



## 100TH GENERAL ASSEMBLY

### State of Illinois

### 2017 and 2018

### SB2470

Introduced 1/30/2018, by Sen. Cristina Castro

#### SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-104	from Ch. 95 1/2, par. 3-104
625 ILCS 5/3-107	from Ch. 95 1/2, par. 3-107
625 ILCS 5/3-203	from Ch. 95 1/2, par. 3-203
625 ILCS 5/3-821	from Ch. 95 1/2, par. 3-821

Amends the Illinois Vehicle Code. Provides that no expedited application shall be accepted or processed for a corrected or duplicate certificate of title that seeks to remove a lienholder unless the applicant surrenders the last issued certificate of title with a completed lien release on the certificate of title. Provides that an expiration date of December 31 of the year in which the lien is satisfied shall be included on each certificate of title. Provides that if a recorded lienholder does not reaffirm a lien and does not respond to a request to verify a lien release letter within 7 calendar days of receipt, the Secretary of State shall process an application for corrected title for the owner of a motor vehicle. Provides that upon extending or refinancing a loan against a passenger motor vehicle of the first division or a motor vehicle of the second division weighing no more than 12,000 pounds, the Secretary may issue a dealer lien release and affirmation of loan certificate of title to a financial institution, or to a lienholder registered in this State that is listed on the certificate of title, that submits an application for title. Effective January 1, 2019.

LRB100 18209 LNS 33411 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 3-104, 3-107, 3-203, and 3-821 as follows:

6 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

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

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

11 1. The name, Illinois residence, mail address, and, if  
12 available, email address of the owner;

13 2. A description of the vehicle including, so far as  
14 the following data exists: Its make, year-model,  
15 identifying number, type of body, whether new or used, as  
16 to house trailers as defined in Section 1-128 of this Code,  
17 and as to manufactured homes as defined in Section 1-144.03  
18 of this Code, the square footage based upon the outside  
19 dimensions excluding the length of the tongue and hitch,  
20 and, as to vehicles of the second division, whether  
21 for-hire, not-for-hire, or both for-hire and not-for-hire;

22 3. The date of purchase by applicant and, if  
23 applicable, the name and address of the person from whom

1 the vehicle was acquired and the names and addresses of any  
2 lienholders in the order of their priority and signatures  
3 of owners;

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

8 5. Any further information the Secretary of State  
9 reasonably requires to identify the vehicle and to enable  
10 him to determine whether the owner is entitled to a  
11 certificate of title and the existence or nonexistence of  
12 security interests in the vehicle.

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

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

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

24 1. Any certified document of ownership so recognized  
25 and issued by the other State or country and acceptable to  
26 the Secretary of State, and

1           2. Any other information and documents the Secretary of  
2           State reasonably requires to establish the ownership of the  
3           vehicle and the existence or nonexistence of security  
4           interests in it.

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

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

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

1 tax imposed pursuant to the Municipal Use Tax Act or the County  
2 Use Tax Act is owed by anyone with respect to that vehicle, or  
3 a receipt from the Department of Revenue showing that any tax  
4 so imposed has been paid. In the absence of such a receipt for  
5 payment or determination of exemption from the Department, no  
6 certificate of title shall be issued to the applicant.

7 If the proof of payment of the tax or of nonliability  
8 therefor is, after the issuance of the certificate of title and  
9 display certificate of title, found to be invalid, the  
10 Secretary of State shall revoke the certificate and require  
11 that the certificate of title and, when applicable, the display  
12 certificate of title be returned to him.

13 (g) If the application refers to a vehicle not manufactured  
14 in accordance with federal safety and emission standards, the  
15 application must be accompanied by all documents required by  
16 federal governmental agencies to meet their standards before a  
17 vehicle is allowed to be issued title and registration.

18 (h) If the application refers to a vehicle sold at public  
19 sale by a sheriff, it must be accompanied by the required fee  
20 and a bill of sale issued and signed by a sheriff. The bill of  
21 sale must identify the new owner's name and address, the year  
22 model, make and vehicle identification number of the vehicle,  
23 court order document number authorizing such sale, if  
24 applicable, and the name and address of any lienholders in  
25 order of priority, if applicable.

