

**102ND GENERAL ASSEMBLY****State of Illinois****2021 and 2022****SB0573**

Introduced 2/23/2021, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Vehicle Code. Defines "uniform invoice". Authorizes the Secretary of State may use commercially available title history services. Makes changes concerning odometer disclosure requirements. Provides that the Secretary is authorized to issue a certificates of title in the name of the dealership if the surrendered certificate of title has no additional space to assign the certificate of title. Makes changes concerning requirements for a licensed seller who sells, transfers, or wholesales a vehicle out of State. Provides that a good-faith purchaser of a vehicle for value takes free of any undisclosed liens unless the purchaser has notice of such liens. Provides that the Secretary may remove a franchise affiliate's lien. Provides that a registration permit for 90 (instead of 30) days may be provided for a fee of \$13. Makes electric motorcycles subject to additional fees for electric vehicles and allows vanity and personalized plates to be issued to owners of electric vehicles. Provides that certain military plates may be (i) transferred, upon death of the owner, to the surviving spouse; and (ii) reclassified without a replacement fee. In the Chapter concerning the licensing of vehicle dealers, makes changes to the definition of "established place of business". Provides that applicants for certain licenses shall disclose specified information related to persons liable for the performance of the dealership. Prohibits a licensee with a surrendered or revoked license from being named on an application for a subsequent license and from working for another licensee in a record-keeping, management, or financial position. Prohibits a licensee from permitting an individual who is not an agent of the licensee to purchase a vehicle at an auction.

LRB102 16985 RAM 22405 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
5 changing Sections 3-100.1, 3-104, 3-104.5, 3-112.1, 3-113,
6 3-202, 3-209, 3-403, 3-405.1, 3-506, 3-802, 3-805, 3-806.1,
7 3-806.5, 5-100, 5-101, 5-101.1, 5-101.2, 5-102, 5-102.8, and
8 5-301 and by adding Sections 1-213.8 and 5-505 as follows:

9 (625 ILCS 5/1-213.8 new)

10 Sec. 1-213.8. Uniform Invoice. A form created by the
11 Secretary for the purpose of transporting vehicles and
12 essential parts that does not convey or transfer ownership
13 rights of a vehicle from one entity to another.

14 (625 ILCS 5/3-100.1)

15 Sec. 3-100.1. Use of electronic records.

16 (a) To the extent authorized by the Secretary of State and
17 in accordance with standards and procedures prescribed by the
18 Secretary of State:

19 (1) Certificates, certifications, affidavits,
20 applications, assignments, statements, notices,
21 documents, and other records required under this Chapter
22 may be created, distributed, and received in electronic

1 form.

2 (2) Signatures required under this Chapter may be made
3 as electronic signatures or may be waived.

4 (3) Delivery of records required under this Chapter
5 may be made by any means, including electronic delivery.

6 (4) Fees and taxes required to be paid under this
7 Chapter may be made by electronic means; provided that any
8 forms, records, electronic records, and methods of
9 electronic payment relating to the filing and payment of
10 taxes shall be prescribed by the Department of Revenue.

11 (a-5) No later than July 1, 2022 ~~2021~~, the Secretary of
12 State shall implement, manage, and administer an electronic
13 lien and title system that will permit a lienholder to
14 perfect, assign, and release a lien under this Code. The
15 system may include the points in subsection (a) as to the
16 identified objectives of the program. The Secretary shall
17 establish by administrative rule the standards and procedures
18 relating to the management and implementation of the mandatory
19 electronic lien and title system established under this
20 subsection. The Secretary may charge a reasonable fee for
21 performing the services and functions relating to the
22 management and administration of the system. The fee shall be
23 set by administrative rule adopted by the Secretary.

24 (b) Electronic records accepted by the Secretary of State
25 have the same force and effect as records created on paper by
26 writing, typing, printing, or similar means. The procedures

1 established by the Secretary of State concerning the
2 acceptance of electronic filings and electronic records shall
3 ensure that the electronic filings and electronic records are
4 received and stored accurately and that they are readily
5 available to satisfy any statutory requirements that call for
6 a written record.

7 (c) Electronic signatures accepted by the Secretary of
8 State shall have the same force and effect as manual
9 signatures.

10 (d) Electronic delivery of records accepted by the
11 Secretary of State shall have the same force and effect as
12 physical delivery of records.

13 (e) Electronic records and electronic signatures accepted
14 by the Secretary of State shall be admissible in all
15 administrative, quasi-judicial, and judicial proceedings. In
16 any such proceeding, nothing in the application of the rules
17 of evidence shall apply so as to deny the admissibility of an
18 electronic record or electronic signature into evidence on the
19 sole ground that it is an electronic record or electronic
20 signature, or on the grounds that it is not in its original
21 form or is not an original. Information in the form of an
22 electronic record shall be given due evidentiary weight by the
23 trier of fact.

