



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB1946

Introduced 2/10/2017, by Sen. John G. Mulroe

#### SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-117.1 from Ch. 95 1/2, par. 3-117.1  
625 ILCS 5/3-117.3 new  
625 ILCS 5/5-104.3

Amends the Illinois Vehicle Code. Provides that an insurance company may, after completing a record search for any owner of a vehicle or a lienholder of record, obtain free of any lien a junking certificate in the insurance company's name by submitting an application to the Secretary of State. An insurance company may also obtain free of any lien a salvage certificate for a vehicle of specified 8 model years that has completed an inspection for a rebuilt vehicle under the Code by submitting an application to the Secretary. Defines "model year". Provides that a salvage dealer may, after completing a record search for any owner of a vehicle or a lienholder of record, obtain a junking certificate or a salvage certificate by submitting an application to the Secretary. Defines "salvage dealer". Provides that a vehicle owner or a lienholder may send notice of dispute of title within 30 days after notice of transfer of title is sent by the insurance company or salvage dealer to the owner or lienholder. Provides that no dealer licensed under the Code shall sell a vehicle for which a rebuilt title has been issued from another jurisdiction without first obtaining an Illinois certificate of title with a "REBUILT" notation under the Code. Effective immediately.

LRB100 08845 AXK 18986 b

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 Sections 3-117.1 and 5-104.3 and by adding Section 3-117.3 as  
6 follows:

7 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

8 (Text of Section before amendment by P.A. 99-932)

9 Sec. 3-117.1. When junking certificates or salvage  
10 certificates must be obtained.

11 (a) Except as provided in Chapter 4 and Section 3-117.3 of  
12 this Code, a person who possesses a junk vehicle shall within  
13 15 days cause the certificate of title, salvage certificate,  
14 certificate of purchase, or a similarly acceptable out of state  
15 document of ownership to be surrendered to the Secretary of  
16 State along with an application for a junking certificate,  
17 except as provided in Section 3-117.2, whereupon the Secretary  
18 of State shall issue to such a person a junking certificate,  
19 which shall authorize the holder thereof to possess, transport,  
20 or, by an endorsement, transfer ownership in such junked  
21 vehicle, and a certificate of title shall not again be issued  
22 for such vehicle.

23 A licensee who possesses a junk vehicle and a Certificate

1 of Title, Salvage Certificate, Certificate of Purchase, or a  
2 similarly acceptable out-of-state document of ownership for  
3 such junk vehicle, may transport the junk vehicle to another  
4 licensee prior to applying for or obtaining a junking  
5 certificate, by executing a uniform invoice. The licensee  
6 transferor shall furnish a copy of the uniform invoice to the  
7 licensee transferee at the time of transfer. In any case, the  
8 licensee transferor shall apply for a junking certificate in  
9 conformance with Section 3-117.1 of this Chapter. The following  
10 information shall be contained on a uniform invoice:

11 (1) The business name, address and dealer license  
12 number of the person disposing of the vehicle, junk vehicle  
13 or vehicle cowl;

14 (2) The name and address of the person acquiring the  
15 vehicle, junk vehicle or vehicle cowl, and if that person  
16 is a dealer, the Illinois or out-of-state dealer license  
17 number of that dealer;

18 (3) The date of the disposition of the vehicle, junk  
19 vehicle or vehicle cowl;

20 (4) The year, make, model, color and description of  
21 each vehicle, junk vehicle or vehicle cowl disposed of by  
22 such person;

23 (5) The manufacturer's vehicle identification number,  
24 Secretary of State identification number or Illinois  
25 Department of State Police number, for each vehicle, junk  
26 vehicle or vehicle cowl part disposed of by such person;

1           (6) The printed name and legible signature of the  
2           person or agent disposing of the vehicle, junk vehicle or  
3           vehicle cowl; and

4           (7) The printed name and legible signature of the  
5           person accepting delivery of the vehicle, junk vehicle or  
6           vehicle cowl.

