



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1509

Introduced 2/15/2019, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-206	from Ch. 95 1/2, par. 3-206
625 ILCS 5/4-208	from Ch. 95 1/2, par. 4-208
625 ILCS 5/4-216	

Amends the Illinois Vehicle Code. Provides that a public sale of an unclaimed vehicle may proceed if a certified notification has been sent to the registered owner, lienholder, or other legally entitled persons and no response has been received by the law enforcement agency or towing service. Provides that a commercial vehicle relocater or other private towing service seeking to impose storage fees for a vehicle in its possession or foreclose on a vehicle in its possession may only do so 14 days after notice consistent with the Section is provided to the lienholder. Provides that, upon being given notice, a lienholder shall either take possession of the vehicle or execute a written waiver of lien.

LRB101 08117 TAE 53183 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 3-206, 4-208, and 4-216 as follows:

6 (625 ILCS 5/3-206) (from Ch. 95 1/2, par. 3-206)

7 Sec. 3-206. Duty of lienholder.

8 A lienholder named in a certificate of title shall, upon
9 written request of the owner or of another lienholder named on
10 the certificate, disclose any pertinent information as to his
11 security agreement and the indebtedness secured by it. Upon
12 notice given pursuant to Section 4-216, a lienholder shall
13 either take possession of the vehicle or execute a written
14 waiver of lien.

15 (Source: P.A. 76-1586.)

16 (625 ILCS 5/4-208) (from Ch. 95 1/2, par. 4-208)

17 Sec. 4-208. Disposal of unclaimed vehicles.

18 (a) In cities having a population of more than 500,000,
19 whenever an abandoned, lost, stolen or unclaimed vehicle, or
20 vehicle determined to be a hazardous dilapidated motor vehicle
21 pursuant to Section 11-40-3.1 of the Illinois Municipal Code,
22 remains unclaimed by the registered owner, lienholder or other

1 legally entitled person for a period of 18 days after notice
2 has been given under Sections 4-205 and 4-206 of this Code, if
3 during that 18 days the possessor of the vehicle has sent an
4 additional notice by first class mail to the registered owner,
5 lienholder, or other legally entitled person, the vehicle shall
6 be disposed, pursuant to the provisions of the "Municipal
7 purchasing act for cities of 500,000 or more population", to a
8 person licensed as an automotive parts recycler, rebuilder or
9 scrap processor under Chapter 5 of this Code. With respect to
10 any vehicle that has been booted, impounded, or both in
11 accordance with subsection (c) of Section 11-208.3, a city with
12 a population over 500,000 may establish a program whereby the
13 registered owner, lienholder, or other legally entitled person
14 is entitled to any proceeds from the disposition of the
15 vehicle, less any reasonable storage charges, administrative
16 fees, booting fees, towing fees, and parking and compliance
17 fines and penalties.

18 (b) Except as provided in Section 4-208 for cities with
19 more than 500,000 inhabitants, when an abandoned, lost, stolen
20 or unclaimed vehicle 7 years of age or newer remains unclaimed
21 by the registered owner, lienholder or other legally entitled
22 persons for a period of 30 days after notice has been given as
23 provided in Sections 4-205 and 4-206 of this Code, the law
24 enforcement agency or towing service having possession of the
25 vehicle shall cause it to be sold at public auction to a person
26 licensed as an automotive parts recycler, rebuilder or scrap

1 processor under Chapter 5 of this Code or the towing operator
2 which towed the vehicle. Notice of the time and place of the
3 sale shall be posted in a conspicuous place for at least 10
4 days prior to the sale on the premises where the vehicle has
5 been impounded. At least 10 days prior to the sale, the law
6 enforcement agency where the vehicle is impounded, or the
7 towing service where the vehicle is impounded, shall cause a
8 notice of the time and place of the sale to be sent by
9 certified mail to the registered owner, lienholder, or other
10 legally entitled persons. Notice as provided in Sections 4-205
11 and 4-206 of this Code and as provided in this subsection (b)
12 shall state the time and place of sale and shall contain a
13 complete description of the vehicle to be sold and what steps
14 must be taken by any legally entitled person to reclaim the
15 vehicle.

16 (c) If an abandoned, lost, stolen, or unclaimed vehicle
17 displays dealer plates, notice under this Section and Section
18 4-209 of this Code shall be sent to both the dealer and the
19 registered owner, lienholder, or other legally entitled
20 persons.

21 (d) In those instances where the certified notification
22 specified in Sections 4-205 and 4-206 of this Code has been
23 returned by the postal authorities to the law enforcement
24 agency or towing service, the sending of a second certified
25 notice will not be required.