24 (f) The Secretary may contract with a private contractor
25 to carry out the Secretary's duties under this Section.

26 (Source: P.A. 101-490, eff. 1-1-20.)

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

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

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

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

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

17 3. The date of purchase by applicant and, if
18 applicable, the name and address of the person from whom
19 the vehicle was acquired and the names and addresses of
20 any lienholders in the order of their priority and
21 signatures of owners;

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

1 5. Any further information the Secretary of State
2 reasonably requires to identify the vehicle and to enable
3 him to determine whether the owner is entitled to a
4 certificate of title and the existence or nonexistence of
5 security interests in the vehicle.

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

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

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

17 1. Any certified document of ownership so recognized
18 and issued by the other State or country and acceptable to
19 the Secretary of State, and

20 2. Any other information and documents the Secretary
21 of State reasonably requires to establish the ownership of
22 the vehicle and the existence or nonexistence of security
23 interests in it.

24 (d) If the application refers to a new vehicle it must be
25 accompanied by the Manufacturer's Statement of Origin, or
26 other documents as required and acceptable by the Secretary of

1 State, with such assignments as may be necessary to show title
2 in the applicant.

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

7 (f) An application for a certificate of title for any
8 vehicle, whether purchased in Illinois or outside Illinois,
9 and even if previously registered in another State, must be
10 accompanied by either an exemption determination from the
11 Department of Revenue showing that no tax imposed pursuant to
12 the Use Tax Act or the vehicle use tax imposed by Section
13 3-1001 of the Illinois Vehicle Code is owed by anyone with
14 respect to that vehicle, or a receipt from the Department of
15 Revenue showing that any tax so imposed has been paid. An
16 application for a certificate of title for any vehicle
17 purchased outside Illinois, even if previously registered in
18 another state, must be accompanied by either an exemption
19 determination from the Department of Revenue showing that no
20 tax imposed pursuant to the Municipal Use Tax Act or the County
21 Use Tax Act is owed by anyone with respect to that vehicle, or
22 a receipt from the Department of Revenue showing that any tax
23 so imposed has been paid. In the absence of such a receipt for
24 payment or determination of exemption from the Department, no
25 certificate of title shall be issued to the applicant.

26 If the proof of payment of the tax or of nonliability

1 therefor is, after the issuance of the certificate of title
2 and display certificate of title, found to be invalid, the
3 Secretary of State shall revoke the certificate and require
4 that the certificate of title and, when applicable, the
5 display certificate of title be returned to him.

6 (g) If the application refers to a vehicle not
7 manufactured in accordance with federal safety and emission
8 standards, the application must be accompanied by all
9 documents required by federal governmental agencies to meet
10 their standards before a vehicle is allowed to be issued title
11 and registration.

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

20 (i) If the application refers to a vehicle for which a
21 court of law determined the ownership, it must be accompanied
22 with a certified copy of such court order and the required fee.
23 The court order must indicate the new owner's name and
24 address, the complete description of the vehicle, if known,
25 the name and address of the lienholder, if any, and must be
26 signed and dated by the judge issuing such order.

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

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

1 (l) If the application refers to a homemade trailer, (i)
2 it must be accompanied by the appropriate documentation
3 regarding the source of materials used in the construction of
4 the trailer, as required by the Secretary of State, (ii) the
5 trailer must be inspected by a Secretary of State employee
6 prior to the issuance of the title, and (iii) upon approval of
7 the Secretary of State, the trailer must have a vehicle
8 identification number, as provided by the Secretary of State,
9 stamped or riveted to the frame.

10 (m) The holder of a Manufacturer's Statement of Origin to
11 a manufactured home may deliver it to any person to facilitate
12 conveying or encumbering the manufactured home. Any person
13 receiving any such Manufacturer's Statement of Origin so
14 delivered holds it in trust for the person delivering it.

15 (n) Within 45 days after the completion of the first
16 retail sale of a manufactured home, the Manufacturer's
17 Statement of Origin to that manufactured home must be
18 surrendered to the Secretary of State either in conjunction
19 with an application for a certificate of title for that
20 manufactured home or in accordance with Section 3-116.1.

21 (o) Each application for certificate of title for a motor
22 vehicle shall be verified by the National Motor Vehicle Title
23 Information System (NMVTIS) for a vehicle history report prior
24 to the Secretary issuing a certificate of title.

25 (p) The Secretary, at the Secretary's discretion, may use
26 any commercially available title history service to assist in

1 determining the proper title designation of a motor vehicle
2 before the issuance of a certificate of title.

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

4 (625 ILCS 5/3-104.5)

5 Sec. 3-104.5. Application NMVTIS warnings or errors.

6 (a) Each application for a certificate of title or a
7 salvage certificate for a motor vehicle that is verified by
8 the National Motor Vehicle Title Information System (NMVTIS)
9 that is returned with a warning or error shall be reviewed by
10 the Secretary of State, or his or her designees, as to whether
11 the warning or error warrants a change to the type of title or
12 brand that is issued to a motor vehicle. If the Secretary needs
13 supplemental information to verify or corroborate the
14 information received from a NMVTIS report, then the Secretary
15 may use any available commercial title history services or
16 other Secretary of State resources to assist in determining
17 the vehicle's proper designation.