7           The Secretary of State may certify a junking manifest in a  
8           form prescribed by the Secretary of State that reflects those  
9           vehicles for which junking certificates have been applied or  
10          issued. A junking manifest may be issued to any person and it  
11          shall constitute evidence of ownership for the vehicle listed  
12          upon it. A junking manifest may be transferred only to a person  
13          licensed under Section 5-301 of this Code as a scrap processor.  
14          A junking manifest will allow the transportation of those  
15          vehicles to a scrap processor prior to receiving the junk  
16          certificate from the Secretary of State.

17          (b) An application for a salvage certificate shall be  
18          submitted to the Secretary of State in any of the following  
19          situations:

20                 (1) When an insurance company makes a payment of  
21                 damages on a total loss claim for a vehicle, the insurance  
22                 company shall be deemed to be the owner of such vehicle and  
23                 the vehicle shall be considered to be salvage except that  
24                 ownership of (i) a vehicle that has incurred only hail  
25                 damage that does not affect the operational safety of the  
26                 vehicle or (ii) any vehicle 9 model years of age or older

1        may, by agreement between the registered owner and the  
2        insurance company, be retained by the registered owner of  
3        such vehicle. The insurance company shall promptly deliver  
4        or mail within 20 days the certificate of title along with  
5        proper application and fee to the Secretary of State, and a  
6        salvage certificate shall be issued in the name of the  
7        insurance company. Notwithstanding the foregoing, an  
8        insurer making payment of damages on a total loss claim for  
9        the theft of a vehicle shall not be required to apply for a  
10       salvage certificate unless the vehicle is recovered and has  
11       incurred damage that initially would have caused the  
12       vehicle to be declared a total loss by the insurer.

13        (1.1) When a vehicle of a self-insured company is to be  
14        sold in the State of Illinois and has sustained damaged by  
15        collision, fire, theft, rust corrosion, or other means so  
16        that the self-insured company determines the vehicle to be  
17        a total loss, or if the cost of repairing the damage,  
18        including labor, would be greater than 50% of its fair  
19        market value without that damage, the vehicle shall be  
20        considered salvage. The self-insured company shall  
21        promptly deliver the certificate of title along with proper  
22        application and fee to the Secretary of State, and a  
23        salvage certificate shall be issued in the name of the  
24        self-insured company. A self-insured company making  
25        payment of damages on a total loss claim for the theft of a  
26        vehicle may exchange the salvage certificate for a

1 certificate of title if the vehicle is recovered without  
2 damage. In such a situation, the self-insured shall fill  
3 out and sign a form prescribed by the Secretary of State  
4 which contains an affirmation under penalty of perjury that  
5 the vehicle was recovered without damage and the Secretary  
6 of State may, by rule, require photographs to be submitted.

7 (2) When a vehicle the ownership of which has been  
8 transferred to any person through a certificate of purchase  
9 from acquisition of the vehicle at an auction, other  
10 dispositions as set forth in Sections 4-208 and 4-209 of  
11 this Code, a lien arising under Section 18a-501 of this  
12 Code, or a public sale under the Abandoned Mobile Home Act  
13 shall be deemed salvage or junk at the option of the  
14 purchaser. The person acquiring such vehicle in such manner  
15 shall promptly deliver or mail, within 20 days after the  
16 acquisition of the vehicle, the certificate of purchase,  
17 the proper application and fee, and, if the vehicle is an  
18 abandoned mobile home under the Abandoned Mobile Home Act,  
19 a certification from a local law enforcement agency that  
20 the vehicle was purchased or acquired at a public sale  
21 under the Abandoned Mobile Home Act to the Secretary of  
22 State and a salvage certificate or junking certificate  
23 shall be issued in the name of that person. The salvage  
24 certificate or junking certificate issued by the Secretary  
25 of State under this Section shall be free of any lien that  
26 existed against the vehicle prior to the time the vehicle

1 was acquired by the applicant under this Code.

