

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 3-109 as follows:

6 (625 ILCS 5/3-109) (from Ch. 95 1/2, par. 3-109)

7 Sec. 3-109. Registration without certificate of title;  
8 bond. If the Secretary of State is not satisfied as to the  
9 ownership of the vehicle or that there are no undisclosed  
10 security interests in it, the Secretary of State may register  
11 the vehicle but shall either:

12 (a) Withhold issuance of a certificate of title until the  
13 applicant presents documents reasonably sufficient to satisfy  
14 the Secretary of State as to the applicant's ownership of the  
15 vehicle and that there are no undisclosed security interests in  
16 it; or

17 (b) As a condition of issuing a certificate of title,  
18 require the applicant to file with the Secretary of State a  
19 bond in the form prescribed by the Secretary of State and  
20 executed by the applicant, and either accompanied by the  
21 deposit of cash with the Secretary of State or also executed by  
22 a person authorized to conduct a surety business in this State.  
23 The bond shall be in an amount equal to one and one-half times

1 the value of the vehicle as determined by the Secretary of  
2 State and conditioned to indemnify any prior owner and  
3 lienholder and any subsequent purchaser of the vehicle or  
4 person acquiring any security interest in it, and their  
5 respective successors in interest, against any expense, loss or  
6 damage, including reasonable attorney's fees, by reason of the  
7 issuance of the certificate of title of the vehicle or on  
8 account of any defect in or undisclosed security interest upon  
9 the right, title and interest of the applicant in and to the  
10 vehicle. Any such interested person has a right of action to  
11 recover on the bond for any breach of its conditions, but the  
12 aggregate liability of the surety to all persons shall not  
13 exceed the amount of the bond. The bond, and any deposit  
14 accompanying it, shall be returned at the end of three (3)  
15 years or prior thereto if the vehicle is no longer registered  
16 in this State and the currently valid certificate of title is  
17 surrendered to the Secretary of State, unless the Secretary of  
18 State has been notified of the pendency of an action to recover  
19 on the bond. The Secretary shall waive the requirements of this  
20 subsection (b) for the owner of an antique vehicle manufactured  
21 more than 50 years before the date the application for a  
22 certificate of title is made.

23 Security deposited as a bond hereunder shall be placed by  
24 the Secretary of State in the custody of the State Treasurer.

25 (c) During July, annually, the Secretary shall compile a  
26 list of all bonds on deposit, pursuant to this Section, for

1 more than 3 years and concerning which he has received no  
2 notice as to the pendency of any judicial proceeding that could  
3 affect the disposition thereof. Thereupon, he shall promptly  
4 send a notice by certified mail to the last known address of  
5 each depositor advising him that his bond will be subject to  
6 escheat to the State of Illinois if not claimed within 30 days  
7 after the mailing date of such notice. At the expiration of  
8 such time, the Secretary of State shall file with the State  
9 Treasurer an order directing the transfer of such deposit to  
10 the Road Fund in the State Treasury. Upon receipt of such  
11 order, the State Treasurer shall make such transfer, after  
12 converting to cash any other type of security. Thereafter any  
13 person having a legal claim against such deposit may enforce it  
14 by appropriate proceedings in the Court of Claims subject to  
15 the limitations prescribed for such Court. At the expiration of  
16 such limitation period such deposit shall escheat to the State  
17 of Illinois.

18 (Source: P.A. 81-1458.)

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.