26 (i) If the application refers to a vehicle for which a

1 court of law determined the ownership, it must be accompanied  
2 with a certified copy of such court order and the required fee.  
3 The court order must indicate the new owner's name and address,  
4 the complete description of the vehicle, if known, the name and  
5 address of the lienholder, if any, and must be signed and dated  
6 by the judge issuing such order.

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

12 (k) The Secretary may provide an expedited process for the  
13 issuance of vehicle titles. Expedited title applications must  
14 be delivered to the Secretary of State's Vehicle Services  
15 Department in Springfield by express mail service or hand  
16 delivery. Applications must be complete, including necessary  
17 forms, fees, and taxes. Applications received before noon on a  
18 business day will be processed and shipped that same day.  
19 Applications received after noon on a business day will be  
20 processed and shipped the next business day. The Secretary  
21 shall charge an additional fee of \$30 for this service, and  
22 that fee shall cover the cost of return shipping via an express  
23 mail service. All fees collected by the Secretary of State for  
24 expedited services shall be deposited into the Motor Vehicle  
25 License Plate Fund. In the event the Vehicle Services  
26 Department determines that the volume of expedited title

1 requests received on a given day exceeds the ability of the  
2 Vehicle Services Department to process those requests in an  
3 expedited manner, the Vehicle Services Department may decline  
4 to provide expedited services, and the additional fee for the  
5 expedited service shall be refunded to the applicant.

6 No expedited application shall be accepted or processed for  
7 a corrected or duplicate certificate of title that seeks to  
8 remove a lienholder unless the applicant surrenders the last  
9 issued certificate of title with a completed lien release on  
10 the certificate of title.

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

20 (m) The holder of a Manufacturer's Statement of Origin to a  
21 manufactured home may deliver it to any person to facilitate  
22 conveying or encumbering the manufactured home. Any person  
23 receiving any such Manufacturer's Statement of Origin so  
24 delivered holds it in trust for the person delivering it.

25 (n) Within 45 days after the completion of the first retail  
26 sale of a manufactured home, the Manufacturer's Statement of

1 Origin to that manufactured home must be surrendered to the  
2 Secretary of State either in conjunction with an application  
3 for a certificate of title for that manufactured home or in  
4 accordance with Section 3-116.1.

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

9 (Source: P.A. 99-414, eff. 8-20-15; 100-145, eff. 1-1-18.)

10 (625 ILCS 5/3-107) (from Ch. 95 1/2, par. 3-107)

11 Sec. 3-107. Contents and effect.

12 (a) Each certificate of title issued by the Secretary of  
13 State shall contain:

14 1. the date issued;

15 2. the name and address of the owner;

16 3. the names, addresses, and fax numbers or electronic  
17 addresses of any lienholders, in the order of priority as  
18 shown on the application or, if the application is based on  
19 a certificate of title, as shown on the certificate, and an  
20 expiration date of December 31 of the year in which the  
21 lien is satisfied;

22 4. the title number assigned to the vehicle;

23 5. a description of the vehicle including, so far as  
24 the following data exists: its make, year-model,  
25 identifying number, type of body, whether new or used, as



1 to house trailers as defined in Section 1-128 of this Code,  
2 and as to manufactured homes as defined in Section 1-144.03  
3 of this Code, the square footage of the vehicle based upon  
4 the outside dimensions excluding the length of the tongue  
5 and hitch, and, if a new vehicle, the date of the first  
6 sale of the vehicle for use;

7 6. an odometer certification as provided for in this  
8 Code; and

9 7. any other data the Secretary of State prescribes.

10 (a-5) In the event the applicant seeks to have the vehicle  
11 titled as a custom vehicle or street rod, that fact must be  
12 stated in the application. The custom vehicle or street rod  
13 must be inspected as required by Section 3-406 of this Code  
14 prior to issuance of the title. Upon successful completion of  
15 the inspection, the vehicle may be titled in the following  
16 manner. The make of the vehicle shall be listed as the make of  
17 the actual vehicle or the make it is designed to resemble  
18 (e.g., Ford or Chevrolet); the model of the vehicle shall be  
19 listed as custom vehicle or street rod; and the year of the  
20 vehicle shall be listed as the year the actual vehicle was  
21 manufactured or the year it is designed to resemble. A vehicle  
22 previously titled as other than a custom vehicle or street rod  
23 may be issued a corrected title reflecting the custom vehicle  
24 or street rod model if it otherwise meets the requirements for  
25 the designation.

