceptive Business
19 Practices Act.

20 7.5. A statement that, within 10 years of application,
21 each officer, director, shareholder having a 10% or greater
22 ownership interest therein, proprietor, partner, member,
23 officer, director, trustee, manager, or other principal in
24 the business of the applicant has not committed, as
25 determined in any civil, criminal, or administrative
26 proceeding, in any calendar year one or more forcible

1 felonies under the Criminal Code of 1961 or the Criminal
2 Code of 2012, or a violation of either or both Article 16
3 or 17 of the Criminal Code of 1961 or a violation of either
4 or both Article 16 or 17 of the Criminal Code of 2012,
5 Article 29B of the Criminal Code of 1961 or the Criminal
6 Code of 2012, or a similar out-of-state offense. For the
7 purposes of this paragraph, "forcible felony" has the
8 meaning provided in Section 2-8 of the Criminal Code of
9 2012.

10 8. A bond or Certificate of Deposit in the amount of
11 \$50,000 for each location at which the applicant intends to
12 act as a used vehicle dealer. The bond shall be for the
13 term of the license, or its renewal, for which application
14 is made, and shall expire not sooner than December 31 of
15 the year for which the license was issued or renewed. The
16 bond shall run to the People of the State of Illinois, with
17 surety by a bonding or insurance company authorized to do
18 business in this State. It shall be conditioned upon the
19 proper transmittal of all title and registration fees and
20 taxes (excluding taxes under the Retailers' Occupation Tax
21 Act) accepted by the applicant as a used vehicle dealer.

22 9. Such other information concerning the business of
23 the applicant as the Secretary of State may by rule or
24 regulation prescribe.

25 10. A statement that the applicant understands Chapter
26 1 through Chapter 5 of this Code.

1 11. A copy of the certification from the prelicensing
2 education program.

3 (c) Any change which renders no longer accurate any
4 information contained in any application for a used vehicle
5 dealer's license shall be amended within 30 days after the
6 occurrence of each change on such form as the Secretary of
7 State may prescribe by rule or regulation, accompanied by an
8 amendatory fee of \$2.

9 (d) Anything in this Chapter to the contrary
10 notwithstanding, no person shall be licensed as a used vehicle
11 dealer unless such person maintains an established place of
12 business as defined in this Chapter.

13 (e) The Secretary of State shall, within a reasonable time
14 after receipt, examine an application submitted to him under
15 this Section. Unless the Secretary makes a determination that
16 the application submitted to him does not conform to this
17 Section or that grounds exist for a denial of the application
18 under Section 5-501 of this Chapter, he must grant the
19 applicant an original used vehicle dealer's license in writing
20 for his established place of business and a supplemental
21 license in writing for each additional place of business in
22 such form as he may prescribe by rule or regulation which shall
23 include the following:

24 1. The name of the person licensed;

25 2. If a corporation, the name and address of its
26 officers or if a sole proprietorship, a partnership, an

1 unincorporated association or any similar form of business
2 organization, the name and address of the proprietor or of
3 each partner, member, officer, director, trustee or
4 manager;

5 3. In case of an original license, the established
6 place of business of the licensee;

7 4. In the case of a supplemental license, the
8 established place of business of the licensee and the
9 additional place of business to which such supplemental
10 license pertains.

11 (f) The appropriate instrument evidencing the license or a
12 certified copy thereof, provided by the Secretary of State
13 shall be kept posted, conspicuously, in the established place
14 of business of the licensee and in each additional place of
15 business, if any, maintained by such licensee.

16 (g) Except as provided in subsection (h) of this Section,
17 all used vehicle dealer's licenses granted under this Section
18 expire by operation of law on December 31 of the calendar year
19 for which they are granted unless sooner revoked or cancelled
20 under Section 5-501 of this Chapter.

21 (h) A used vehicle dealer's license may be renewed upon
22 application and payment of the fee required herein, and
23 submission of proof of coverage by an approved bond under the
24 "Retailers' Occupation Tax Act" or proof that applicant is not
25 subject to such bonding requirements, as in the case of an
26 original license, but in case an application for the renewal of

1 an effective license is made during the month of December, the
2 effective license shall remain in force until the application
3 for renewal is granted or denied by the Secretary of State.

4 (i) All persons licensed as a used vehicle dealer are
5 required to furnish each purchaser of a motor vehicle:

6 1. A certificate of title properly assigned to the
7 purchaser;

8 2. A statement verified under oath that all identifying
9 numbers on the vehicle agree with those on the certificate
10 of title;

11 3. A bill of sale properly executed on behalf of such
12 person;

13 4. A copy of the Uniform Invoice-transaction reporting
14 return referred to in Section 5-402 of this Chapter;

15 5. In the case of a rebuilt vehicle, a copy of the
16 Disclosure of Rebuilt Vehicle Status; and

17 6. In the case of a vehicle for which the warranty has
18 been reinstated, a copy of the warranty.

19 (j) A real estate broker holding a valid certificate of
20 registration issued pursuant to "The Real Estate Brokers and
21 Salesmen License Act" may engage in the business of selling or
22 dealing in house trailers not his own without being licensed as
23 a used vehicle dealer under this Section; however such broker
24 shall maintain a record of the transaction including the
25 following:

26 (1) the name and address of the buyer and seller,

1 (2) the date of sale,

2 (3) a description of the mobile home, including the
3 vehicle identification number, make, model, and year, and

4 (4) the Illinois certificate of title number.

5 The foregoing records shall be available for inspection by
6 any officer of the Secretary of State's Office at any
7 reasonable hour.

8 (k) Except at the time of sale or repossession of the
9 vehicle, no person licensed as a used vehicle dealer may issue
10 any other person a newly created key to a vehicle unless the
11 used vehicle dealer makes a color photocopy or electronic scan
12 of the driver's license or State identification card of the
13 person requesting or obtaining the newly created key. The used
14 vehicle dealer must retain the photocopy or scan for 30 days.

15 A used vehicle dealer who violates this subsection (k) is
16 guilty of a petty offense. Violation of this subsection (k) is
17 not cause to suspend, revoke, cancel, or deny renewal of the
18 used vehicle dealer's license.

19 (l) Used vehicle dealers licensed under this Section shall
20 provide the Secretary of State a register for the sale at
21 auction of each salvage or junk certificate vehicle. Each
22 register shall include the following information:

23 1. The year, make, model, style and color of the
24 vehicle;

25 2. The vehicle's manufacturer's identification number
26 or, if applicable, the Secretary of State or Illinois

- 1 Department of State Police identification number;
- 2 3. The date of acquisition of the vehicle;
- 3 4. The name and address of the person from whom the
- 4 vehicle was acquired;
- 5 5. The name and address of the person to whom any
- 6 vehicle was disposed, the person's Illinois license number
- 7 or if the person is an out-of-state salvage vehicle buyer,
- 8 the license number from the state or jurisdiction where the
- 9 buyer is licensed; and
- 10 6. The purchase price of the vehicle.

11 The register shall be submitted to the Secretary of State

12 via written or electronic means within 10 calendar days from

13 the date of the auction.

14 (Source: P.A. 99-78, eff. 7-20-15; 100-450, eff. 1-1-18;

15 100-956, eff. 1-1-19.)

16 (625 ILCS 5/5-102.5)

17 Sec. 5-102.5. Used vehicle dealer prelicensing education

18 program courses.

19 (a) An applicant for a license as a Buy Here, Pay Here used

20 vehicle dealer under Section 5-102.8 or a used vehicle dealer

21 shall complete a minimum of 8 hours of prelicensing education

22 program courses pursuant to this Section prior to submitting an

23 application to the Secretary of State.

24 (b) To meet the requirements of this Section, at least one

25 individual who is associated with the used vehicle dealer or

1 Buy Here, Pay Here used vehicle dealer as an owner, principal,
2 corporate officer, director, or member or partner of a limited
3 liability company or limited liability partnership shall
4 complete the education program courses.

5 (c) The education program courses shall be provided by
6 public or private entities with an expertise in the area as
7 approved by the Secretary of State. The Secretary of State must
8 approve course curricula and instruction, in consultation with
9 the Illinois Department of Transportation and any private
10 entity with expertise in the area in the Secretary of State's
11 discretion.

12 (d) Each person who successfully completes an approved
13 prelicensing education program under this Section shall be
14 issued a certificate by the education program provider of the
15 course. The current certificate of completion, or a copy of the
16 certificate, shall be posted conspicuously in the principal
17 office of the licensee.