18 (b) Any motor vehicle application for a certificate of
19 title or a salvage certificate that another state has
20 previously issued a title or brand indicating that the status
21 of the motor vehicle is equivalent to a junk vehicle, as
22 defined in Section 1-134.1 of this Code, shall receive a title
23 with a "prior out of state junk" brand if that history item was
24 issued 120 months or more before the date of the submission of
25 the current application for title.

1 (c) Any motor vehicle application for a certificate of
2 title or a salvage certificate that is returned with a NMVTIS
3 warning or error indicating that another state has previously
4 issued a title or brand indicating the status of the motor
5 vehicle is equivalent to a junk vehicle, as defined in Section
6 1-134.1 of this Code, shall be issued a junk certificate that
7 reflects the motor vehicle's structural history, if the
8 previously issued title or brand from another state was issued
9 less than 120 months before the date of the submission of the
10 current application for title.

11 (d) Any motor vehicle application for a certificate of
12 title or a salvage certificate that is returned with a NMVTIS
13 warning or error indicating a brand or label from another
14 jurisdiction, that does not have a similar or comparable brand
15 or label in this State, shall include a notation or brand on
16 the certificate of title stating "previously branded".

17 (e) Any motor vehicle that is subject to the federal Truth
18 in Mileage Act, and is returned with a NMVTIS warning or error
19 indicating the stated mileage of the vehicle on the
20 application for certificate of title is 1,500 or fewer miles
21 less than a previously recorded mileage for the vehicle, shall
22 be deemed as having an acceptable margin of error and the
23 higher of the 2 figures shall be indicated on the new
24 certificate of title, if the previous mileage was recorded
25 within 90 days of the date of the current application for title
26 and if there are no indications of fraud or malfeasance, or of

1 altering or tampering with the odometer.

2 (f) Any applicant for a certificate of title or a salvage
3 certificate who receives an alternative salvage or junk
4 certificate, or who receives a certificate of title with a
5 brand or label indicating the vehicle was previously rebuilt
6 prior out of state junk, previously branded, or flood, may
7 contest the Secretary's designations by requesting an
8 administrative hearing under Section 2-116 of this Code.

9 (g) The Secretary may adopt any rules necessary to
10 implement this Section.

11 (h) The Secretary, in the Secretary's discretion, may use
12 any commercially available title history service to assist in
13 determining the proper title designation of a motor vehicle
14 before the issuance of a certificate of title.

15 (Source: P.A. 99-414, eff. 8-20-15.)

16 (625 ILCS 5/3-112.1) (from Ch. 95 1/2, par. 3-112.1)
17 Sec. 3-112.1. Odometer.

18 (a) All titles issued by the Secretary of State beginning
19 January, 1990, shall provide for an odometer certification
20 substantially as follows:

21 "I certify to the best of my knowledge that the odometer
22 reading is and reflects the actual mileage of the vehicle
23 unless one of the following statements is checked.

24

25 () 1. The mileage stated is in excess of its mechanical

1 limits.

2 () 2. The odometer reading is not the actual mileage.
3 Warning - Odometer Discrepancy."

4 (b) When executing any transfer of title which contains
5 the odometer certification as described in paragraph (a)
6 above, each transferor of a motor vehicle must supply on the
7 title form the following information:

8 (1) The odometer reading at the time of transfer and
9 an indication if the mileage is in excess of its
10 mechanical limits or if it is not the actual mileage;

11 (2) The date of transfer;

12 (3) The transferor's printed name and signature; and

13 (4) The transferee's printed name and address.

14 (c) The transferee must sign on the title form indicating
15 that he or she is aware of the odometer certification made by
16 the transferor.

17 (d) The transferor will not be required to disclose the
18 current odometer reading and the transferee will not have to
19 acknowledge such disclosure under the following circumstances:

20 (1) A vehicle having a Gross Vehicle Weight Rating of
21 more than 16,000 pounds;

22 (2) A vehicle that is not self-propelled;

23 (3) A vehicle that: is ~~is~~

24 (A) before January 1, 2031, is model year 2010 or
25 older; or

26 (B) after January 1, 2031, is 20 ~~10~~ years old or

1 older;

2 (4) A vehicle sold directly by the manufacturer to any
3 agency of the United States; and

4 (5) A vehicle manufactured without an odometer.