26 (a-10) In the event the applicant seeks to have the vehicle

1 titled as a glider kit, that fact must be stated in the  
2 application. The glider kit must be inspected under Section  
3 3-406 of this Code prior to issuance of the title. Upon  
4 successful completion of the inspection, the vehicle shall be  
5 titled in the following manner: (1) the make of the vehicle  
6 shall be listed as the make of the chassis or the make it is  
7 designed to resemble; (2) the model of the vehicle shall be  
8 listed as glider kit; and (3) the year of the vehicle shall be  
9 listed as the year presented on the manufacturer's certificate  
10 of origin for the chassis, unless no year is presented, then it  
11 shall be listed as the year the application was received. The  
12 vehicle identification number of the chassis shall be assigned  
13 to the engine, transmission, and rear axle if the engine,  
14 transmission, and rear axle were not previously assigned a  
15 vehicle identification number after an inspection under  
16 Section 3-406.

17 (b) The certificate of title shall contain forms for  
18 assignment and warranty of title by the owner, and for  
19 assignment and warranty of title by a dealer, and may contain  
20 forms for applications for a certificate of title by a  
21 transferee, the naming of a lienholder and the assignment or  
22 release of the security interest of a lienholder.

23 (b-5) The Secretary of State shall designate on a  
24 certificate of title a space where the owner of a vehicle may  
25 designate a beneficiary, to whom ownership of the vehicle shall  
26 pass in the event of the owner's death.

1 (c) A certificate of title issued by the Secretary of State  
2 is prima facie evidence of the facts appearing on it.

3 (d) A certificate of title for a vehicle is not subject to  
4 garnishment, attachment, execution or other judicial process,  
5 but this subsection does not prevent a lawful levy upon the  
6 vehicle.

7 (e) Any certificate of title issued by the Secretary of  
8 State is subject to a lien in favor of the State of Illinois  
9 for any fees or taxes required to be paid under this Act and as  
10 have not been paid, as provided for in this Code.

11 (f) Notwithstanding any other provision of law, a  
12 certificate of title issued by the Secretary of State to a  
13 manufactured home is prima facie evidence of the facts  
14 appearing on it, notwithstanding the fact that such  
15 manufactured home, at any time, shall have become affixed in  
16 any manner to real property.

17 (Source: P.A. 99-748, eff. 8-5-16; 100-450, eff. 1-1-18.)

18 (625 ILCS 5/3-203) (from Ch. 95 1/2, par. 3-203)

19 Sec. 3-203. Security interest. If an owner creates a  
20 security interest in a vehicle:

21 (a) The owner shall immediately execute the application, in  
22 the space provided therefor on the certificate of title or on a  
23 separate form the Secretary of State prescribes, to name the  
24 lienholder on the certificate, showing the name and address of  
25 the lienholder and cause the certificate, application and the

1 required fee to be delivered to the lienholder.

2 (b) The lienholder shall immediately cause the  
3 certificate, application and the required fee to be mailed or  
4 delivered to the Secretary of State.

5 (c) Upon request of the owner or subordinate lienholder, a  
6 lienholder in possession of the certificate of title shall  
7 either mail or deliver the certificate to the subordinate  
8 lienholder for delivery to the Secretary of State or, upon  
9 receipt from the subordinate lienholder of the owner's  
10 application and the required fee, mail or deliver them to the  
11 Secretary of State with the certificate. The delivery of the  
12 certificate does not affect the rights of the first lienholder  
13 under his security agreement.

14 (d) Upon receipt of the certificate of title, application  
15 and the required fee, the Secretary of State shall issue a new  
16 certificate containing the name and address of the new  
17 lienholder, and mail the certificate to the first lienholder  
18 named in it.