18 (e) The provisions of this Section apply to all Buy Here,
19 Pay Here used vehicle dealers under Section 5-1028 or used
20 vehicle dealers including, but not limited to, individuals,
21 corporations, and partnerships, except for the following:

22 (1) Motor vehicle rental companies having a national
23 franchise;

24 (2) National motor vehicle auction companies;

25 (3) Wholesale dealer-only auction companies;

26 (4) Used vehicle dealerships owned by a franchise motor

1 vehicle dealer; and

2 (5) Banks, credit unions, and savings and loan
3 associations.

4 (Source: P.A. 96-678, eff. 8-25-09.)

5 (625 ILCS 5/5-102.7)

6 Sec. 5-102.7. Dealer Recovery Trust Fund.

7 (a) The General Assembly finds that motor vehicle dealers
8 that go out of business without fulfilling agreements to pay
9 off the balance of their customers' liens on traded-in vehicles
10 cause financial harm to those customers by leaving those
11 customers liable for multiple vehicle loans and cause harm to
12 the integrity of the motor vehicle retailing industry. It is
13 the intent of the General Assembly to protect vehicle
14 purchasers by creating a Dealer Recovery Trust Fund to
15 reimburse these consumers.

16 (b) The Dealer Recovery Trust Fund shall be used solely for
17 the limited purpose of helping victims of dealership closings.
18 Any interest accrued by moneys in the Fund shall be deposited
19 and become part of the Dealer Recovery Trust Fund and its
20 purpose. The sole beneficiaries of the Dealer Recovery Trust
21 Fund are victims of dealership closings.

22 (c) Except where the context otherwise requires, the
23 following words and phrases, when used in this Section, have
24 the meanings ascribed to them in this subsection (c):

25 "Applicant" means a person who applies for reimbursement

1 from the Dealer Recovery Trust Fund Board.

2 "Board" means the Dealer Recovery Trust Fund Board created
3 under this Section.

4 "Dealer" means a new vehicle dealer licensed under Section
5 5-101, ~~or~~ a used vehicle dealer licensed under Section 5-102,
6 or a Buy Here, Pay Here used vehicle dealer licensed under
7 5-102.8, excepting a dealer who primarily sells mobile homes,
8 recreational vehicles, or trailers.

9 "Fund" means the Dealer Recovery Trust Fund created under
10 this Section.

11 "Fund Administrator" means the private entity, which shall
12 be appointed by the Board, that administers the Dealer Recovery
13 Trust Fund.

14 (d) Beginning October 1, 2011, each application or renewal
15 for a new vehicle dealer's license and each application or
16 renewal for a Buy Here, Pay Here used vehicle dealer licensed
17 under 5-102.8 or a used vehicle dealer's license shall be
18 accompanied by the applicable Annual Dealer Recovery Fund Fee
19 under Section 5-101 or 5-102 of this Code. The fee shall be in
20 addition to any other fees imposed under this Article, shall be
21 submitted at the same time an application or renewal for a new
22 vehicle dealer's license, ~~or~~ used vehicle dealer's license, or
23 Buy Here, Pay Here used vehicle dealer is submitted, and shall
24 be made payable to and remitted directly to the Dealer Recovery
25 Trust Fund, a trust fund outside of the State Treasury which is
26 hereby created. In addition, the Dealer Recovery Trust Fund may

1 accept any federal, State, or private moneys for deposit into
2 the Fund.

3 (e) The Fund Administrator shall maintain a list of all
4 dealers who have paid the fee under subsection (d) of this
5 Section for the current year, which shall be available to the
6 Secretary of State and the Board. The Secretary of State shall
7 revoke the dealer license of any dealer who does not pay the
8 fee imposed under subsection (d) of this Section. The Secretary
9 of State and the Fund Administrator may enter into information
10 sharing agreements as needed to implement this Section.

11 (f) The Fund shall be audited annually by an independent
12 auditor who is a certified public accountant and who has been
13 selected by the Board. The independent auditor shall compile an
14 annual report, which shall be filed with the Board and shall be
15 a public record. The auditor shall be paid by the Fund,
16 pursuant to an order of the Board.

17 (g) The Fund shall be maintained by the Fund Administrator,
18 who shall keep current records of the amounts deposited into
19 the Fund and the amounts paid out of the Fund pursuant to an
20 order of the Board. These records shall be made available to
21 all members of the Board upon reasonable request during normal
22 business hours. The Fund Administrator shall report the balance
23 in the Fund to the Board monthly, by the 15th day of each
24 month. For purposes of determining the amount available to pay
25 claims under this Section at any meeting of the Board, the
26 Board shall use the Fund Administrator's most recent monthly

1 report. The Fund Administrator shall purchase liability
2 insurance to cover management of the Fund at a cost not to
3 exceed 2% of the balance in the Fund as of January 15th of that
4 year.

5 (h) In any year for which the balance in the Fund as of
6 August 31st is greater than \$3,500,000, the Fund Administrator
7 shall notify the Secretary of State and the Secretary of State
8 shall suspend collection of the fee for the following year for
9 any dealer who has not had a claim paid from the Fund, has not
10 had his or her license suspended or revoked, and has not been
11 assessed any civil penalties under this Code during the 3
12 previous years.

13 (i) Moneys in the Dealer Recovery Trust Fund may be paid
14 from the Fund only as directed by a written order of the Board
15 and used only for the following purposes:

16 (i) to pay claims under a written order of the Board as
17 provided in this Section; or

18 (ii) to reimburse the Fund Administrator for its
19 expenses related to the administration of the Fund,
20 provided that the reimbursement to the Fund Administrator
21 in any year shall not exceed 2% of the balance in the Fund
22 as of January 15th of that year.

23 (j) The Dealer Recovery Trust Fund Board is hereby created.
24 The Board shall consist of the Secretary of State, or his or
25 her designee, who shall serve as chair, the Attorney General,
26 or his or her designee, who shall serve as secretary, and one

1 person alternatively representing new and independent Illinois
2 automobile dealers, selected collectively by the Attorney
3 General, or his or her designee, and the Secretary of State, or
4 his or her designee. The Secretary of State may propose
5 procedures and employ personnel as necessary to implement this
6 Section. The Board shall meet quarterly, and as needed, as
7 directed by the chair. The Board may not pay out any claims
8 before the balance deposited into the Fund exceeds \$500,000.
9 Board meetings shall be open to the public. The Board has the
10 authority to take any action by at least a two-thirds majority
11 vote.

12 (k) The following persons may apply to the Board for
13 reimbursement from the Dealer Recovery Trust Fund:

14 (i) A retail customer who, on or after October 1, 2011,
15 purchases a vehicle from a dealer who subsequently files
16 for bankruptcy or whose vehicle dealer's license is
17 subsequently revoked by the Secretary of State or otherwise
18 terminated and, as part of the purchase transaction, trades
19 in a vehicle with an outstanding lien to the dealer if lien
20 satisfaction was a condition of the purchase agreement and
21 the retail customer determines that the lien has not been
22 satisfied;

23 (ii) A retail customer who, on or after October 1,
24 2011, purchases a vehicle with an undisclosed lien from a
25 dealer who subsequently files for bankruptcy or whose
26 vehicle dealer's license is subsequently revoked by the

1 Secretary of State or otherwise terminated;

2 (iii) A dealer who, on or after October 1, 2011,
3 purchases a vehicle with an undisclosed lien from another
4 dealer who subsequently files for bankruptcy or whose
5 vehicle dealer's license is subsequently revoked by the
6 Secretary of State or otherwise terminated.

7 (l) To be considered by the Board, an applicant must submit
8 his or her claim to the Board within 2 years after the date of
9 the transaction that gave rise to the claim.

10 (m) At each meeting of the Board, it shall consider all
11 claims that are properly submitted to it on forms prescribed by
12 the Secretary of State at least 30 days before the date of the
13 Board's meeting. Before the Board may consider a claim against
14 a dealer, it must make a written determination that the dealer
15 has filed for bankruptcy under the provisions of 11 U.S.C.
16 Chapter 7; that the Secretary of State has revoked his or her
17 dealer's license; or that the license has been otherwise
18 terminated. Once the Board has made this determination, it may
19 consider the applicant's claim against the dealer. If a
20 two-thirds majority of the Board determines that the dealer has
21 committed a violation under subsection (k), it shall grant the
22 applicant's claim. Except as otherwise provided in this
23 Section, the maximum amount of any award for a claim under
24 paragraph (i) of subsection (k) of this Section shall be equal
25 to the amount of the unpaid balance of the lien that the dealer
26 agreed to pay off on behalf of the applicant as shown on the

1 bill of sale or the retail installment sales contract. The
2 maximum amount of any claim under paragraph (ii) or (iii) of
3 subsection (k) of this Section shall be equal to the amount of
4 the undisclosed lien. However, no award for a claim under
5 subsection (k) of this Section shall exceed \$35,000.