5 (e) When the transferor signs the title transfer such
6 transferor acknowledges that he or she is aware that Federal
7 regulations and State law require him or her to state the
8 odometer mileage upon transfer of ownership. An inaccurate or
9 untruthful statement with intent to defraud subjects the
10 transferor to liability for damages to the transferee pursuant
11 to the federal Motor Vehicle Information and Cost Act of 1972,
12 P.L. 92-513 as amended by P.L. 94-364. No transferor shall be
13 liable for damages as provided under this Section who
14 transfers title to a motor vehicle which has an odometer
15 reading that has been altered or tampered with by a previous
16 owner, unless that transferor knew or had reason to know of
17 such alteration or tampering and sold such vehicle with an
18 intent to defraud. A cause of action is hereby created by which
19 any person who, with intent to defraud, violates any
20 requirement imposed under this Section shall be liable in an
21 amount equal to the sum of:

22 (1) three times the amount of actual damages sustained
23 or \$1,500, whichever is the greater; and

24 (2) in the case of any successful action to enforce
25 the foregoing liability, the costs of the action together
26 with reasonable attorney fees as determined by the court.

1 Any recovery based on a cause of action under this Section
2 shall be offset by any recovery made pursuant to the federal
3 Motor Vehicle Information and Cost Savings Act of 1972.

4 (f) The provisions of this Section shall not apply to any
5 motorcycle, motor driven cycle, moped, antique vehicle, or
6 expanded-use antique vehicle.

7 (g) The Secretary of State may adopt rules and regulations
8 providing for a transition period for all non-conforming
9 titles.

10 (Source: P.A. 97-412, eff. 1-1-12.)

11 (625 ILCS 5/3-113) (from Ch. 95 1/2, par. 3-113)

12 Sec. 3-113. Transfer to or from dealer; records.

13 (a) After a dealer buys a vehicle and holds it for resale,
14 the dealer must procure the certificate of title from the
15 owner or the lienholder. The dealer may hold the certificate
16 until he or she transfers the vehicle to another person. Upon
17 transferring the vehicle to another person, the dealer shall
18 promptly and within 20 days execute the assignment and
19 warranty of title by a dealer, showing the names and addresses
20 of the transferee and of any lienholder holding a security
21 interest created or reserved at the time of the resale, in the
22 spaces provided therefor on the certificate or as the
23 Secretary of State prescribes, and mail or deliver the
24 certificate to the Secretary of State with the transferee's
25 application for a new certificate, except as provided in

1 Section 3-117.2. A dealer has complied with this Section if
2 the date of the mailing of the certificate, as indicated by the
3 postmark, is within 20 days of the date on which the vehicle
4 was transferred to another person.

5 (b) The Secretary of State may decline to process any
6 application for a transfer of an interest in a vehicle if any
7 fees or taxes due under this Code from the transferor or the
8 transferee have not been paid upon reasonable notice and
9 demand.

10 (c) Any person who violates this Section shall be guilty
11 of a petty offense.

12 (d) Beginning January 1, 2014, the Secretary of State is
13 authorized to impose a delinquent vehicle dealer transfer fee
14 of \$20 if the certificate of title is received by the Secretary
15 from the dealer 30 days but less than 60 days after the date of
16 sale. If the certificate of title is received by the Secretary
17 from the dealer 60 days but less than 90 days after the date of
18 sale, the delinquent dealer transfer fee shall be \$35. If the
19 certificate of title is received by the Secretary from the
20 dealer 90 days but less than 120 days after the date of sale,
21 the delinquent vehicle dealer transfer fee shall be \$65. If
22 the certificate of title is received by the Secretary from the
23 dealer 120 days or more after the date of the sale, the
24 delinquent vehicle dealer transfer fee shall be \$100. All
25 monies collected under this subsection shall be deposited into
26 the CDLIS/AAMVAnet/NMVTIS Trust Fund.

1 (e) Beginning January 1, 2022, the Secretary of State is
2 authorized to issue a certificate of title in the name of the
3 dealership to a licensed dealer under Chapter 5 for \$20 if the
4 surrendered certificate of title has no space to assign the
5 certificate of title again.

6 (f) Any licensee under Chapter 5 who sells, transfers, or
7 wholesales a vehicle out of State shall mail the certificate
8 of title to the physical business address in the requisite
9 jurisdiction in lieu of transferring title at the time of
10 sale.

11 (Source: P.A. 98-177, eff. 1-1-14.)

12 (625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

13 Sec. 3-202. Perfection of security interest.

14 (a) Unless excepted by Section 3-201, a security interest
15 in a vehicle of a type for which a certificate of title is
16 required is not valid against subsequent transferees or
17 lienholders of the vehicle unless perfected as provided in
18 this Act. A purchase money security interest in a manufactured
19 home is perfected against the rights of judicial lien
20 creditors and execution creditors on and after the date such
21 purchase money security interest attaches.

22 (b) A security interest is perfected by the delivery to
23 the Secretary of State of the existing certificate of title,
24 if any, an application for a certificate of title containing
25 the name and address of the lienholder and the required fee.

