

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 changing
5 Section 3-117.1 as follows:

6 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

7 Sec. 3-117.1. When junking certificates or salvage
8 certificates must be obtained.

9 (a) Except as provided in Chapter 4 of this Code, a person
10 who possesses a junk vehicle shall within 15 days cause the
11 certificate of title, salvage certificate, certificate of
12 purchase, or a similarly acceptable out of state document of
13 ownership to be surrendered to the Secretary of State along
14 with an application for a junking certificate, except as
15 provided in Section 3-117.2, whereupon the Secretary of State
16 shall issue to such a person a junking certificate, which shall
17 authorize the holder thereof to possess, transport, or, by an
18 endorsement, transfer ownership in such junked vehicle, and a
19 certificate of title shall not again be issued for such
20 vehicle.

21 A licensee who possesses a junk vehicle and a Certificate
22 of Title, Salvage Certificate, Certificate of Purchase, or a
23 similarly acceptable out-of-state document of ownership for
24 such junk vehicle, may transport the junk vehicle to another
25 licensee prior to applying for or obtaining a junking
26 certificate, by executing a uniform invoice. The licensee
27 transferor shall furnish a copy of the uniform invoice to the
28 licensee transferee at the time of transfer. In any case, the
29 licensee transferor shall apply for a junking certificate in
30 conformance with Section 3-117.1 of this Chapter. The following
31 information shall be contained on a uniform invoice:

32 (1) The business name, address and dealer license

1 number of the person disposing of the vehicle, junk vehicle
2 or vehicle cowl;

3 (2) The name and address of the person acquiring the
4 vehicle, junk vehicle or vehicle cowl, and if that person
5 is a dealer, the Illinois or out-of-state dealer license
6 number of that dealer;

7 (3) The date of the disposition of the vehicle, junk
8 vehicle or vehicle cowl;

9 (4) The year, make, model, color and description of
10 each vehicle, junk vehicle or vehicle cowl disposed of by
11 such person;

12 (5) The manufacturer's vehicle identification number,
13 Secretary of State identification number or Illinois
14 Department of State Police number, for each vehicle, junk
15 vehicle or vehicle cowl part disposed of by such person;

16 (6) The printed name and legible signature of the
17 person or agent disposing of the vehicle, junk vehicle or
18 vehicle cowl; and

19 (7) The printed name and legible signature of the
20 person accepting delivery of the vehicle, junk vehicle or
21 vehicle cowl.

22 The Secretary of State may certify a junking manifest in a
23 form prescribed by the Secretary of State that reflects those
24 vehicles for which junking certificates have been applied or
25 issued. A junking manifest may be issued to any person and it
26 shall constitute evidence of ownership for the vehicle listed
27 upon it. A junking manifest may be transferred only to a person
28 licensed under Section 5-301 of this Code as a scrap processor.
29 A junking manifest will allow the transportation of those
30 vehicles to a scrap processor prior to receiving the junk
31 certificate from the Secretary of State.

32 (b) An application for a salvage certificate shall be
33 submitted to the Secretary of State in any of the following
34 situations:

35 (1) When an insurance company makes a payment of
36 damages on a total loss claim for a vehicle, the insurance

1 company shall be deemed to be the owner of such vehicle and
2 the vehicle shall be considered to be salvage except that
3 ownership of (i) a vehicle that has incurred only hail
4 damage that does not affect the operational safety of the
5 vehicle or (ii) any vehicle 9 model years of age or older
6 may, by agreement between the registered owner and the
7 insurance company, be retained by the registered owner of
8 such vehicle. The insurance company shall promptly deliver
9 or mail within 20 days the certificate of title along with
10 proper application and fee to the Secretary of State, and a
11 salvage certificate shall be issued in the name of the
12 insurance company. An insurer making payment of damages on
13 a total loss claim for the theft of a vehicle may exchange
14 the salvage certificate for a certificate of title if the
15 vehicle is recovered without damage. In such a situation,
16 the insurer shall fill out and sign a form prescribed by
17 the Secretary of State which contains an affirmation under
18 penalty of perjury that the vehicle was recovered without
19 damage and the Secretary of State may, by rule or
20 regulation, require photographs to be submitted.

21 (1.1) When a self-insured leasing company declares
22 that a vehicle it owns has been damaged to the extent that
23 the self-insured leasing company considers the vehicle a
24 total loss, the vehicle shall be considered to be salvage.

25 (2) When a vehicle the ownership of which has been
26 transferred to any person through a certificate of purchase
27 from acquisition of the vehicle at an auction, other
28 dispositions as set forth in Sections 4-208 and 4-209 of
29 this Code, a lien arising under Section 18a-501 of this
30 Code, or a public sale under the Abandoned Mobile Home Act
31 shall be deemed salvage or junk at the option of the
32 purchaser. The person acquiring such vehicle in such manner
33 shall promptly deliver or mail, within 20 days after the
34 acquisition of the vehicle, the certificate of purchase,
35 the proper application and fee, and, if the vehicle is an
36 abandoned mobile home under the Abandoned Mobile Home Act,

1 a certification from a local law enforcement agency that
2 the vehicle was purchased or acquired at a public sale
3 under the Abandoned Mobile Home Act to the Secretary of
4 State and a salvage certificate or junking certificate
5 shall be issued in the name of that person. The salvage
6 certificate or junking certificate issued by the Secretary
7 of State under this Section shall be free of any lien that
8 existed against the vehicle prior to the time the vehicle
9 was acquired by the applicant under this Code.