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

1 the Secretary of State shall issue a certificate of title  
2 as set forth in Section 3-116 of this Code. The Secretary  
3 of State may by rule or regulation require photographs to  
4 be submitted.

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



1           The Secretary of State may by rule or regulation require  
2           photographs to be submitted. Upon sale, transfer or  
3           assignment of the fleet vehicle the owner shall mail the  
4           affirmation to the Secretary of State.

5           (5) A vehicle that has been submerged in water to the  
6           point that rising water has reached over the door sill and  
7           has entered the passenger or trunk compartment is a "flood  
8           vehicle". A flood vehicle shall be considered to be salvage  
9           only if the vehicle has sustained damage so that the cost  
10          of repairing the damage, including labor, would be greater  
11          than 33 1/3% of the fair market value of the vehicle  
12          without that damage. The salvage certificate issued under  
13          this Section shall indicate the word "flood", and the word  
14          "flood" shall be conspicuously entered on subsequent  
15          titles for the vehicle. A person who possesses or acquires  
16          a flood vehicle that is not damaged in excess of 33 1/3% of  
17          its fair market value shall make application for title in  
18          accordance with Section 3-116 of this Code, designating the  
19          vehicle as "flood" in a manner prescribed by the Secretary  
20          of State. The certificate of title issued shall indicate  
21          the word "flood", and the word "flood" shall be  
22          conspicuously entered on subsequent titles for the  
23          vehicle.

24          (6) When any licensed rebuilder, repairer, new or used  
25          vehicle dealer, or remittance agent has submitted an  
26          application for title to a vehicle (other than an

1 application for title to a rebuilt vehicle) that he or she  
2 knows or reasonably should have known to have sustained  
3 damages in excess of 33 1/3% of the vehicle's fair market  
4 value without that damage; provided, however, that any  
5 application for a salvage certificate for a vehicle  
6 recovered from theft and acquired from an insurance company  
7 shall be made as required by paragraph (1) of this  
8 subsection (b).

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

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

25 (e) Any vehicle which is salvage or junk may not be driven  
26 or operated on roads and highways within this State. A

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

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

10 (Text of Section after amendment by P.A. 99-932)

11 Sec. 3-117.1. When junking certificates or salvage  
12 certificates must be obtained.

13 (a) Except as provided in Chapter 4 and Section 3-117.3 of  
14 this Code, a person who possesses a junk vehicle shall within  
15 15 days cause the certificate of title, salvage certificate,  
16 certificate of purchase, or a similarly acceptable out of state  
17 document of ownership to be surrendered to the Secretary of  
18 State along with an application for a junking certificate,  
19 except as provided in Section 3-117.2, whereupon the Secretary  
20 of State shall issue to such a person a junking certificate,  
21 which shall authorize the holder thereof to possess, transport,  
22 or, by an endorsement, transfer ownership in such junked  
23 vehicle, and a certificate of title shall not again be issued  
24 for such vehicle.

25 A licensee who possesses a junk vehicle and a Certificate

1 of Title, Salvage Certificate, Certificate of Purchase, or a  
2 similarly acceptable out-of-state document of ownership for  
3 such junk vehicle, may transport the junk vehicle to another  
4 licensee prior to applying for or obtaining a junking  
5 certificate, by executing a uniform invoice. The licensee  
6 transferor shall furnish a copy of the uniform invoice to the  
7 licensee transferee at the time of transfer. In any case, the  
8 licensee transferor shall apply for a junking certificate in  
9 conformance with Section 3-117.1 of this Chapter. The following  
10 information shall be contained on a uniform invoice:

11 (1) The business name, address and dealer license  
12 number of the person disposing of the vehicle, junk vehicle  
13 or vehicle cowl;

14 (2) The name and address of the person acquiring the  
15 vehicle, junk vehicle or vehicle cowl, and if that person  
16 is a dealer, the Illinois or out-of-state dealer license  
17 number of that dealer;