1 The security interest is perfected as of the time of its
2 creation if the delivery to the Secretary of State is
3 completed within 30 days after the creation of the security
4 interest or receipt by the new lienholder of the existing
5 certificate of title from a prior lienholder or licensed
6 dealer, otherwise as of the time of the delivery.

7 (c) If a vehicle is subject to a security interest when
8 brought into this State, the validity of the security interest
9 is determined by the law of the jurisdiction where the vehicle
10 was when the security interest attached, subject to the
11 following:

12 1. If the parties understood at the time the security
13 interest attached that the vehicle would be kept in this
14 State and it was brought into this State within 30 days
15 thereafter for purposes other than transportation through
16 this State, the validity of the security interest in this
17 State is determined by the law of this State.

18 2. If the security interest was perfected under the
19 law of the jurisdiction where the vehicle was when the
20 security interest attached, the following rules apply:

21 (A) If the name of the lienholder is shown on an
22 existing certificate of title issued by that
23 jurisdiction, his security interest continues
24 perfected in this State.

25 (B) If the name of the lienholder is not shown on
26 an existing certificate of title issued by that

1 jurisdiction, a security interest may be perfected by
2 the lienholder delivering to the Secretary of State
3 the prescribed notice and by payment of the required
4 fee. Such security interest is perfected as of the
5 time of delivery of the prescribed notice and payment
6 of the required fee.

7 3. If the security interest was not perfected under
8 the law of the jurisdiction where the vehicle was when the
9 security interest attached, it may be perfected in this
10 State; in that case perfection dates from the time of
11 perfection in this State.

12 4. A security interest may be perfected under
13 paragraph 3 of this subsection either as provided in
14 subsection (b) or by the lienholder delivering to the
15 Secretary of State a notice of security interest in the
16 form the Secretary of State prescribes and the required
17 fee.

18 (d) Except as otherwise provided in Sections 3-116.1,
19 3-116.2, 3-207, and the Conveyance and Encumbrance of
20 Manufactured Homes as Real Property and Severance Act, after a
21 certificate of title has been issued for a manufactured home
22 and as long as the manufactured home is subject to any security
23 interest perfected pursuant to this Section, the Secretary of
24 State shall not file an affidavit of affixation, nor cancel
25 the Manufacturer's Statement of Origin, nor revoke the
26 certificate of title, nor issue a certificate of title under

1 Section 3-106, and, in any event, the validity and priority of
2 any security interest perfected pursuant to this Section shall
3 continue, notwithstanding the provision of any other law.

4 (e) A purchaser of a vehicle in this State who obtains a
5 security interest in a vehicle in good faith for value takes
6 free of any undisclosed liens unless the purchaser has notice
7 of such liens. Upon the perfection of such a security
8 interest, the Secretary shall invalidate the undisclosed
9 lienholder's interest in the vehicle subject to an
10 investigation by the Secretary of State Department of Police.

11 (Source: P.A. 98-749, eff. 7-16-14.)

12 (625 ILCS 5/3-209) (from Ch. 95 1/2, par. 3-209)

13 Sec. 3-209. Powers of Secretary of State.

14 (a) The Secretary of State shall prescribe and provide
15 suitable forms of applications, certificates of title, notices
16 of security interests, and all other notices and forms
17 necessary to carry out the provisions of this chapter.

18 (b) The Secretary of State may:

19 1. Make necessary investigations to procure information
20 required to carry out the provisions of this Act.†

21 2. Assign a new identifying number to a vehicle if it has
22 none, or its identifying number is destroyed or obliterated,
23 or its motor is changed, and shall either issue a new
24 certificate of title showing the new identifying number or
25 make an appropriate endorsement on the original certificate.

1 3. Remove a franchise affiliate's lien so that the
2 franchise affiliate may pursue the balance of the lien with
3 the defunct dealership instead of the constituent. This item
4 applies if a franchise dealer neglects to pay off a trade-in
5 vehicle's lien, and that lien is held by the franchise
6 affiliate. The Secretary shall make this determination
7 pursuant to an investigation by the Secretary of State
8 Department of Police.

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

10 (625 ILCS 5/3-403) (from Ch. 95 1/2, par. 3-403)

11 Sec. 3-403. Trip and Short-term permits.

12 (a) The Secretary of State may issue a short-term permit
13 to operate a nonregistered first or second division vehicle
14 within the State of Illinois for a period of not more than 7
15 days. Any second division vehicle operating on such permit may
16 operate only on empty weight. The fee for the short-term
17 permit shall be \$6 for permits purchased on or before June 30,
18 2003 and \$10 for permits purchased on or after July 1, 2003.
19 For short-term permits purchased on or after July 1, 2003, \$4
20 of the fee collected for the purchase of each permit shall be
21 deposited into the General Revenue Fund.