19 (e) An expiration date of December 31 of the year in which  
20 the lien is satisfied shall be included on each certificate of  
21 title issued to a lienholder who has a perfected security  
22 interest. If a recorded lienholder does not reaffirm a lien by  
23 applying for a corrected certificate of title before the  
24 expiration date, the owner may apply for a corrected  
25 certificate of title without the original lienholder appearing  
26 on the certificate. A lienholder may reaffirm a lien by

1 applying for a dealer lien release and affirmation of loan  
2 certificate of title under Section 3-821 and paying the  
3 required fee. If a recorded lienholder does not respond to a  
4 request to verify a lien release letter within 7 calendar days  
5 of receipt, the Secretary shall process the application for  
6 corrected title. A lienholder shall not be contacted prior to  
7 an owner transferring a vehicle to a dealer licensed under  
8 Section 5-101 or 5-102 of this Code, or prior to processing an  
9 application for title of a motor vehicle when a certificate of  
10 title is transferred by operation of law under Section 3-114 of  
11 this Code.

12 This subsection (e) applies only to passenger motor  
13 vehicles of the first division and motor vehicles of the second  
14 division weighing no more than 12,000 pounds.

15 (Source: P.A. 85-511.)

16 (625 ILCS 5/3-821) (from Ch. 95 1/2, par. 3-821)

17 Sec. 3-821. Miscellaneous registration and title fees.

18 (a) The fee to be paid to the Secretary of State for the  
19 following certificates, registrations or evidences of proper  
20 registration, or for corrected or duplicate documents shall be  
21 in accordance with the following schedule:

22 Certificate of Title, except for an all-terrain	
23 vehicle or off-highway motorcycle	\$95
24 Certificate of Title for an all-terrain vehicle	
25 or off-highway motorcycle	\$30

1	Certificate of Title for an all-terrain vehicle	
2	or off-highway motorcycle used for production	
3	agriculture, or accepted by a dealer in trade	13
4	Certificate of Title for a low-speed vehicle	30
5	Transfer of Registration or any evidence of	
6	proper registration	\$25
7	Duplicate Registration Card for plates or other	
8	evidence of proper registration	3
9	Duplicate Registration Sticker or Stickers, each	20
10	Duplicate Certificate of Title	95
11	Corrected Registration Card or Card for other	
12	evidence of proper registration	3
13	Corrected Certificate of Title	95
14	Salvage Certificate	4
15	Fleet Reciprocity Permit	15
16	Prorate Decal	1
17	Prorate Backing Plate	3
18	Special Corrected Certificate of Title	15
19	Expedited Title Service (to be charged in addition	
20	to other applicable fees)	30
21	Dealer Lien Release <u>and Affirmation of Loan</u>	
22	Certificate of Title	20
23	A special corrected certificate of title shall be issued	
24	(i) to remove a co-owner's name due to the death of the	
25	co-owner, to transfer title to a spouse if the decedent-spouse	
26	was the sole owner on the title, or due to a divorce or (ii) to	

1 change a co-owner's name due to a marriage.

2 There shall be no fee paid for a Junking Certificate.

3 There shall be no fee paid for a certificate of title  
4 issued to a county when the vehicle is forfeited to the county  
5 under Article 36 of the Criminal Code of 2012.

6 (a-5) The Secretary of State may revoke a certificate of  
7 title and registration card and issue a corrected certificate  
8 of title and registration card, at no fee to the vehicle owner  
9 or lienholder, if there is proof that the vehicle  
10 identification number is erroneously shown on the original  
11 certificate of title.

12 (a-10) The Secretary of State may issue, in connection with  
13 the sale of a motor vehicle, a corrected title to a motor  
14 vehicle dealer upon application and submittal of a lien release  
15 letter from the lienholder listed in the files of the  
16 Secretary. In the case of a title issued by another state, the  
17 dealer must submit proof from the state that issued the last  
18 title. The corrected title, which shall be known as a dealer  
19 lien release and affirmation of loan certificate of title  
20 ~~dealer lien release certificate of title~~, shall be issued in  
21 the name of the vehicle owner without the named lienholder. If  
22 the motor vehicle is currently titled in a state other than  
23 Illinois, the applicant must submit either (i) a letter from  
24 the current lienholder releasing the lien and stating that the  
25 lienholder has possession of the title; or (ii) a letter from  
26 the current lienholder releasing the lien and a copy of the

1 records of the department of motor vehicles for the state in  
2 which the vehicle is titled, showing that the vehicle is titled  
3 in the name of the applicant and that no liens are recorded  
4 other than the lien for which a release has been submitted. The  
5 fee for the dealer lien release and affirmation of loan  
6 certificate of title ~~dealer lien release certificate of title~~  
7 is \$20.

