

1 AN ACT in relation to vehicles.

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 Section 3-205 as follows:

6 (625 ILCS 5/3-205) (from Ch. 95 1/2, par. 3-205)

7 Sec. 3-205. Release of security interest.

8 (a) Within 21 days after receiving payment to satisfy

9 ~~Upon the satisfaction of~~ a security interest in a vehicle for
10 which the certificate of title is in the possession of the
11 lienholder, he shall ~~within ten (10) days after demand and~~
12 ~~in any event, within thirty (30) days,~~ execute a release of
13 his security interest, and mail or deliver the certificate
14 and release to the next lienholder named therein, or, if
15 none, to the owner or any person who delivers to the
16 lienholder an authorization from the owner to receive the
17 certificate. If the payment is in the form of cash, a
18 cashier's check, or a certified check, the number of days is
19 reduced to 5 business days. If the owner desires a new
20 certificate reflecting no lien, the certificate and release
21 from the lienholder may be submitted to the Secretary of
22 State, along with the prescribed application and required
23 fee, for issuance of that new certificate.

24 (b) Within 21 days after receiving payment to satisfy

25 ~~Upon the satisfaction of~~ a security interest in a vehicle for
26 which the certificate of title is in the possession of a
27 prior lienholder, the lienholder whose security interest is
28 satisfied shall ~~within ten (10) days after demand and~~
29 ~~in any event, within thirty (30) days~~ execute a release and deliver
30 the release to the owner or any person who delivers to the
31 lienholder an authorization from the owner to receive it. If

1 the payment is in the form of cash, a cashier's check, or a
2 certified check, the number of days is reduced to 5 business
3 days. The lienholder in possession of the certificate of
4 title may either deliver the certificate to the owner, or the
5 person authorized by him, for delivery to the Secretary of
6 State, or, upon receipt of the release, may mail or may
7 deliver the certificate and release, along with prescribed
8 application and require fee, to the Secretary of State, who
9 shall issue a new certificate.

10 (c) Any lienholder who fails to execute a release of his
11 or her security interest or who fails to mail or deliver the
12 certificate and release within the time limit provided in
13 subsection (a) or (b) is guilty of a petty offense and shall
14 be fined \$250.

15 (d) In addition to any other penalty, a lienholder who
16 fails to execute a release of his or her security interest or
17 who fails to mail or deliver the certificate and release
18 within the time limit provided in subsection (a) or (b) is
19 liable to the person or entity that was supposed to receive
20 the release or certificate for \$250 plus attorney fees and
21 court costs. An action under this Section may be brought in
22 small claims court or in any other appropriate court.

23 (Source: P.A. 81-557.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.