6 (n) If the balance in the Fund at the time of any Board
7 meeting is less than the amount of the total amount of all
8 claims awarded at that meeting, then all awards made at that
9 meeting shall be reduced, pro rata, so that the amount of
10 claims does not exceed the balance in the Fund. Before it
11 reviews new claims, the Board shall issue written orders to pay
12 the remaining portion of any claims that were so reduced,
13 provided that the balance in the Fund is sufficient to pay
14 those claims.

15 (o) Whenever the balance of the Fund falls below \$500,000,
16 the Board may charge dealers an additional assessment of up to
17 \$50 to bring the balance to at least \$500,000. Not more than
18 one additional assessment may be made against a dealer in any
19 12-month period.

20 (p) If the total amount of claims awarded against any
21 dealer exceeds 33% of the balance in the Fund, the Board may
22 permanently reduce the amount of those claims, pro rata, so
23 that those claims do not exceed 33% of the balance in the Fund.

24 (q) The Board shall issue a written order directing the
25 Fund Administrator to pay an applicant's claim to a secured
26 party where the Board has received a signed agreement between

1 the applicant and the secured party holding the lien. The
2 agreement must (i) state that the applicant and the secured
3 party agree to accept payment from the Fund to the secured
4 party as settlement in full of all claims against the dealer;
5 and (ii) release the lien and the title, if applicable, to the
6 vehicle that was the subject of the claim. The written order
7 shall state the amount of the claim and the name and address of
8 the secured party to whom the claim shall be paid. The Fund
9 Administrator shall pay the claim within 30 days after it
10 receives the Board's order.

11 (r) No dealer or principal associated with a dealer's
12 license is eligible for licensure, renewal or relicensure until
13 the full amount of reimbursement for an unpaid claim, plus
14 interest as determined by the Board, is paid to the Fund.
15 Nothing in this Section shall limit the authority of the
16 Secretary of State to suspend, revoke, or levy civil penalties
17 against a dealer, nor shall full repayment of the amount owed
18 to the Fund nullify or modify the effect of any action by the
19 Secretary.

20 (s) Nothing in this Section shall limit the right of any
21 person to seek relief through civil action against any other
22 person as an alternative to seeking reimbursement from the
23 Fund.

24 (Source: P.A. 97-480, eff. 10-1-11; 98-450, eff. 1-1-14.)

25 (625 ILCS 5/5-102.8 new)

1 Sec. 5-102.8. Licensure of Buy Here, Pay Here used vehicle
2 dealers.

3 (a) As used in this Section, "Buy Here, Pay Here used
4 vehicle dealer" means any entity that engages in the business
5 of selling or leasing of vehicles and finances the sale or
6 purchase price of the vehicle to a customer without the
7 customer using a third-party lender.

8 (b) No person shall engage in the business of selling or
9 dealing in, on consignment or otherwise, 5 or more used
10 vehicles of any make during the year (except rebuilt salvage
11 vehicles sold by their rebuilders to persons licensed under
12 this Chapter), or act as an intermediary, agent, or broker for
13 any licensed dealer or vehicle purchaser (other than as a
14 salesperson) or represent or advertise that he or she is so
15 engaged or intends to so engage in such business of a Buy Here,
16 Pay Here used vehicle dealer unless licensed to do so by the
17 Secretary of State under the provisions of this Section.

18 (c) An application for a Buy Here, Pay Here used vehicle
19 dealer's license shall be filed with the Secretary of State,
20 duly verified by oath, in such form as the Secretary of State
21 may by rule or regulation prescribe and shall contain:

22 (1) The name and type of business organization
23 established and additional places of business, if any, in
24 this State.

25 (2) If the applicant is a corporation, a list of its
26 officers, directors, and shareholders having a 10% or

1 greater ownership interest in the corporation, setting
2 forth the residence address of each; if the applicant is a
3 sole proprietorship, a partnership, an unincorporated
4 association, a trust, or any similar form of business
5 organization, the names and residence address of the
6 proprietor or of each partner, member, officer, director,
7 trustee, or manager.

8 (3) A statement that the applicant has been approved
9 for registration under the Retailers' Occupation Tax Act by
10 the Department of Revenue. However, this requirement does
11 not apply to a dealer who is already licensed hereunder
12 with the Secretary of State, and who is merely applying for
13 a renewal of his or her license. As evidence of this fact,
14 the application shall be accompanied by a certification
15 from the Department of Revenue showing that the Department
16 has approved the applicant for registration under the
17 Retailers' Occupation Tax Act.

18 (4) A statement that the applicant has complied with
19 the appropriate liability insurance requirement. A
20 Certificate of Insurance in a solvent company authorized to
21 do business in the State of Illinois shall be included with
22 each application covering each location at which he or she
23 proposes to act as a Buy Here, Pay Here used vehicle
24 dealer. The policy must provide liability coverage in the
25 minimum amounts of \$100,000 for bodily injury to, or death
26 of, any person, \$300,000 for bodily injury to, or death of,

1 2 or more persons in any one accident, and \$50,000 for
2 damage to property. Such policy shall expire not sooner
3 than December 31 of the year for which the license was
4 issued or renewed. The expiration of the insurance policy
5 shall not terminate the liability under the policy arising
6 during the period for which the policy was filed.

7 If the permitted user has a liability insurance policy
8 that provides automobile liability insurance coverage of
9 at least \$100,000 for bodily injury to or the death of any
10 person, \$300,000 for bodily injury to or the death of any 2
11 or more persons in any one accident, and \$50,000 for damage
12 to property, then the permitted user's insurer shall be the
13 primary insurer and the dealer's insurer shall be the
14 secondary insurer. If the permitted user does not have a
15 liability insurance policy that provides automobile
16 liability insurance coverage of at least \$100,000 for
17 bodily injury to or the death of any person, \$300,000 for
18 bodily injury to or the death of any 2 or more persons in
19 any one accident, and \$50,000 for damage to property, or
20 does not have any insurance at all, then the dealer's
21 insurer shall be the primary insurer and the permitted
22 user's insurer shall be the secondary insurer.

23 When a permitted user is "test driving" a Buy Here, Pay
24 Here used vehicle dealer's automobile, the Buy Here, Pay
25 Here used vehicle dealer's insurance shall be primary and
26 the permitted user's insurance shall be secondary.

1 As used in this paragraph, "permitted user" means a
2 person who, with the permission of the Buy Here, Pay Here
3 used vehicle dealer or an employee of the Buy Here, Pay
4 Here used vehicle dealer, drives a vehicle owned and held
5 for sale or lease by the Buy Here, Pay Here used vehicle
6 dealer that the person is considering to purchase or lease,
7 in order to evaluate the performance, reliability, or
8 condition of the vehicle. "Permitted user" includes a
9 person who, with the permission of the Buy Here, Pay Here
10 used vehicle dealer, drives a vehicle owned or held for
11 sale or lease by the Buy Here, Pay Here used vehicle dealer
12 for loaner purposes while the user's vehicle is being
13 repaired or evaluated.

14 As used in this paragraph, "test driving" occurs when a
15 permitted user who, with the permission of the Buy Here,
16 Pay Here used vehicle dealer or an employee of the Buy
17 Here, Pay Here used vehicle dealer, drives a vehicle owned
18 and held for sale or lease by a Buy Here, Pay Here used
19 vehicle dealer that the person is considering to purchase
20 or lease, in order to evaluate the performance,
21 reliability, or condition of the vehicle.

22 As used in this paragraph, "loaner purposes" means when
23 a person who, with the permission of the Buy Here, Pay Here
24 used vehicle dealer, drives a vehicle owned or held for
25 sale or lease by the used vehicle dealer while the user's
26 vehicle is being repaired or evaluated.

1 (5) An application for a Buy Here, Pay Here used
2 vehicle dealer's license shall be accompanied by the
3 following license fees:

4 (A) \$1,000 for the applicant's established place
5 of business, and \$50 for each additional place of
6 business, if any, to which the application pertains;
7 however, if the application is made after June 15 of
8 any year, the license fee shall be \$500 for the
9 applicant's established place of business plus \$25 for
10 each additional place of business, if any, to which the
11 application pertains. License fees shall be returnable
12 only if the application is denied by the Secretary of
13 State. Of the money received by the Secretary of State
14 as license fees under this subparagraph, 95% shall be
15 deposited into the General Revenue Fund.