8 (a-15) Upon extending or refinancing a loan against a  
9 passenger motor vehicle of the first division or a motor  
10 vehicle of the second division weighing no more than 12,000  
11 pounds, the Secretary may issue a dealer lien release and  
12 affirmation of loan certificate of title to a financial  
13 institution, or to a lienholder registered in this State that  
14 is listed on the certificate of title, that submits an  
15 application under this subsection. An application under this  
16 subsection shall be submitted no later than the expiration date  
17 of the certificate of title and shall include documentation  
18 indicating the year in which the lien is satisfied. If a  
19 financial institution or lienholder does not submit the  
20 application before the expiration date, the owner of the  
21 vehicle may apply for a corrected certificate of title under  
22 subsection (e) of Section 3-203.

23 (b) The Secretary may prescribe the maximum service charge  
24 to be imposed upon an applicant for renewal of a registration  
25 by any person authorized by law to receive and remit or  
26 transmit to the Secretary such renewal application and fees



1 therewith.

2 (c) If payment is delivered to the Office of the Secretary  
3 of State as payment of any fee or tax under this Code, and such  
4 payment is not honored for any reason, the registrant or other  
5 person tendering the payment remains liable for the payment of  
6 such fee or tax. The Secretary of State may assess a service  
7 charge of \$25 in addition to the fee or tax due and owing for  
8 all dishonored payments.

9 If the total amount then due and owing exceeds the sum of  
10 \$100 and has not been paid in full within 60 days from the date  
11 the dishonored payment was first delivered to the Secretary of  
12 State, the Secretary of State shall assess a penalty of 25% of  
13 such amount remaining unpaid.

14 All amounts payable under this Section shall be computed to  
15 the nearest dollar. Out of each fee collected for dishonored  
16 payments, \$5 shall be deposited in the Secretary of State  
17 Special Services Fund.

18 (d) The minimum fee and tax to be paid by any applicant for  
19 apportionment of a fleet of vehicles under this Code shall be  
20 \$15 if the application was filed on or before the date  
21 specified by the Secretary together with fees and taxes due. If  
22 an application and the fees or taxes due are filed after the  
23 date specified by the Secretary, the Secretary may prescribe  
24 the payment of interest at the rate of 1/2 of 1% per month or  
25 fraction thereof after such due date and a minimum of \$8.

26 (e) Trucks, truck tractors, truck tractors with loads, and

1 motor buses, any one of which having a combined total weight in  
2 excess of 12,000 lbs. shall file an application for a Fleet  
3 Reciprocity Permit issued by the Secretary of State. This  
4 permit shall be in the possession of any driver operating a  
5 vehicle on Illinois highways. Any foreign licensed vehicle of  
6 the second division operating at any time in Illinois without a  
7 Fleet Reciprocity Permit or other proper Illinois  
8 registration, shall subject the operator to the penalties  
9 provided in Section 3-834 of this Code. For the purposes of  
10 this Code, "Fleet Reciprocity Permit" means any second division  
11 motor vehicle with a foreign license and used only in  
12 interstate transportation of goods. The fee for such permit  
13 shall be \$15 per fleet which shall include all vehicles of the  
14 fleet being registered.

15 (f) For purposes of this Section, "all-terrain vehicle or  
16 off-highway motorcycle used for production agriculture" means  
17 any all-terrain vehicle or off-highway motorcycle used in the  
18 raising of or the propagation of livestock, crops for sale for  
19 human consumption, crops for livestock consumption, and  
20 production seed stock grown for the propagation of feed grains  
21 and the husbandry of animals or for the purpose of providing a  
22 food product, including the husbandry of blood stock as a main  
23 source of providing a food product. "All-terrain vehicle or  
24 off-highway motorcycle used in production agriculture" also  
25 means any all-terrain vehicle or off-highway motorcycle used in  
26 animal husbandry, floriculture, aquaculture, horticulture, and

1 viticulture.

2 (g) All of the proceeds of the additional fees imposed by  
3 Public Act 96-34 shall be deposited into the Capital Projects  
4 Fund.

5 (Source: P.A. 99-260, eff. 1-1-16; 99-607, eff. 7-22-16.)

6 Section 99. Effective date. This Act takes effect January  
7 1, 2019.