

AN ACT concerning transportation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Vehicle Code is amended by changing Section 3-117.1 as follows:

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

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

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

A licensee who possesses a junk vehicle and a Certificate of Title, Salvage Certificate, Certificate of Purchase, or a similarly acceptable out-of-state document of ownership for

such junk vehicle, may transport the junk vehicle to another licensee prior to applying for or obtaining a junking certificate, by executing a uniform invoice. The licensee transferor shall furnish a copy of the uniform invoice to the licensee transferee at the time of transfer. In any case, the licensee transferor shall apply for a junking certificate in conformance with Section 3-117.1 of this Chapter. The following information shall be contained on a uniform invoice:

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

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

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

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

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

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

vehicle cowl; and

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

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

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

(1) When an insurance company makes a payment of damages on a total loss claim for a vehicle, the insurance company shall be deemed to be the owner of such vehicle and the vehicle shall be considered to be salvage except that ownership of (i) a vehicle that has incurred only hail damage that does not affect the operational safety of the vehicle or (ii) any vehicle 9 model years of age or older may, by agreement between the registered owner and the insurance company, be retained by the registered owner of

such vehicle. The insurance company shall promptly deliver or mail within 20 days the certificate of title along with proper application and fee to the Secretary of State, and a salvage certificate shall be issued in the name of the insurance company. An insurer making payment of damages on a total loss claim for the theft of a vehicle may exchange the salvage certificate for a certificate of title if the vehicle is recovered without damage. In such a situation, the insurer shall fill out and sign a form prescribed by the Secretary of State which contains an affirmation under penalty of perjury that the vehicle was recovered without damage and the Secretary of State may, by rule or regulation, require photographs to be submitted.

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

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

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

existed against the vehicle prior to the time the vehicle was acquired by the applicant under this Code.

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

be shown in subsection (f) of Section 3-114 are satisfied, the Secretary of State shall issue a certificate of title as set forth in Section 3-116 of this Code. The Secretary of State may by rule or regulation require photographs to be submitted.

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

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

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

(c) Any person who without authority acquires, sells, exchanges, gives away, transfers or destroys or offers to

acquire, sell, exchange, give away, transfer or destroy the certificate of title to any vehicle which is a junk or salvage vehicle shall be guilty of a Class 3 felony.

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

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

(Source: P.A. 92-751, eff. 8-2-02.)