

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by  
5 changing Sections 3-104, 3-117.3, and 3-116.1 and by adding  
6 Section 4-208.1 as follows:

7 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (f) An application for a certificate of title for any  
21 vehicle, whether purchased in Illinois or outside Illinois,  
22 and even if previously registered in another State, must be  
23 accompanied by either an exemption determination from the  
24 Department of Revenue showing that no tax imposed pursuant to  
25 the Use Tax Act or the vehicle use tax imposed by Section  
26 3-1001 of the Illinois Vehicle Code is owed by anyone with

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

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

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

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

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

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

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

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

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

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

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

1 delivered holds it in trust for the person delivering it.

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

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

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

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

17 (625 ILCS 5/3-117.3)

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

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

25 (b) Notwithstanding any other provision of law to the

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

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

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



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

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

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

1 authorized to buy salvage vehicles under this Code.

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

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

23 (e) Any person who without authority acquires, sells,  
24 exchanges, gives away, transfers, or destroys or offers to  
25 acquire, sell, exchange, give away, transfer, or destroy the  
26 certificate of title to any vehicle which is a junk or salvage

1 vehicle shall be guilty of a Class 3 felony.

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

7 (g) Any vehicle which is salvage or junk may not be driven  
8 or operated on roads and highways within this State. A  
9 violation of this subsection (g) is a Class A misdemeanor. A  
10 salvage vehicle displaying valid special plates issued under  
11 subsection (b) of Section 3-601 of this Code, which is being  
12 driven to or from an inspection conducted under Section 3-308  
13 of this Code, is exempt from the provisions of this subsection  
14 (g). A salvage vehicle for which a short term permit has been  
15 issued under Section 3-307 of this Code is exempt from the  
16 provisions of this subsection (g) for the duration of the  
17 permit.

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

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