16 (B) Except for dealers selling 25 or fewer
17 automobiles or as provided in subsection (h) of Section
18 5-102.7 of this Code, an Annual Dealer Recovery Fund
19 Fee in the amount of \$500 for the applicant's
20 established place of business, and \$50 for each
21 additional place of business, if any, to which the
22 application pertains; but if the application is made
23 after June 15 of any year, the fee shall be \$250 for
24 the applicant's established place of business plus \$25
25 for each additional place of business, if any, to which
26 the application pertains. For a license renewal

1 application, the fee shall be based on the amount of
2 automobiles sold in the past year according to the
3 following formula:

4 (1) \$0 for dealers selling 25 or less
5 automobiles;

6 (2) \$150 for dealers selling more than 25 but
7 less than 200 automobiles;

8 (3) \$300 for dealers selling 200 or more
9 automobiles but less than 300 automobiles; and

10 (4) \$500 for dealers selling 300 or more
11 automobiles.

12 Fees shall be returnable only if the application is
13 denied by the Secretary of State. Money received under
14 this subparagraph shall be deposited into the Dealer
15 Recovery Trust Fund. A Buy Here, Pay Here used vehicle
16 dealer shall pay into the Dealer Recovery Trust Fund
17 for every vehicle that is financed, sold, or otherwise
18 transferred to an individual or entity other than the
19 Buy Here, Pay Here used vehicle dealer even if the
20 individual or entity to which the Buy Here, Pay Here
21 used vehicle dealer transfers the vehicle is unable to
22 continue to adhere to the terms of the transaction by
23 the Buy Here, Pay Here used vehicle dealer.

24 (6) A statement that each officer, director,
25 shareholder having a 10% or greater ownership interest
26 therein, proprietor, partner, member, officer, director,

1 trustee, manager, or other principal in the business of the
2 applicant has not committed in the past 3 years any one
3 violation as determined in any civil, criminal, or
4 administrative proceedings of any one of the following:

5 (A) the Anti-Theft Laws of this Code;

6 (B) the Certificate of Title Laws of this Code;

7 (C) the Offenses against Registration and
8 Certificates of Title Laws of this Code;

9 (D) the Dealers, Transporters, Wreckers and
10 Rebuilders Laws of this Code;

11 (E) Section 21-2 of the Illinois Criminal Code of
12 1961 or the Criminal Code of 2012, Criminal Trespass to
13 Vehicles; or

14 (F) the Retailers' Occupation Tax Act.

15 (7) A statement that each officer, director,
16 shareholder having a 10% or greater ownership interest
17 therein, proprietor, partner, member, officer, director,
18 trustee, manager, or other principal in the business of the
19 applicant has not committed in any calendar year 3 or more
20 violations, as determined in any civil, criminal, or
21 administrative proceedings, of any one or more of the
22 following:

23 (A) the Consumer Finance Act;

24 (B) the Consumer Installment Loan Act;

25 (C) the Retail Installment Sales Act;

26 (D) the Motor Vehicle Retail Installment Sales

1 Act;

2 (E) the Interest Act;

3 (F) the Illinois Wage Assignment Act;

4 (G) Part 8 of Article XII of the Code of Civil
5 Procedure; or

6 (H) the Consumer Fraud and Deceptive Business
7 Practices Act.

8 (8) A statement that, within 10 years of application,
9 each officer, director, shareholder having a 10% or greater
10 ownership interest therein, proprietor, partner, member,
11 officer, director, trustee, manager, or other principal in
12 the business of the applicant has not committed, as
13 determined in any civil, criminal, or administrative
14 proceeding, in any calendar year one or more forcible
15 felonies under the Criminal Code of 1961 or the Criminal
16 Code of 2012, or a violation of either or both Article 16
17 or 17 of the Criminal Code of 1961, or a violation of
18 either or both Article 16 or 17 of the Criminal Code of
19 2012, Article 29B of the Criminal Code of 1961 or the
20 Criminal Code of 2012, or a similar out-of-state offense.
21 For the purposes of this paragraph, "forcible felony" has
22 the meaning provided in Section 2-8 of the Criminal Code of
23 2012.

24 (9) A bond or Certificate of Deposit in the amount of
25 \$50,000 for each location at which the applicant intends to
26 act as a Buy Here, Pay Here used vehicle dealer. The bond

1 shall be for the term of the license. The bond shall run to
2 the People of the State of Illinois, with surety by a
3 bonding or insurance company authorized to do business in
4 this State. It shall be conditioned upon the proper
5 transmittal of all title and registration fees and taxes
6 (excluding taxes under the Retailers' Occupation Tax Act)
7 accepted by the applicant as a Buy Here, Pay Here used
8 vehicle dealer.

9 (10) Such other information concerning the business of
10 the applicant as the Secretary of State may by rule
11 prescribe.

12 (11) A statement that the applicant understands
13 Chapter 1 through Chapter 5 of this Code.

14 (12) A copy of the certification from the prelicensing
15 education program.

16 (d) Any change that renders no longer accurate any
17 information contained in any application for a Buy Here, Pay
18 Here used vehicle dealer's license shall be amended within 30
19 days after the occurrence of each change on such form as the
20 Secretary of State may prescribe by rule, accompanied by an
21 amendatory fee of \$2.

22 (e) Anything in this Chapter to the contrary
23 notwithstanding, no person shall be licensed as a Buy Here, Pay
24 Here used vehicle dealer unless the person maintains an
25 established place of business as defined in this Chapter.

26 (f) The Secretary of State shall, within a reasonable time

1 after receipt, examine an application submitted under this
2 Section. Unless the Secretary makes a determination that the
3 application does not conform to this Section or that grounds
4 exist for a denial of the application under Section 5-501 of
5 this Chapter, the Secretary must grant the applicant an
6 original Buy Here, Pay Here used vehicle dealer's license in
7 writing for his or her established place of business and a
8 supplemental license in writing for each additional place of
9 business in such form as the Secretary may prescribe by rule
10 that shall include the following:

11 (1) The name of the person licensed.

12 (2) If a corporation, the name and address of its
13 officers or if a sole proprietorship, a partnership, an
14 unincorporated association, or any similar form of
15 business organization, the name and address of the
16 proprietor or of each partner, member, officer, director,
17 trustee, or manager.

18 (3) In the case of an original license, the established
19 place of business of the licensee.

20 (4) In the case of a supplemental license, the
21 established place of business of the licensee and the
22 additional place of business to which the supplemental
23 license pertains.

24 (g) The appropriate instrument evidencing the license or a
25 certified copy thereof, provided by the Secretary of State
26 shall be kept posted, conspicuously, in the established place

1 of business of the licensee and in each additional place of
2 business, if any, maintained by the licensee.

3 (h) Except as provided in subsection (i), all Buy Here, Pay
4 Here used vehicle dealer's licenses granted under this Section
5 expire by operation of law on December 31 of the calendar year
6 for which they are granted unless sooner revoked or cancelled
7 under Section 5-501 of this Chapter.

8 (i) A Buy Here, Pay Here used vehicle dealer's license may
9 be renewed upon application and payment of the fee required
10 herein, and submission of proof of coverage by an approved bond
11 under the Retailers' Occupation Tax Act or proof that the
12 applicant is not subject to such bonding requirements, as in
13 the case of an original license, but in the case of an
14 application for the renewal of an effective license made during
15 the month of December, the effective license shall remain in
16 force until the application for renewal is granted or denied by
17 the Secretary of State.

18 (j) Each person licensed as a Buy Here, Pay Here used
19 vehicle dealer is required to furnish each purchaser of a motor
20 vehicle:

21 (1) a certificate of title properly assigned to the
22 purchaser;

23 (2) a statement verified under oath that all
24 identifying numbers on the vehicle agree with those on the
25 certificate of title;

26 (3) a bill of sale properly executed on behalf of the

1 person;

2 (4) a copy of the Uniform Invoice-transaction
3 reporting return referred to in Section 5-402;

4 (5) in the case of a rebuilt vehicle, a copy of the
5 Disclosure of Rebuilt Vehicle Status; and

6 (6) in the case of a vehicle for which the warranty has
7 been reinstated, a copy of the warranty.

8 (k) Except at the time of sale or repossession of the
9 vehicle, no person licensed as a Buy Here, Pay Here used
10 vehicle dealer may issue any other person a newly created key
11 to a vehicle unless the Buy Here, Pay Here used vehicle dealer
12 makes a color photocopy or electronic scan of the driver's
13 license or State identification card of the person requesting
14 or obtaining the newly created key. The Buy Here, Pay Here used
15 vehicle dealer must retain the photocopy or scan for 30 days.