10 (3) A vehicle which has been repossessed by a
11 lienholder shall be considered to be salvage only when the
12 repossessed vehicle, on the date of repossession by the
13 lienholder, has sustained damage by collision, fire,
14 theft, rust corrosion, or other means so that the cost of
15 repairing such damage, including labor, would be greater
16 than 33 1/3% of its fair market value without such damage.
17 If the lienholder determines that such vehicle is damaged
18 in excess of 33 1/3% of such fair market value, the
19 lienholder shall, before sale, transfer or assignment of
20 the vehicle, make application for a salvage certificate,
21 and shall submit with such application the proper fee and
22 evidence of possession. If the facts required to be shown
23 in subsection (f) of Section 3-114 are satisfied, the
24 Secretary of State shall issue a salvage certificate in the
25 name of the lienholder making the application. In any case
26 wherein the vehicle repossessed is not damaged in excess of
27 33 1/3% of its fair market value, the lienholder shall
28 comply with the requirements of subsections (f), (f-5), and
29 (f-10) of Section 3-114, except that the affidavit of
30 repossession made by or on behalf of the lienholder shall
31 also contain an affirmation under penalty of perjury that
32 the vehicle on the date of sale is not damaged in excess of
33 33 1/3% of its fair market value. If the facts required to
34 be shown in subsection (f) of Section 3-114 are satisfied,
35 the Secretary of State shall issue a certificate of title
36 as set forth in Section 3-116 of this Code. The Secretary

1 of State may by rule or regulation require photographs to
2 be submitted.

3 (4) A vehicle which is a part of a fleet of more than 5
4 commercial fleet vehicles registered in this State or any
5 other state or registered proportionately among several
6 states shall be considered to be salvage when such vehicle
7 has sustained damage by collision, fire, theft, rust,
8 corrosion or similar means so that the cost of repairing
9 such damage, including labor, would be greater than 33 1/3%
10 of the fair market value of the vehicle without such
11 damage. If the owner of a commercial fleet vehicle desires
12 to sell, transfer, or assign his interest in such vehicle
13 to a person within this State other than an insurance
14 company licensed to do business within this State, and the
15 owner determines that such vehicle, at the time of the
16 proposed sale, transfer or assignment is damaged in excess
17 of 33 1/3% of its fair market value, the owner shall,
18 before such sale, transfer or assignment, make application
19 for a salvage certificate. The application shall contain
20 with it evidence of possession of the vehicle. If the
21 commercial fleet vehicle at the time of its sale, transfer,
22 or assignment is not damaged in excess of 33 1/3% of its
23 fair market value, the owner shall so state in a written
24 affirmation on a form prescribed by the Secretary of State
25 by rule or regulation. The Secretary of State may by rule
26 or regulation require photographs to be submitted. Upon
27 sale, transfer or assignment of the commercial fleet
28 vehicle the owner shall mail the affirmation to the
29 Secretary of State.

30 As used in this Section, a "commercial fleet vehicle" means
31 any motor vehicle that is a part of a fleet of more than 5
32 vehicles of the second division that are used in commercial
33 activity.

34 (5) A vehicle that has been submerged in water to the
35 point that rising water has reached over the door sill and
36 has entered the passenger or trunk compartment is a "flood

1 vehicle". A flood vehicle shall be considered to be salvage
2 only if the vehicle has sustained damage so that the cost
3 of repairing the damage, including labor, would be greater
4 than 33 1/3% of the fair market value of the vehicle
5 without that damage. The salvage certificate issued under
6 this Section shall indicate the word "flood", and the word
7 "flood" shall be conspicuously entered on subsequent
8 titles for the vehicle. A person who possesses or acquires
9 a flood vehicle that is not damaged in excess of 33 1/3% of
10 its fair market value shall make application for title in
11 accordance with Section 3-116 of this Code, designating the
12 vehicle as "flood" in a manner prescribed by the Secretary
13 of State. The certificate of title issued shall indicate
14 the word "flood", and the word "flood" shall be
15 conspicuously entered on subsequent titles for the
16 vehicle.

17 (c) Any person who without authority acquires, sells,
18 exchanges, gives away, transfers or destroys or offers to
19 acquire, sell, exchange, give away, transfer or destroy the
20 certificate of title to any vehicle which is a junk or salvage
21 vehicle shall be guilty of a Class 3 felony.

22 (d) Any person who knowingly fails to surrender to the
23 Secretary of State a certificate of title, salvage certificate,
24 certificate of purchase or a similarly acceptable out-of-state
25 document of ownership as required under the provisions of this
26 Section is guilty of a Class A misdemeanor for a first offense
27 and a Class 4 felony for a subsequent offense; except that a
28 person licensed under this Code who violates paragraph (5) of
29 subsection (b) of this Section is guilty of a business offense
30 and shall be fined not less than \$1,000 nor more than \$5,000
31 for a first offense and is guilty of a Class 4 felony for a
32 second or subsequent violation.

33 (e) Any vehicle which is salvage or junk may not be driven
34 or operated on roads and highways within this State. A
35 violation of this subsection is a Class A misdemeanor. A
36 salvage vehicle displaying valid special plates issued under

1 Section 3-601(b) of this Code, which is being driven to or from
2 an inspection conducted under Section 3-308 of this Code, is
3 exempt from the provisions of this subsection. A salvage
4 vehicle for which a short term permit has been issued under
5 Section 3-307 of this Code is exempt from the provisions of
6 this subsection for the duration of the permit.

7 (Source: P.A. 92-751, eff. 8-2-02.)