26 (e) If a certified notification specified in Sections 4-205

1 and 4-206 has been sent to the registered owner, lienholder, or
2 other legally entitled person and no response has been received
3 by the law enforcement agency or towing service, the public
4 sale may proceed as set forth in this Section.

5 (Source: P.A. 94-650, eff. 1-1-06.)

6 (625 ILCS 5/4-216)

7 Sec. 4-216. Storage fees; notice to lienholder of record.

8 (a) Any commercial vehicle relocater or any other private
9 towing service providing removal or towing services pursuant to
10 this Code and seeking to impose fees in connection with the
11 furnishing of storage for a vehicle in the possession of the
12 commercial vehicle relocater or other private towing service
13 must provide written notice within 2 business days after the
14 vehicle is removed or towed, by certified mail, return receipt
15 requested, to the lienholder of record, regardless of whether
16 the commercial vehicle relocater or other private towing
17 service enforces a lien under the Labor and Storage Lien Act or
18 the Labor and Storage Lien (Small Amount) Act. The notice shall
19 be effective upon mailing and include the rate at which fees
20 will be incurred, and shall provide the lienholder with an
21 opportunity to inspect the vehicle on the premises where the
22 vehicle is stored within 2 business days of the lienholder's
23 request. The date on which the assessment and accrual of
24 storage fees may commence is the date of the impoundment of the
25 vehicle, subject to any applicable limitations set forth by a

1 municipality authorizing the vehicle removal. Payment of the
2 storage fees by the lienholder may be made in cash or by
3 cashier's check, certified check, debit card, credit card, or
4 wire transfer, at the option of the lienholder taking
5 possession of the vehicle. The commercial vehicle relocater or
6 other private towing service shall furnish a copy of the
7 certified mail receipt to the lienholder upon request.

8 (b) The notification requirements in subsection (a) of this
9 Section apply in addition to any lienholder notice requirements
10 under this Code relating to the removal or towing of an
11 abandoned, lost, stolen, or unclaimed vehicle. If the
12 commercial vehicle relocater or other private towing service
13 fails to comply with the notification requirements set forth in
14 subsection (a) of this Section, storage fees shall not be
15 assessed and collected and the lienholder shall be entitled to
16 injunctive relief for possession of the vehicle without the
17 payment of any storage fees.

18 (c) If the notification required under subsection (a) was
19 not sent and a lienholder discovers its collateral is in the
20 possession of a commercial vehicle relocater or other private
21 towing service by means other than the notification required in
22 subsection (a) of this Section, the lienholder is entitled to
23 recover any storage fees paid to the commercial vehicle
24 relocater or other private towing service to reclaim possession
25 of its collateral.

26 (d) An action under this Section may be brought by the

1 lienholder against the commercial vehicle locator or other
2 private towing service in the circuit court.

3 (e) Notwithstanding any provision to the contrary in this
4 Code, a commercial vehicle relocater or other private towing
5 service seeking to impose storage fees for a vehicle in its
6 possession may not foreclose or otherwise enforce its claim for
7 payment of storage services or any lien relating to the claim
8 pursuant to this Code or other applicable law unless it first
9 complies with the lienholder notification requirements set
10 forth in subsection (a) of this Section. If notice is properly
11 given as set forth in subsection (a), a lienholder shall either
12 claim the vehicle or issue a written waiver of lien on the
13 vehicle within 14 days of the date notice was first sent. If no
14 written waiver of lien is received from the lienholder, the
15 commercial vehicle relocater or other private towing service
16 may foreclose or otherwise enforce its claim for payment of
17 storage services or any lien relating to the claim pursuant to
18 this Code or other applicable law.

19 (f) If the vehicle that is removed or towed is registered
20 in a state other than Illinois, the assessment and accrual of
21 storage fees may commence on the date that the request for
22 lienholder information is filed by the commercial vehicle
23 relocater or other private towing service with the applicable
24 administrative agency or office in that state if: (i) the
25 commercial vehicle relocater or other private towing service
26 furnishes the lienholder with a copy or proof of filing of the

1 request for lienholder information; (ii) the commercial
2 vehicle relocater or other private towing service provides to
3 the lienholder of record the notification required by this
4 Section within one business day after receiving the requested
5 lienholder information; and (iii) the assessment of storage
6 fees complies with any applicable limitations set forth by a
7 municipality authorizing the vehicle removal.

8 (Source: P.A. 100-311, eff. 11-23-17; 100-863, eff. 8-14-18.)