

HB1865



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB1865

by Rep. Jim Durkin

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-117.1

from Ch. 95 1/2, par. 3-117.1

Amends the Illinois Vehicle Code. Makes a technical change in a provision regarding junking and salvage certificates.

LRB101 05756 TAE 50772 b

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 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 and Section 3-117.3 of
10 this Code, a person who possesses a junk vehicle shall within
11 15 days cause the ~~the~~ certificate of title, salvage
12 certificate, certificate of purchase, or a similarly
13 acceptable out-of-state ~~out-of-state~~ document of ownership to
14 be surrendered to the Secretary of State along with an
15 application for a junking certificate, except as provided in
16 Section 3-117.2, whereupon the Secretary of State shall issue
17 to such a person a junking certificate, which shall authorize
18 the holder thereof to possess, transport, or, by an
19 endorsement, transfer ownership in such junked vehicle, and a
20 certificate of title shall not again be issued for such
21 vehicle. The owner of a junk vehicle is not required to
22 surrender the certificate of title under this subsection if (i)
23 there is no lienholder on the certificate of title or (ii) the

1 owner of the junk vehicle has a valid lien release from the
2 lienholder releasing all interest in the vehicle and the owner
3 applying for the junk certificate matches the current record on
4 the certificate of title file for the vehicle.

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

16 (1) The business name, address and dealer license
17 number of the person disposing of the vehicle, junk vehicle
18 or vehicle cowl;

19 (2) The name and address of the person acquiring the
20 vehicle, junk vehicle or vehicle cowl, and if that person
21 is a dealer, the Illinois or out-of-state dealer license
22 number of that dealer;

23 (3) The date of the disposition of the vehicle, junk
24 vehicle or vehicle cowl;

25 (4) The year, make, model, color and description of
26 each vehicle, junk vehicle or vehicle cowl disposed of by

1 such person;

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

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

9 (7) The printed name and legible signature of the
10 person accepting delivery of the vehicle, junk vehicle or
11 vehicle cowl.

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

22 (b) An application for a salvage certificate shall be
23 submitted to the Secretary of State in any of the following
24 situations:

25 (1) When an insurance company makes a payment of
26 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. Notwithstanding the foregoing, an
13 insurer making payment of damages on a total loss claim for
14 the theft of a vehicle shall not be required to apply for a
15 salvage certificate unless the vehicle is recovered and has
16 incurred damage that initially would have caused the
17 vehicle to be declared a total loss by the insurer.

18 (1.1) When a vehicle of a self-insured company is to be
19 sold in the State of Illinois and has sustained damaged by
20 collision, fire, theft, rust corrosion, or other means so
21 that the self-insured company determines the vehicle to be
22 a total loss, or if the cost of repairing the damage,
23 including labor, would be greater than 70% of its fair
24 market value without that damage, the vehicle shall be
25 considered salvage. The self-insured company shall
26 promptly deliver the certificate of title along with proper

1 application and fee to the Secretary of State, and a
2 salvage certificate shall be issued in the name of the
3 self-insured company. A self-insured company making
4 payment of damages on a total loss claim for the theft of a
5 vehicle may exchange the salvage certificate for a
6 certificate of title if the vehicle is recovered without
7 damage. In such a situation, the self-insured shall fill
8 out and sign a form prescribed by the Secretary of State
9 which contains an affirmation under penalty of perjury that
10 the vehicle was recovered without damage and the Secretary
11 of State may, by rule, require photographs to be submitted.

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

1 shall be issued in the name of that person. The salvage
2 certificate or junking certificate issued by the Secretary
3 of State under this Section shall be free of any lien that
4 existed against the vehicle prior to the time the vehicle
5 was acquired by the applicant under this Code.

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

1 also contain an affirmation under penalty of perjury that
2 the vehicle on the date of sale is not damaged in excess of
3 33 1/3% of its fair market value. If the facts required to
4 be shown in subsection (f) of Section 3-114 are satisfied,
5 the Secretary of State shall issue a certificate of title
6 as set forth in Section 3-116 of this Code. The Secretary
7 of State may by rule or regulation require photographs to
8 be submitted.

9 (4) A vehicle which is a part of a fleet of more than 5
10 commercial vehicles registered in this State or any other
11 state or registered proportionately among several states
12 shall be considered to be salvage when such vehicle has
13 sustained damage by collision, fire, theft, rust,
14 corrosion or similar means so that the cost of repairing
15 such damage, including labor, would be greater than 33 1/3%
16 of the fair market value of the vehicle without such
17 damage. If the owner of a fleet vehicle desires to sell,
18 transfer, or assign his interest in such vehicle to a
19 person within this State other than an insurance company
20 licensed to do business within this State, and the owner
21 determines that such vehicle, at the time of the proposed
22 sale, transfer or assignment is damaged in excess of 33
23 1/3% of its fair market value, the owner shall, before such
24 sale, transfer or assignment, make application for a
25 salvage certificate. The application shall contain with it
26 evidence of possession of the vehicle. If the fleet vehicle

1 at the time of its sale, transfer, or assignment is not
2 damaged in excess of 33 1/3% of its fair market value, the
3 owner shall so state in a written affirmation on a form
4 prescribed by the Secretary of State by rule or regulation.
5 The Secretary of State may by rule or regulation require
6 photographs to be submitted. Upon sale, transfer or
7 assignment of the fleet vehicle the owner shall mail the
8 affirmation to the Secretary of State.

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

1 vehicle.

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

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

18 (d) Except as provided under subsection (a), any person who
19 knowingly fails to surrender to the Secretary of State a
20 certificate of title, salvage certificate, certificate of
21 purchase or a similarly acceptable out-of-state document of
22 ownership as required under the provisions of this Section is
23 guilty of a Class A misdemeanor for a first offense and a Class
24 4 felony for a subsequent offense; except that a person
25 licensed under this Code who violates paragraph (5) of
26 subsection (b) of this Section is guilty of a business offense

1 and shall be fined not less than \$1,000 nor more than \$5,000
2 for a first offense and is guilty of a Class 4 felony for a
3 second or subsequent violation.

4 (e) Any vehicle which is salvage or junk may not be driven
5 or operated on roads and highways within this State. A
6 violation of this subsection is a Class A misdemeanor. A
7 salvage vehicle displaying valid special plates issued under
8 Section 3-601(b) of this Code, which is being driven to or from
9 an inspection conducted under Section 3-308 of this Code, is
10 exempt from the provisions of this subsection. A salvage
11 vehicle for which a short term permit has been issued under
12 Section 3-307 of this Code is exempt from the provisions of
13 this subsection for the duration of the permit.

14 (Source: P.A. 99-932, eff. 6-1-17; 100-104, eff. 11-9-17;
15 100-956, eff. 1-1-19; 100-1083, eff. 1-1-19; revised
16 10-11-18.)