18 (3) The date of the disposition of the vehicle, junk  
19 vehicle or vehicle cowl;

20 (4) The year, make, model, color and description of  
21 each vehicle, junk vehicle or vehicle cowl disposed of by  
22 such person;

23 (5) The manufacturer's vehicle identification number,  
24 Secretary of State identification number or Illinois  
25 Department of State Police number, for each vehicle, junk  
26 vehicle or vehicle cowl part disposed of by such person;

1           (6) The printed name and legible signature of the  
2           person or agent disposing of the vehicle, junk vehicle or  
3           vehicle cowl; and

4           (7) The printed name and legible signature of the  
5           person accepting delivery of the vehicle, junk vehicle or  
6           vehicle cowl.

7           The Secretary of State may certify a junking manifest in a  
8           form prescribed by the Secretary of State that reflects those  
9           vehicles for which junking certificates have been applied or  
10          issued. A junking manifest may be issued to any person and it  
11          shall constitute evidence of ownership for the vehicle listed  
12          upon it. A junking manifest may be transferred only to a person  
13          licensed under Section 5-301 of this Code as a scrap processor.  
14          A junking manifest will allow the transportation of those  
15          vehicles to a scrap processor prior to receiving the junk  
16          certificate from the Secretary of State.

17          (b) An application for a salvage certificate shall be  
18          submitted to the Secretary of State in any of the following  
19          situations:

20                 (1) When an insurance company makes a payment of  
21                 damages on a total loss claim for a vehicle, the insurance  
22                 company shall be deemed to be the owner of such vehicle and  
23                 the vehicle shall be considered to be salvage except that  
24                 ownership of (i) a vehicle that has incurred only hail  
25                 damage that does not affect the operational safety of the  
26                 vehicle or (ii) any vehicle 9 model years of age or older

1           may, by agreement between the registered owner and the  
2           insurance company, be retained by the registered owner of  
3           such vehicle. The insurance company shall promptly deliver  
4           or mail within 20 days the certificate of title along with  
5           proper application and fee to the Secretary of State, and a  
6           salvage certificate shall be issued in the name of the  
7           insurance company. Notwithstanding the foregoing, an  
8           insurer making payment of damages on a total loss claim for  
9           the theft of a vehicle shall not be required to apply for a  
10          salvage certificate unless the vehicle is recovered and has  
11          incurred damage that initially would have caused the  
12          vehicle to be declared a total loss by the insurer.

13           (1.1) When a vehicle of a self-insured company is to be  
14          sold in the State of Illinois and has sustained damaged by  
15          collision, fire, theft, rust corrosion, or other means so  
16          that the self-insured company determines the vehicle to be  
17          a total loss, or if the cost of repairing the damage,  
18          including labor, would be greater than 70% of its fair  
19          market value without that damage, the vehicle shall be  
20          considered salvage. The self-insured company shall  
21          promptly deliver the certificate of title along with proper  
22          application and fee to the Secretary of State, and a  
23          salvage certificate shall be issued in the name of the  
24          self-insured company. A self-insured company making  
25          payment of damages on a total loss claim for the theft of a  
26          vehicle may exchange the salvage certificate for a

1 certificate of title if the vehicle is recovered without  
2 damage. In such a situation, the self-insured shall fill  
3 out and sign a form prescribed by the Secretary of State  
4 which contains an affirmation under penalty of perjury that  
5 the vehicle was recovered without damage and the Secretary  
6 of State may, by rule, require photographs to be submitted.