16 A Buy Here, Pay Here used vehicle dealer who violates this
17 subsection (k) is guilty of a petty offense. Violation of this
18 subsection (k) is not cause to suspend, revoke, cancel, or deny
19 renewal of the used vehicle dealer's license.

20 (l) A Buy Here, Pay Here used vehicle dealer licensed under
21 this Section shall provide the Secretary of State a register
22 for the sale at auction of each salvage or junk certificate
23 vehicle. Each register shall include the following
24 information:

25 (1) the year, make, model, style, and color of the
26 vehicle;

1 (2) the vehicle's manufacturer's identification number
2 or, if applicable, the Secretary of State or Illinois
3 Department of State Police identification number;

4 (3) the date of acquisition of the vehicle;

5 (4) the name and address of the person from whom the
6 vehicle was acquired;

7 (5) the name and address of the person to whom any
8 vehicle was disposed, the person's Illinois license number
9 or, if the person is an out-of-state salvage vehicle buyer,
10 the license number from the state or jurisdiction where the
11 buyer is licensed; and

12 (6) the purchase price of the vehicle.

13 The register shall be submitted to the Secretary of State
14 via written or electronic means within 10 calendar days from
15 the date of the auction.

16 (625 ILCS 5/5-102.9 new)

17 Sec. 5-102.9. Alternative vehicle sales and ownership.

18 (a) The Secretary may create special dealership licenses
19 for entities that specialize in specific types of used motor
20 vehicles that may be based on model, make, age, or any other
21 factor that the Secretary deems appropriate.

22 (b) Any owner who is not a manufacturer of the vehicle and
23 chooses to lease a used vehicle for a period of less than 12
24 months shall ensure that the lessee maintains valid
25 registration and liability insurance as set forth in Chapter 7

1 of this Code. The owner of the vehicle shall not collect any
2 fees in connection with the registration of the vehicle unless
3 the owner is also a licensed remittance agent under this Code.

4 (c) The Secretary may adopt any rules necessary to
5 implement this Section.

6 (625 ILCS 5/5-401.2) (from Ch. 95 1/2, par. 5-401.2)

7 Sec. 5-401.2. Licensees required to keep records and make
8 inspections.

9 (a) Every person licensed or required to be licensed under
10 Section 5-101, 5-101.1, 5-101.2, 5-102, 5-102.8, 5-301, or
11 5-302 of this Code, shall, with the exception of scrap
12 processors, maintain for 3 years, in a form as the Secretary of
13 State may by rule or regulation prescribe, at his established
14 place of business, additional place of business, or principal
15 place of business if licensed under Section 5-302, the
16 following records relating to the acquisition or disposition of
17 vehicles and their essential parts possessed in this State,
18 brought into this State from another state, territory or
19 country, or sold or transferred to another person in this State
20 or in another state, territory, or country.

21 (1) The following records pertaining to new or used
22 vehicles shall be kept:

23 (A) the year, make, model, style and color of the
24 vehicle;

25 (B) the vehicle's manufacturer's identification

1 number or, if applicable, the Secretary of State or
2 Illinois Department of State Police identification
3 number;

4 (C) the date of acquisition of the vehicle;

5 (D) the name and address of the person from whom
6 the vehicle was acquired and, if that person is a
7 dealer, the Illinois or out-of-state dealer license
8 number of such person;

9 (E) the signature of the person making the
10 inspection of a used vehicle as required under
11 subsection (d) of this Section, if applicable;

12 (F) the purchase price of the vehicle, if
13 applicable;

14 (G) the date of the disposition of the vehicle;

15 (H) the name and address of the person to whom any
16 vehicle was disposed, and if that person is a dealer,
17 the Illinois or out-of-State dealer's license number
18 of that dealer;

19 (I) the uniform invoice number reflecting the
20 disposition of the vehicle, if applicable; and

21 (J) The sale price of the vehicle, if applicable.

22 (2) (A) The following records pertaining to used
23 essential parts other than quarter panels and
24 transmissions of vehicles of the first division shall be
25 kept:

26 (i) the year, make, model, color and type of such

1 part;

2 (ii) the vehicle's manufacturer's identification
3 number, derivative number, or, if applicable, the
4 Secretary of State or Illinois Department of State
5 Police identification number of such part;

6 (iii) the date of the acquisition of each part;

7 (iv) the name and address of the person from whom
8 the part was acquired and, if that person is a dealer,
9 the Illinois or out-of-state dealer license number of
10 such person; if the essential part being acquired is
11 from a person other than a dealer, the licensee shall
12 verify and record that person's identity by recording
13 the identification numbers from at least two sources of
14 identification, one of which shall be a drivers license
15 or State identification card;

16 (v) the uniform invoice number or out-of-state
17 bill of sale number reflecting the acquisition of such
18 part;

19 (vi) the stock number assigned to the essential
20 part by the licensee, if applicable;

21 (vii) the date of the disposition of such part;

22 (viii) the name and address of the person to whom
23 such part was disposed of and, if that person is a
24 dealer, the Illinois or out-of-state dealer license
25 number of that person;

26 (ix) the uniform invoice number reflecting the

1 disposition of such part.

2 (B) Inspections of all essential parts shall be
3 conducted in accordance with Section 5-402.1.

4 (C) A separate entry containing all of the information
5 required to be recorded in subparagraph (A) of paragraph
6 (2) of subsection (a) of this Section shall be made for
7 each separate essential part. Separate entries shall be
8 made regardless of whether the part was a large purchase
9 acquisition. In addition, a separate entry shall be made
10 for each part acquired for immediate sale or transfer, or
11 for placement into the overall inventory or stock to be
12 disposed of at a later time, or for use on a vehicle to be
13 materially altered by the licensee, or acquired for any
14 other purpose or reason. Failure to make a separate entry
15 for each essential part acquired or disposed of, or a
16 failure to record any of the specific information required
17 to be recorded concerning the acquisition or disposition of
18 each essential part as set forth in subparagraph (A) of
19 paragraph (2) of subsection (a) shall constitute a failure
20 to keep records.

21 (D) The vehicle's manufacturer's identification number
22 or Secretary of State or Illinois Department of State
23 Police identification number for the essential part shall
24 be ascertained and recorded even if such part is acquired
25 from a person or dealer located in a State, territory, or
26 country which does not require that such information be

1 recorded. If the vehicle's manufacturer's identification
2 number or Secretary of State or Illinois Department of
3 State Police identification number for an essential part
4 cannot be obtained, that part shall not be acquired by the
5 licensee or any of his agents or employees. If such part or
6 parts were physically acquired by the licensee or any of
7 his agents or employees while the licensee or agent or
8 employee was outside this State, that licensee or agent or
9 employee was outside the State, that licensee, agent or
10 employee shall not bring such essential part into this
11 State or cause it to be brought into this State. The
12 acquisition or disposition of an essential part by a
13 licensee without the recording of the vehicle
14 identification number or Secretary of State identification
15 number for such part or the transportation into the State
16 by the licensee or his agent or employee of such part or
17 parts shall constitute a failure to keep records.

18 (E) The records of essential parts required to be kept
19 by this Section shall apply to all hulks, chassis, frames
20 or cowls, regardless of the age of those essential parts.
21 The records required to be kept by this Section for
22 essential parts other than hulks, chassis, frames or cowls,
23 shall apply only to those essential parts which are 6 model
24 years of age or newer. In determining the model year of
25 such an essential part it may be presumed that the
26 identification number of the vehicle from which the

1 essential part came or the identification number affixed to
2 the essential part itself acquired by the licensee denotes
3 the model year of that essential part. This presumption,
4 however, shall not apply if the gross appearance of the
5 essential part does not correspond to the year, make or
6 model of either the identification number of the vehicle
7 from which the essential part is alleged to have come or
8 the identification number which is affixed to the essential
9 part itself. To determine whether an essential part is 6
10 years of age or newer within this paragraph, the model year
11 of the essential part shall be subtracted from the calendar
12 year in which the essential part is acquired or disposed of
13 by the licensee. If the remainder is 6 or less, the record
14 of the acquisition or disposition of that essential part
15 shall be kept as required by this Section.

16 (F) The requirements of paragraph (2) of subsection (a)
17 of this Section shall not apply to the disposition of an
18 essential part other than a cowl which has been damaged or
19 altered to a state in which it can no longer be returned to
20 a usable condition and which is being sold or transferred
21 to a scrap processor or for delivery to a scrap processor.