22 This permit may also be issued to operate an unladen
23 registered vehicle which is suspended under the Vehicle
24 Emissions Inspection Law and allow it to be driven on the roads
25 and highways of the State in order to be repaired or when

1 traveling ~~travelling~~ to and from an emissions inspection
2 station.

3 (b) The Secretary of State may, subject to reciprocal
4 agreements, arrangements or declarations made or entered into
5 pursuant to Section 3-402, 3-402.4 or by rule, provide for and
6 issue registration permits for the use of Illinois highways by
7 vehicles of the second division on an occasional basis or for a
8 specific and special short-term use, in compliance with rules
9 and regulations promulgated by the Secretary of State, and
10 upon payment of the prescribed fee as follows:

11 One-trip permits. A registration permit for one trip, or
12 one round-trip into and out of Illinois, for a period not to
13 exceed 72 consecutive hours or 3 calendar days may be
14 provided, for a fee as prescribed in Section 3-811.

15 Three-month ~~One-Month~~ permits. A registration permit for
16 90 ~~30~~ days may be provided for a fee of \$13 for registration
17 plus 1/10 of the flat weight tax. ~~The minimum fee for such~~
18 ~~permit shall be \$31.~~

19 In-transit permits. A registration permit for one trip may
20 be provided for vehicles in transit by the driveaway or
21 towaway method and operated by a transporter in compliance
22 with the Illinois Motor Carrier of Property Law, for a fee as
23 prescribed in Section 3-811.

24 Illinois Temporary Apportionment Authorization Permits. An
25 apportionment authorization permit for forty-five days for the
26 immediate operation of a vehicle upon application for and

1 prior to receiving apportioned credentials or interstate
2 credentials from the State of Illinois. The fee for such
3 permit shall be \$3.

4 Illinois Temporary Prorate Authorization Permit. A prorate
5 authorization permit for forty-five days for the immediate
6 operation of a vehicle upon application for and prior to
7 receiving prorate credentials or interstate credentials from
8 the State of Illinois. The fee for such permit shall be \$3.

9 (c) The Secretary of State shall promulgate by such rule
10 or regulation, schedules of fees and taxes for such permits
11 and in computing the amount or amounts due, may round off such
12 amount to the nearest full dollar amount.

13 (d) The Secretary of State shall further prescribe the
14 form of application and permit and may require such
15 information and data as necessary and proper, including
16 confirming the status or identity of the applicant and the
17 vehicle in question.

18 (e) Rules or regulations promulgated by the Secretary of
19 State under this Section shall provide for reasonable and
20 proper limitations and restrictions governing the application
21 for and issuance and use of permits, and shall provide for the
22 number of permits per vehicle or per applicant, so as to
23 preclude evasion of annual registration requirements as may be
24 required by this Act.

25 (f) Any permit under this Section is subject to suspension
26 or revocation under this Act, and in addition, any such permit

1 is subject to suspension or revocation should the Secretary of
2 State determine that the vehicle identified in any permit
3 should be properly registered in Illinois. In the event any
4 such permit is suspended or revoked, the permit is then null
5 and void, may not be re-instated, nor is a refund therefor
6 available. The vehicle identified in such permit may not
7 thereafter be operated in Illinois without being properly
8 registered as provided in this Chapter.

9 (Source: P.A. 92-680, eff. 7-16-02; 93-32, eff. 7-1-03.)

10 (625 ILCS 5/3-405.1) (from Ch. 95 1/2, par. 3-405.1)

11 Sec. 3-405.1. Application for vanity and personalized
12 license plates.

13 (a) Vanity license plates mean any license plates,
14 assigned to a passenger motor vehicle of the first division,
15 to a motor vehicle of the second division registered at not
16 more than 8,000 pounds, to a trailer weighing 8,000 pounds or
17 less paying the flat weight tax, to a funeral home vehicle, an
18 electric vehicle, or ~~to~~ a recreational vehicle, which display
19 a registration number containing 1 to 7 letters and no numbers
20 or 1, 2, or 3 numbers and no letters as requested by the owner
21 of the vehicle and license plates issued to retired members of
22 Congress under Section 3-610.1 or to retired members of the
23 General Assembly as provided in Section 3-606.1. Personalized
24 license plates mean any license plates, assigned to a
25 passenger motor vehicle of the first division, to a motor

1 vehicle of the second division registered at not more than
2 8,000 pounds, to a trailer weighing 8,000 pounds or less
3 paying the flat weight tax, to a funeral home vehicle, an
4 electric vehicle, or ~~to~~ a recreational vehicle, which display
5 a registration number containing one of the following
6 combinations of letters and numbers, as requested by the owner
7 of the vehicle:

