

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 10 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 10 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) In addition to any other penalty, a lienholder who  
11 fails to execute a release of his or her security interest or  
12 who fails to mail or deliver the certificate and release  
13 within the time limit provided in subsection (a) or (b) is  
14 liable to the person or entity that was supposed to receive  
15 the release or certificate for \$150 plus reasonable attorney  
16 fees and court costs. An action under this Section may be  
17 brought in small claims court or in any other appropriate  
18 court.

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

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.