22 (3) the following records for vehicles on which junking
23 certificates are obtained shall be kept:

24 (A) the year, make, model, style and color of the
25 vehicle;

26 (B) the vehicle's manufacturer's identification number

1 or, if applicable, the Secretary of State or Illinois
2 Department of State Police identification number;

3 (C) the date the vehicle was acquired;

4 (D) the name and address of the person from whom the
5 vehicle was acquired and, if that person is a dealer, the
6 Illinois or out-of-state dealer license number of that
7 person;

8 (E) the certificate of title number or salvage
9 certificate number for the vehicle, if applicable;

10 (F) the junking certificate number obtained by the
11 licensee; this entry shall be recorded at the close of
12 business of the fifth business day after receiving the
13 junking certificate;

14 (G) the name and address of the person to whom the
15 junking certificate has been assigned, if applicable, and
16 if that person is a dealer, the Illinois or out-of-state
17 dealer license number of that dealer;

18 (H) if the vehicle or any part of the vehicle is
19 dismantled for its parts to be disposed of in any way, or
20 if such parts are to be used by the licensee to materially
21 alter a vehicle, those essential parts shall be recorded
22 and the entries required by paragraph (2) of subsection (a)
23 shall be made.

24 (4) The following records for rebuilt vehicles shall be
25 kept:

26 (A) the year, make, model, style and color of the

1 vehicle;

2 (B) the vehicle's manufacturer's identification number
3 of the vehicle or, if applicable, the Secretary of State or
4 Illinois Department of State Police identification number;

5 (C) the date the vehicle was acquired;

6 (D) the name and address of the person from whom the
7 vehicle was acquired, and if that person is a dealer, the
8 Illinois or out-of-state dealer license number of that
9 person;

10 (E) the salvage certificate number for the vehicle;

11 (F) the newly issued certificate of title number for
12 the vehicle;

13 (G) the date of disposition of the vehicle;

14 (H) the name and address of the person to whom the
15 vehicle was disposed, and if a dealer, the Illinois or
16 out-of-state dealer license number of that dealer;

17 (I) The sale price of the vehicle.

18 (a-1) A person licensed or required to be licensed under
19 Section 5-101 or Section 5-102 of this Code who issues
20 temporary registration permits as permitted by this Code and by
21 rule must electronically file the registration with the
22 Secretary and must maintain records of the registration in the
23 manner prescribed by the Secretary.

24 (b) A failure to make separate entries for each vehicle
25 acquired, disposed of, or assigned, or a failure to record any
26 of the specific information required to be recorded concerning

1 the acquisition or disposition of each vehicle as set forth in
2 paragraphs (1), (3) and (4) of subsection (a) shall constitute
3 a failure to keep records.

4 (c) All entries relating to the acquisition of a vehicle or
5 essential part required by subsection (a) of this Section shall
6 be recorded no later than the close of business on the seventh
7 calendar day following such acquisition. All entries relating
8 to the disposition of a vehicle or an essential part shall be
9 made at the time of such disposition. If the vehicle or
10 essential part was disposed of on the same day as its
11 acquisition or the day thereafter, the entries relating to the
12 acquisition of the vehicle or essential part shall be made at
13 the time of the disposition of the vehicle or essential part.
14 Failure to make the entries required in or at the times
15 prescribed by this subsection following the acquisition or
16 disposition of such vehicle or essential part shall constitute
17 a failure to keep records.

18 (d) Every person licensed or required to be licensed shall,
19 before accepting delivery of a used vehicle, inspect the
20 vehicle to determine whether the manufacturer's public vehicle
21 identification number has been defaced, destroyed, falsified,
22 removed, altered, or tampered with in any way. If the person
23 making the inspection determines that the manufacturer's
24 public vehicle identification number has been altered,
25 removed, defaced, destroyed, falsified or tampered with he
26 shall not acquire that vehicle but instead shall promptly

1 notify law enforcement authorities of his finding.

2 (e) The information required to be kept in subsection (a)
3 of this Section shall be kept in a manner prescribed by rule or
4 regulation of the Secretary of State.

5 (f) Every person licensed or required to be licensed shall
6 have in his possession a separate certificate of title, salvage
7 certificate, junking certificate, certificate of purchase,
8 uniform invoice, out-of-state bill of sale or other acceptable
9 documentary evidence of his right to the possession of every
10 vehicle or essential part.

11 (g) Every person licensed or required to be licensed as a
12 transporter under Section 5-201 shall maintain for 3 years, in
13 such form as the Secretary of State may by rule or regulation
14 prescribe, at his principal place of business a record of every
15 vehicle transported by him, including numbers of or other marks
16 of identification thereof, the names and addresses of persons
17 from whom and to whom the vehicle was delivered and the dates
18 of delivery.

19 (h) No later than 15 days prior to going out of business,
20 selling the business, or transferring the ownership of the
21 business, the licensee shall notify the Secretary of State that
22 he is going out of business or that he is transferring the
23 ownership of the business. Failure to notify under this
24 paragraph shall constitute a failure to keep records.

25 (i) (Blank).

26 (j) A person who knowingly fails to comply with the

1 provisions of this Section or knowingly fails to obey, observe,
2 or comply with any order of the Secretary or any law
3 enforcement agency issued in accordance with this Section is
4 guilty of a Class B misdemeanor for the first violation and a
5 Class A misdemeanor for the second and subsequent violations.
6 Each violation constitutes a separate and distinct offense and
7 a separate count may be brought in the same indictment or
8 information for each vehicle or each essential part of a
9 vehicle for which a record was not kept as required by this
10 Section.

11 (k) Any person convicted of failing to keep the records
12 required by this Section with intent to conceal the identity or
13 origin of a vehicle or its essential parts or with intent to
14 defraud the public in the transfer or sale of vehicles or their
15 essential parts is guilty of a Class 2 felony. Each violation
16 constitutes a separate and distinct offense and a separate
17 count may be brought in the same indictment or information for
18 each vehicle or essential part of a vehicle for which a record
19 was not kept as required by this Section.

20 (l) A person may not be criminally charged with or
21 convicted of both a knowing failure to comply with this Section
22 and a knowing failure to comply with any order, if both
23 offenses involve the same record keeping violation.

24 (m) The Secretary shall adopt rules necessary for
25 implementation of this Section, which may include the
26 imposition of administrative fines.

1 (Source: P.A. 99-593, eff. 7-22-16.)

2 (625 ILCS 5/5-402.1) (from Ch. 95 1/2, par. 5-402.1)

3 Sec. 5-402.1. Use of Secretary of State Uniform Invoice for
4 Essential Parts.

5 (a) Except for scrap processors, every person licensed or
6 required to be licensed under Section 5-101, 5-101.1, 5-102,
7 5-102.8, or 5-301 of this Code shall issue, in a form the
8 Secretary of State may by rule or regulation prescribe, a
9 Uniform Invoice, which may also act as a bill of sale, made out
10 in triplicate with respect to each transaction in which he
11 disposes of an essential part other than quarter panels and
12 transmissions of vehicles of the first division. Such Invoice
13 shall be made out at the time of the disposition of the
14 essential part. If the licensee disposes of several essential
15 parts in the same transaction, the licensee may issue one
16 Uniform Invoice covering all essential parts disposed of in
17 that transaction.

18 (b) The following information shall be contained on the
19 Uniform Invoice:

20 (1) the business name, address and dealer license
21 number of the person disposing of the essential part;

22 (2) the name and address of the person acquiring the
23 essential part, and if that person is a dealer, the
24 Illinois or out-of-state dealer license number of that
25 dealer;

1 (3) the date of the disposition of the essential part;

2 (4) the year, make, model, color and description of
3 each essential part disposed of by the person;

4 (5) the manufacturer's vehicle identification number,
5 Secretary of State identification number or Illinois
6 Department of State Police identification number, for each
7 essential part disposed of by the person;

8 (6) the printed name and legible signature of the
9 person or agent disposing of the essential part; and

10 (7) if the person is a dealer the printed name and
11 legible signature of the dealer or his agent or employee
12 accepting delivery of the essential part.