8 Standard Passenger Plates

9 First Division Vehicles

10 1 letter plus 0-99

11 2 letters plus 0-99

12 3 letters plus 0-99

13 4 letters plus 0-99

14 5 letters plus 0-99

15 6 letters plus 0-9

16 Second Division Vehicles

17 8,000 pounds or less, Trailers

18 8,000 pounds or less paying the flat
19 weight tax, and Recreation Vehicles

20 0-999 plus 1 letter

21 0-999 plus 2 letters

22 0-999 plus 3 letters

1 0-99 plus 4 letters

2 0-9 plus 5 letters

3 (b) For any registration period commencing after December
4 31, 2003, any person who is the registered owner of a passenger
5 motor vehicle of the first division, of a motor vehicle of the
6 second division registered at not more than 8,000 pounds, of a
7 trailer weighing 8,000 pounds or less paying the flat weight
8 tax, of a funeral home vehicle, of an electric vehicle, or of a
9 recreational vehicle registered with the Secretary of State or
10 who makes application for an original registration of such a
11 motor vehicle or renewal registration of such a motor vehicle
12 may, upon payment of a fee prescribed in Section 3-806.1 or
13 Section 3-806.5, apply to the Secretary of State for vanity or
14 personalized license plates.

15 (c) Except as otherwise provided in this Chapter 3, vanity
16 and personalized license plates as issued under this Section
17 shall be the same color and design as other passenger vehicle
18 license plates or electric vehicle license plates and shall
19 not in any manner conflict with any other existing passenger,
20 commercial, trailer, motorcycle, or special license plate
21 series. However, special registration plates issued under
22 Sections 3-611 and 3-616 for vehicles operated by or for
23 persons with disabilities may also be vanity or personalized
24 license plates.

25 (d) Vanity and personalized license plates shall be issued
26 only to the registered owner of the vehicle on which they are

1 to be displayed, except as provided in Sections 3-611 and
2 3-616 for special registration plates for vehicles operated by
3 or for persons with disabilities.

4 (e) An applicant for the issuance of vanity or
5 personalized license plates or subsequent renewal thereof
6 shall file an application in such form and manner and by such
7 date as the Secretary of State may, in his discretion,
8 require.

9 No vanity nor personalized license plates shall be
10 approved, manufactured, or distributed that contain any
11 characters, symbols other than the international accessibility
12 symbol for vehicles operated by or for persons with
13 disabilities, foreign words, or letters of punctuation.

14 (f) Vanity and personalized license plates as issued
15 pursuant to this Act may be subject to the Staggered
16 Registration System as prescribed by the Secretary of State.

17 (g) For purposes of this Section, "funeral home vehicle"
18 means any motor vehicle of the first division or motor vehicle
19 of the second division weighing 8,000 pounds or less that is
20 owned or leased by a funeral home.

21 (h) As used in this Section, "electric vehicle" means any
22 vehicle that is required to be registered under Section 3-805.

23 (Source: P.A. 100-956, eff. 1-1-19.)

24 (625 ILCS 5/3-506)

25 Sec. 3-506. Transfer of plates to spouses of military

1 service members. Upon the death of a military service member
2 who has been issued a special plate under Section 3-609.1,
3 3-620, 3-621, 3-622, 3-623, 3-624, 3-625, 3-626, 3-628, 3-638,
4 3-642, 3-645, 3-647, 3-650, 3-651, 3-666, 3-667, 3-668, 3-669,
5 3-676, 3-677, 3-680, 3-681, 3-683, 3-686, 3-688, 3-693, 3-698,
6 3-699.12, 3-699.15, 3-699.16, ~~or~~ 3-699.17, 3-699.19, or
7 3-699.20 of this Code, the surviving spouse of that service
8 member may retain the plate so long as that spouse is a
9 resident of Illinois and transfers the registration to his or
10 her name within 180 days of the death of the service member.

11 For the purposes of this Section, "service member" means
12 any individual who is serving or has served in any branch of
13 the United States Armed Forces, including the National Guard
14 or other reserve components of the Armed Forces, and has been
15 issued a special plate listed in this Section.

16 (Source: P.A. 100-201, eff. 8-18-17; 101-51, eff. 7-12-19.)

17 (625 ILCS 5/3-802) (from Ch. 95 1/2, par. 3-802)

18 Sec. 3-802. Reclassifications and upgrades.

19 (a) Definitions. For the purposes of this Section, the
20 following words shall have the meanings ascribed to them as
21 follows:

22 "Reclassification" means changing the registration of
23 a vehicle from one plate category to another.

24 "Upgrade" means increasing the registered weight of a
25 vehicle within the same plate category.

1 (b) When reclassing the registration of a vehicle from one
2 plate category to another, the owner shall receive credit for
3 the unused portion of the present plate and be charged the
4 current portion fees for the new plate. In addition, the
5 appropriate replacement plate and replacement sticker fees
6 shall be assessed.