7 (2) When a vehicle the ownership of which has been  
8 transferred to any person through a certificate of purchase  
9 from acquisition of the vehicle at an auction, other  
10 dispositions as set forth in Sections 4-208 and 4-209 of  
11 this Code, a lien arising under Section 18a-501 of this  
12 Code, or a public sale under the Abandoned Mobile Home Act  
13 shall be deemed salvage or junk at the option of the  
14 purchaser. The person acquiring such vehicle in such manner  
15 shall promptly deliver or mail, within 20 days after the  
16 acquisition of the vehicle, the certificate of purchase,  
17 the proper application and fee, and, if the vehicle is an  
18 abandoned mobile home under the Abandoned Mobile Home Act,  
19 a certification from a local law enforcement agency that  
20 the vehicle was purchased or acquired at a public sale  
21 under the Abandoned Mobile Home Act to the Secretary of  
22 State and a salvage certificate or junking certificate  
23 shall be issued in the name of that person. The salvage  
24 certificate or junking certificate issued by the Secretary  
25 of State under this Section shall be free of any lien that  
26 existed against the vehicle prior to the time the vehicle

1 was acquired by the applicant under this Code.

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



1 the Secretary of State shall issue a certificate of title  
2 as set forth in Section 3-116 of this Code. The Secretary  
3 of State may by rule or regulation require photographs to  
4 be submitted.

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

1           The Secretary of State may by rule or regulation require  
2           photographs to be submitted. Upon sale, transfer or  
3           assignment of the fleet vehicle the owner shall mail the  
4           affirmation to the Secretary of State.

5           (5) A vehicle that has been submerged in water to the  
6           point that rising water has reached over the door sill and  
7           has entered the passenger or trunk compartment is a "flood  
8           vehicle". A flood vehicle shall be considered to be salvage  
9           only if the vehicle has sustained damage so that the cost  
10          of repairing the damage, including labor, would be greater  
11          than 33 1/3% of the fair market value of the vehicle  
12          without that damage. The salvage certificate issued under  
13          this Section shall indicate the word "flood", and the word  
14          "flood" shall be conspicuously entered on subsequent  
15          titles for the vehicle. A person who possesses or acquires  
16          a flood vehicle that is not damaged in excess of 33 1/3% of  
17          its fair market value shall make application for title in  
18          accordance with Section 3-116 of this Code, designating the  
19          vehicle as "flood" in a manner prescribed by the Secretary  
20          of State. The certificate of title issued shall indicate  
21          the word "flood", and the word "flood" shall be  
22          conspicuously entered on subsequent titles for the  
23          vehicle.

24          (6) When any licensed rebuilder, repairer, new or used  
25          vehicle dealer, or remittance agent has submitted an  
26          application for title to a vehicle (other than an

1 application for title to a rebuilt vehicle) that he or she  
2 knows or reasonably should have known to have sustained  
3 damages in excess of 33 1/3% of the vehicle's fair market  
4 value without that damage; provided, however, that any  
5 application for a salvage certificate for a vehicle  
6 recovered from theft and acquired from an insurance company  
7 shall be made as required by paragraph (1) of this  
8 subsection (b).

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

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

25 (e) Any vehicle which is salvage or junk may not be driven  
26 or operated on roads and highways within this State. A

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

9 (Source: P.A. 99-932, eff. 6-1-17.)

10 (625 ILCS 5/3-117.3 new)

11 Sec. 3-117.3. Junking or salvage certificates; insurance  
12 company; salvage dealer.

13 (a) Notwithstanding any other provision of law to the  
14 contrary, an insurance company or its designee may, after  
15 completing a record search for any owner of a vehicle or a  
16 lienholder of record, obtain free of any lien a junking  
17 certificate in the insurance company's name by submitting an  
18 application for a junking certificate to the Secretary of  
19 State. The application shall include, but is not limited to,  
20 proof of full payment, in whole or in part, to the vehicle  
21 owner or, if applicable, any lienholder of record and proof of  
22 notice to the vehicle owner and any lienholder via certified  
23 mail or other delivery service that a transfer of title shall  
24 occur no earlier than 30 days after the notice is sent.