13 (c) Except for scrap processors, and except as set forth in
14 subsection (d) of this Section, whenever a person licensed or
15 required to be licensed by Section 5-101, 5-101.1, 5-102, or
16 5-301 accepts delivery of an essential part, other than quarter
17 panels and transmissions of vehicles of the first division,
18 that person shall, at the time of the acceptance or delivery,
19 comply with the following procedures:

20 (1) Before acquiring or accepting delivery of any
21 essential part, the licensee or his authorized agent or
22 employee shall inspect the part to determine whether the
23 vehicle identification number, Secretary of State
24 identification number, Illinois Department of State Police
25 identification number, or identification plate or sticker
26 attached to or stamped on any part being acquired or

1 delivered has been removed, falsified, altered, defaced,
2 destroyed, or tampered with. If the licensee or his agent
3 or employee determines that the vehicle identification
4 number, Secretary of State identification number, Illinois
5 Department of State Police identification number,
6 identification plate or identification sticker containing
7 an identification number, or Federal Certificate label of
8 an essential part has been removed, falsified, altered,
9 defaced, destroyed or tampered with, the licensee or agent
10 shall not accept or receive that part.

11 If that part was physically acquired by or delivered to
12 a licensee or his agent or employee while that licensee,
13 agent or employee was outside this State, that licensee or
14 agent or employee shall not bring that essential part into
15 this State or cause it to be brought into this State.

16 (2) If the person disposing of or delivering the
17 essential part to the licensee is a licensed in-state or
18 out-of-state dealer, the licensee or his agent or employee,
19 after inspecting the essential part as required by
20 paragraph (1) of this subsection (c), shall examine the
21 Uniform Invoice, or bill of sale, as the case may be, to
22 ensure that it contains all the information required to be
23 provided by persons disposing of essential parts as set
24 forth in subsection (b) of this Section. If the Uniform
25 Invoice or bill of sale does not contain all the
26 information required to be listed by subsection (b) of this

1 Section, the dealer disposing of or delivering such part or
2 his agent or employee shall record such additional
3 information or other needed modifications on the Uniform
4 Invoice or bill of sale or, if needed, an attachment
5 thereto. The dealer or his agent or employee delivering the
6 essential part shall initial all additions or
7 modifications to the Uniform Invoice or bill of sale and
8 legibly print his name at the bottom of each document
9 containing his initials. If the transaction involves a bill
10 of sale rather than a Uniform Invoice, the licensee or his
11 agent or employee accepting delivery of or acquiring the
12 essential part shall affix his printed name and legible
13 signature on the space on the bill of sale provided for his
14 signature or, if no space is provided, on the back of the
15 bill of sale. If the dealer or his agent or employee
16 disposing of or delivering the essential part cannot or
17 does not provide all the information required by subsection
18 (b) of this Section, the licensee or his agent or employee
19 shall not accept or receive any essential part for which
20 that required information is not provided. If such
21 essential part for which the information required is not
22 fully provided was physically acquired while the licensee
23 or his agent or employee was outside this State, the
24 licensee or his agent or employee shall not bring that
25 essential part into this State or cause it to be brought
26 into this State.

1 (3) If the person disposing of the essential part is
2 not a licensed dealer, the licensee or his agent or
3 employee shall, after inspecting the essential part as
4 required by paragraph (1) of subsection (c) of this Section
5 verify the identity of the person disposing of the
6 essential part by examining 2 sources of identification,
7 one of which shall be either a driver's license or state
8 identification card. The licensee or his agent or employee
9 shall then prepare a Uniform Invoice listing all the
10 information required to be provided by subsection (b) of
11 this Section. In the space on the Uniform Invoice provided
12 for the dealer license number of the person disposing of
13 the part, the licensee or his agent or employee shall list
14 the numbers taken from the documents of identification
15 provided by the person disposing of the part. The person
16 disposing of the part shall affix his printed name and
17 legible signature on the space on the Uniform Invoice
18 provided for the person disposing of the essential part and
19 the licensee or his agent or employee acquiring the part
20 shall affix his printed name and legible signature on the
21 space provided on the Uniform Invoice for the person
22 acquiring the essential part. If the person disposing of
23 the essential part cannot or does not provide all the
24 information required to be provided by this paragraph, or
25 does not present 2 satisfactory forms of identification,
26 the licensee or his agent or employee shall not acquire

1 that essential part.

2 (d) If an essential part other than quarter panels and
3 transmissions of vehicles of the first division was delivered
4 by a licensed commercial delivery service delivering such part
5 on behalf of a licensed dealer, the person required to comply
6 with subsection (c) of this Section may conduct the inspection
7 of that part required by paragraph (1) of subsection (c) and
8 examination of the Uniform Invoice or bill of sale required by
9 paragraph (2) of subsection (c) of this Section immediately
10 after the acceptance of the part.

11 (1) If the inspection of the essential part pursuant to
12 paragraph (1) of subsection (c) reveals that the vehicle
13 identification number, Secretary of State identification
14 number, Illinois Department of State Police identification
15 number, identification plate or sticker containing an
16 identification number, or Federal Certificate label of an
17 essential part has been removed, falsified, altered,
18 defaced, destroyed or tampered with, the licensee or his
19 agent shall immediately record such fact on the Uniform
20 Invoice or bill of sale, assign the part an inventory or
21 stock number, place such inventory or stock number on both
22 the essential part and the Uniform Invoice or bill of sale,
23 and record the date of the inspection of the part on the
24 Uniform Invoice or bill of sale. The licensee shall, within
25 7 days of such inspection, return such part to the dealer
26 from whom it was acquired.

1 (2) If the examination of the Uniform Invoice or bill
2 of sale pursuant to paragraph (2) of subsection (c) reveals
3 that any of the information required to be listed by
4 subsection (b) of this Section is missing, the licensee or
5 person required to be licensed shall immediately assign a
6 stock or inventory number to such part, place such stock or
7 inventory number on both the essential part and the Uniform
8 Invoice or bill of sale, and record the date of examination
9 on the Uniform Invoice or bill of sale. The licensee or
10 person required to be licensed shall acquire the
11 information missing from the Uniform Invoice or bill of
12 sale within 7 days of the examination of such Uniform
13 Invoice or bill of sale. Such information may be received
14 by telephone conversation with the dealer from whom the
15 part was acquired. If the dealer provides the missing
16 information the licensee shall record such information on
17 the Uniform Invoice or bill of sale along with the name of
18 the person providing the information. If the dealer does
19 not provide the required information within the
20 aforementioned 7 day period, the licensee shall return the
21 part to that dealer.

22 (e) Except for scrap processors, all persons licensed or
23 required to be licensed who acquire or dispose of essential
24 parts other than quarter panels and transmissions of vehicles
25 of the first division shall retain a copy of the Uniform
26 Invoice required to be made by subsections (a), (b) and (c) of

1 this Section for a period of 3 years.

2 (f) Except for scrap processors, any person licensed or
3 required to be licensed under Sections 5-101, 5-102 or 5-301
4 who knowingly fails to record on a Uniform Invoice any of the
5 information or entries required to be recorded by subsections
6 (a), (b) and (c) of this Section, or who knowingly places false
7 entries or other misleading information on such Uniform
8 Invoice, or who knowingly fails to retain for 3 years a copy of
9 a Uniform Invoice reflecting transactions required to be
10 recorded by subsections (a), (b) and (c) of this Section, or
11 who knowingly acquires or disposes of essential parts without
12 receiving, issuing, or executing a Uniform Invoice reflecting
13 that transaction as required by subsections (a), (b) and (c) of
14 this Section, or who brings or causes to be brought into this
15 State essential parts for which the information required to be
16 recorded on a Uniform Invoice is not recorded as prohibited by
17 subsection (c) of this Section, or who knowingly fails to
18 comply with the provisions of this Section in any other manner
19 shall be guilty of a Class 2 felony. Each violation shall
20 constitute a separate and distinct offense and a separate count
21 may be brought in the same indictment or information for each
22 essential part for which a record was not kept as required by
23 this Section or for which the person failed to comply with
24 other provisions of this Section.

25 (g) The records required to be kept by this Section may be
26 examined by a person or persons making a lawful inspection of

1 the licensee's premises pursuant to Section 5-403.

2 (h) The records required to be kept by this Section shall
3 be retained by the licensee at his principal place of business
4 for a period of 7 years.

5 (i) The requirements of this Section shall not apply to the
6 disposition of an essential part other than a cowl which has
7 been damaged or altered to a state in which it can no longer be
8 returned to a usable condition and which is being sold or
9 transferred to a scrap processor or for delivery to a scrap
10 processor.

11 (Source: P.A. 91-415, eff. 1-1-00.)