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

1 contrary, an insurance company or its designee 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 salvage  
4 certificate in the name of the insurance company for:

5 (1) a vehicle no more than 8 model years old that has  
6 completed an inspection under Section 3-308 of this Code.  
7 The insurance company shall submit an application for a  
8 salvage certificate to the Secretary of State which shall  
9 include, but is not limited to, proof of full payment, in  
10 whole or in part, to the vehicle owner or to any lienholder  
11 of record and proof of notice via certified mail or other  
12 delivery service to the vehicle owner and any lienholder of  
13 record that a transfer of title shall occur no earlier than  
14 30 days after the notice is sent; and

15 (2) a vehicle more than 8 model years old that has  
16 completed an inspection under Section 3-308 of this Code.  
17 The insurance company shall submit an application for a  
18 salvage certificate to the Secretary of State which shall  
19 include, but is not limited to, proof of full payment, in  
20 whole or in part, to the vehicle owner or to any lienholder  
21 of record and proof of notice via certified mail or other  
22 delivery service to the vehicle owner and any lienholder of  
23 record that a transfer of title shall occur no earlier than  
24 30 days after the notice is sent.

25 For purposes of this subsection (b), "model year" means  
26 the model year of the vehicle that is subtracted from the

1 calendar year in which an insurance company makes a payment  
2 of damages on a total loss claim.

3 This subsection (b) shall apply only to purchasers who are  
4 authorized to buy salvage vehicles under this Code.

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

20 For purposes of this subsection (c), "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 This subsection (c) shall apply only to purchasers who are  
26 authorized to buy salvage vehicles under this Code.

1       (d) A vehicle owner or lienholder may send notice of  
2 dispute of the transfer of title under this Section within 30  
3 days after the required notice is sent by the insurance company  
4 or salvage dealer. If a dispute between a vehicle owner or  
5 lienholder and an insurance company or salvage dealer cannot be  
6 resolved within 45 days after the required notice is sent, the  
7 vehicle owner or lienholder, after 90 days of sending notice of  
8 dispute, shall petition a court of competent jurisdiction for  
9 an order to determine ownership of the vehicle. If a vehicle  
10 owner or lienholder does not file a petition within 90 days,  
11 the title to the vehicle shall be issued to the insurance  
12 company or salvage dealer under this Section.

13       (e) The Secretary of State may adopt any rules necessary to  
14 implement this Section.

15       (625 ILCS 5/5-104.3)

16       Sec. 5-104.3. Disclosure of rebuilt vehicle.

17       (a) No person shall knowingly, with intent to defraud or  
18 deceive another, sell a vehicle for which a rebuilt title has  
19 been issued unless that vehicle is accompanied by a Disclosure  
20 of Rebuilt Vehicle Status form, properly signed and delivered  
21 to the buyer.

22       (a-5) No dealer or rebuilder licensed under Sections 5-101,  
23 5-102, or 5-301 of this Code shall sell a vehicle for which a  
24 rebuilt title has been issued from another jurisdiction without  
25 first obtaining an Illinois certificate of title with a

1 "REBUILT" notation under Section 3-118.1 of this Code.

2 (b) The Secretary of State may by rule or regulation  
3 prescribe the format and information contained in the  
4 Disclosure of Rebuilt Vehicle Status form.

5 (c) A violation of subsections ~~subsection~~ (a) or (a-5) of  
6 this Section is a Class A misdemeanor. A second or subsequent  
7 violation of subsections ~~subsection~~ (a) or (a-5) of this  
8 Section is a Class 4 felony.

9 (Source: P.A. 91-891, eff. 7-6-00.)

10 Section 95. No acceleration or delay. Where this Act makes  
11 changes in a statute that is represented in this Act by text  
12 that is not yet or no longer in effect (for example, a Section  
13 represented by multiple versions), the use of that text does  
14 not accelerate or delay the taking effect of (i) the changes  
15 made by this Act or (ii) provisions derived from any other  
16 Public Act.

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.