12 (625 ILCS 5/5-403.1) (from Ch. 95 1/2, par. 5-403.1)

13 Sec. 5-403.1. Inventory System.

14 (a) Every person licensed or required to be licensed under
15 the provisions of Sections 5-101, 5-101.1, 5-102, 5-102.8, and
16 5-301 of this Code shall, under rule and regulation prescribed
17 by the Secretary of State, maintain an inventory system of all
18 vehicles or essential parts in such a manner that a person
19 making an inspection pursuant to the provisions of Section
20 5-403 of this Code can readily ascertain the identity of such
21 vehicles or essential parts and readily locate such parts on
22 the licensees premises.

23 (b) Failure to maintain an inventory system as required
24 under this Section is a Class A misdemeanor.

25 (c) This Section does not apply to vehicles or essential

1 parts which have been acquired by a scrap processor for
2 processing into a form other than a vehicle or essential part.

3 (Source: P.A. 91-415, eff. 1-1-00.)

4 (625 ILCS 5/5-501) (from Ch. 95 1/2, par. 5-501)

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

7 (a) The license of a person issued under this Chapter may
8 be denied, revoked or suspended if the Secretary of State finds
9 that the applicant, or the officer, director, shareholder
10 having a ten percent or greater ownership interest in the
11 corporation, owner, partner, trustee, manager, employee or the
12 licensee has:

13 1. Violated this Act;

14 2. Made any material misrepresentation to the
15 Secretary of State in connection with an application for a
16 license, junking certificate, salvage certificate, title
17 or registration;

18 3. Committed a fraudulent act in connection with
19 selling, bartering, exchanging, offering for sale or
20 otherwise dealing in vehicles, chassis, essential parts,
21 or vehicle shells;

22 4. As a new vehicle dealer has no contract with a
23 manufacturer or enfranchised distributor to sell that new
24 vehicle in this State;

25 5. Not maintained an established place of business as

1 defined in this Code;

2 6. Failed to file or produce for the Secretary of State
3 any application, report, document or other pertinent
4 books, records, documents, letters, contracts, required to
5 be filed or produced under this Code or any rule or
6 regulation made by the Secretary of State pursuant to this
7 Code;

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

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

14 a. the "Consumer Finance Act";

15 b. the "Consumer Installment Loan Act";

16 c. the "Retail Installment Sales Act";

17 d. the "Motor Vehicle Retail Installment Sales
18 Act";

19 e. "An Act in relation to the rate of interest and
20 other charges in connection with sales on credit and
21 the lending of money", approved May 24, 1879, as
22 amended;

23 f. "An Act to promote the welfare of wage-earners
24 by regulating the assignment of wages, and prescribing
25 a penalty for the violation thereof", approved July 1,
26 1935, as amended;

1 g. Part 8 of Article XII of the Code of Civil
2 Procedure; or

3 h. the "Consumer Fraud Act";

4 9. Failed to pay any fees or taxes due under this Act,
5 or has failed to transmit any fees or taxes received by him
6 for transmittal by him to the Secretary of State or the
7 State of Illinois;

8 10. Converted an abandoned vehicle;

9 11. Used a vehicle identification plate or number
10 assigned to a vehicle other than the one to which
11 originally assigned;

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

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

16 14. Violated the provisions of Chapter 3 of this Act,
17 as amended;

18 15. Violated Section 21-2 of the Criminal Code of 1961
19 or the Criminal Code of 2012, Criminal Trespass to
20 Vehicles;

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

23 17. Acted in the capacity of a person licensed or acted
24 as a licensee under this Chapter without having a license
25 therefor;

26 18. Failed to pay, within 90 days after a final

1 judgment, any fines assessed against the licensee pursuant
2 to an action brought under Section 5-404;

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

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

9 21. Violated Article 16 or 17 of the Criminal Code of
10 2102;

11 22. Was convicted of a forcible felony under either the
12 Criminal Code of 1961 or Criminal Code of 2012 or convicted
13 of a similar out-of-state offense.

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

- 24 1. Failure to make a tax return;
- 25 2. The filing of a fraudulent return;
- 26 3. Failure to pay all or part of any tax or penalty

1 finally determined to be due;

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

4 (b-1) In addition to other grounds specified in this
5 Chapter, the Secretary of State, on complaint of the Motor
6 Vehicle Review Board, shall refuse the issuance or renewal of a
7 license, or suspend or revoke that license, if costs or fees
8 assessed under Section 29 or Section 30 of the Motor Vehicle
9 Franchise Act have remained unpaid for a period in excess of 90
10 days after the licensee received from the Motor Vehicle Board a
11 second notice and demand for the costs or fees. The Motor
12 Vehicle Review Board must send the licensee written notice and
13 demand for payment of the fees or costs at least 2 times, and
14 the second notice and demand must be sent by certified mail.

15 (c) Cancellation of a license.

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

19 A. When a license is voluntarily surrendered, by
20 the licensed person; or

21 B. If the business enterprise is a sole
22 proprietorship, which is not a franchised dealership,
23 when the sole proprietor dies or is imprisoned for any
24 period of time exceeding 30 days; or

25 C. If the license was issued to the wrong person or
26 corporation, or contains an error on its face. If any

1 person above whose license has been cancelled wishes to
2 apply for another license, whether during the same
3 license year or any other year, that person shall be
4 treated as any other new applicant and the cancellation
5 of the person's prior license shall not, in and of
6 itself, be a bar to the issuance of a new license.

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

18 (Source: P.A. 97-480, eff. 10-1-11; 97-838, eff. 7-20-12;
19 97-1150, eff. 1-25-13; 98-1080, eff. 8-26-14.)

20 (625 ILCS 5/5-503) (from Ch. 95 1/2, par. 5-503)

21 Sec. 5-503. Failure to obtain dealer's license, operation
22 of a business with a suspended or revoked license.

23 (a) Any person operating a business for which he is
24 required to be licensed under Section 5-101, 5-101.2, 5-102,
25 5-102.8, 5-201, or 5-301 who fails to apply for such a license

1 or licenses within 15 days after being informed in writing by
2 the Secretary of State that he must obtain such a license or
3 licenses is subject to a civil action brought by the Secretary
4 of State for operating a business without a license in the
5 circuit court in the county in which the business is located.
6 If the person is found to be in violation of Section 5-101,
7 5-101.2, 5-102, 5-102.8, 5-201, or 5-301 by carrying on a
8 business without being properly licensed, that person shall be
9 fined \$300 for each business day he conducted his business
10 without such a license after the expiration of the 15-day
11 period specified in this subsection (a).

12 (b) Any person who, having had his license or licenses
13 issued under Section 5-101, 5-101.2, 5-102, 5-201, or 5-301
14 suspended, revoked, nonrenewed, cancelled, or denied by the
15 Secretary of State under Section 5-501 or 5-501.5 of this Code,
16 continues to operate business after the effective date of such
17 revocation, nonrenewal, suspension, cancellation, or denial
18 may be sued in a civil action by the Secretary of State in the
19 county in which the established or additional place of such
20 business is located. Except as provided in subsection (e) of
21 Section 5-501.5 of this Code, if such person is found by the
22 court to have operated such a business after the license or
23 licenses required for conducting such business have been
24 suspended, revoked, nonrenewed, cancelled, or denied, that
25 person shall be fined \$500 for each day he conducted business
26 thereafter.

1 (Source: P.A. 100-409, eff. 8-25-17; 100-450, eff. 1-1-18;
2 100-863, eff. 8-14-18.)

1

INDEX

2

Statutes amended in order of appearance

3

415 ILCS 120/35

4

625 ILCS 5/3-601

from Ch. 95 1/2, par. 3-601

5

625 ILCS 5/3-602

from Ch. 95 1/2, par. 3-602

6

625 ILCS 5/3-904

from Ch. 95 1/2, par. 3-904

7

625 ILCS 5/3-904.2 new

8

625 ILCS 5/3-904.5 new

9

625 ILCS 5/5-101

from Ch. 95 1/2, par. 5-101

10

625 ILCS 5/5-102

from Ch. 95 1/2, par. 5-102

11

625 ILCS 5/5-102.5

12

625 ILCS 5/5-102.7

13

625 ILCS 5/5-102.8 new

14

625 ILCS 5/5-102.9 new

15

625 ILCS 5/5-401.2

from Ch. 95 1/2, par. 5-401.2

16

625 ILCS 5/5-402.1

from Ch. 95 1/2, par. 5-402.1

17

625 ILCS 5/5-403.1

from Ch. 95 1/2, par. 5-403.1

18

625 ILCS 5/5-501

from Ch. 95 1/2, par. 5-501

19

625 ILCS 5/5-503

from Ch. 95 1/2, par. 5-503