7 (b-5) Beginning with the 2019 registration year, any
8 individual who has a registration issued under either Section
9 3-405 or 3-405.1 that qualifies for a special license plate
10 under Section 3-609, 3-609.1, 3-620, 3-621, 3-622, 3-623,
11 3-624, 3-625, 3-626, 3-628, 3-638, 3-642, 3-645, 3-647, 3-650,
12 3-651, 3-664, 3-666, 3-667, 3-668, 3-669, 3-676, 3-677, 3-680,
13 3-681, 3-683, 3-686, 3-688, 3-693, 3-698, 3-699.12, 3-699.15,
14 3-699.16, 3-699.17, 3-699.19, or 3-699.20 ~~or 3-699.17~~ may
15 reclass his or her registration upon acquiring a special
16 license plate listed in this subsection (b-5) without a
17 replacement plate or digital plate fee or registration sticker
18 or digital registration sticker cost.

19 (b-10) Beginning with the 2019 registration year, any
20 individual who has a special license plate issued under
21 Section 3-609, 3-609.1, 3-620, 3-621, 3-622, 3-623, 3-624,
22 3-625, 3-626, 3-628, 3-638, 3-642, 3-645, 3-647, 3-650, 3-651,
23 3-664, 3-666, 3-667, 3-668, 3-669, 3-676, 3-677, 3-680, 3-681,
24 3-683, 3-686, 3-688, 3-693, 3-698, 3-699.12, or 3-699.17 may
25 reclass his or her special license plate upon acquiring a new
26 registration under Section 3-405 or 3-405.1 without a

1 replacement plate or digital plate fee or registration sticker
2 or digital registration sticker cost.

3 (c) When upgrading the weight of a registration within the
4 same plate category, the owner shall pay the difference in
5 current period fees between the 2 ~~two~~ plates. In addition, the
6 appropriate replacement plate and replacement sticker fees
7 shall be assessed. In the event new plates are not required,
8 the corrected registration card fee shall be assessed.

9 (d) In the event the owner of the vehicle desires to change
10 the registered weight and change the plate category, the owner
11 shall receive credit for the unused portion of the
12 registration fee of the current plate and pay the current
13 portion of the registration fee for the new plate, and in
14 addition, pay the appropriate replacement plate and
15 replacement sticker fees.

16 (e) Reclassing from one plate category to another plate
17 category can be done only once within any registration period.

18 (f) No refunds shall be made in any of the circumstances
19 found in subsection (b), subsection (c), or subsection (d);
20 however, when reclassing from a flat weight plate to an
21 apportioned plate, a refund may be issued if the credit
22 amounts to an overpayment.

23 (g) In the event the registration of a vehicle registered
24 under the mileage tax option is revoked, the owner shall be
25 required to pay the annual registration fee in the new plate
26 category and shall not receive any credit for the mileage

1 plate fees.

2 (h) Certain special interest plates may be displayed on
3 first division vehicles, second division vehicles weighing
4 8,000 pounds or less, and recreational vehicles. Those plates
5 can be transferred within those vehicle groups.

6 (i) Plates displayed on second division vehicles weighing
7 8,000 pounds or less and passenger vehicle plates may be
8 reclassified from one division to the other.

9 (j) Other than in subsection (i), reclassing from one
10 division to the other division is prohibited. In addition, a
11 reclass from a motor vehicle to a trailer or a trailer to a
12 motor vehicle is prohibited.

13 (Source: P.A. 100-246, eff. 1-1-18; 100-450, eff. 1-1-18;
14 100-863, eff. 8-14-18; 101-51, eff. 7-12-19; 101-395, eff.
15 8-16-19; revised 9-24-19.)

16 (625 ILCS 5/3-805) (from Ch. 95 1/2, par. 3-805)

17 Sec. 3-805. Electric vehicles.

18 ~~(a) The Until January 1, 2020, the owner of a motor vehicle~~
19 ~~of the first division, a motorcycle, or a motor vehicle of the~~
20 ~~second division weighing 8,000 pounds or less propelled by an~~
21 ~~electric engine and not utilizing motor fuel, may register~~
22 ~~such vehicle for a fee not to exceed \$35 for a 2-year~~
23 ~~registration period. The Secretary may, in his discretion,~~
24 ~~prescribe that electric vehicle registration plates be issued~~
25 ~~for an indefinite term, such term to correspond to the term of~~

1 ~~registration plates issued generally, as provided in Section~~
2 ~~3-414.1. In no event may the registration fee for electric~~
3 ~~vehicles exceed \$18 per registration year. Beginning on~~
4 ~~January 1, 2020, the registration fee for these vehicles shall~~
5 ~~be~~ equal to the fee set forth in Section 3-806 for motor
6 vehicles of the first division, other than Autocycles,
7 Motorcycles, Motor Driven Cycles, and Pedalcycles. In addition
8 to the registration fees, the Secretary shall assess an
9 additional \$100 per year in lieu of the payment of motor fuel
10 taxes. \$1 of the additional fees shall be deposited into the
11 Secretary of State Special Services Fund and the remainder of
12 the additional fees shall be deposited into the Road Fund. The
13 Secretary, in the Secretary's discretion, may prescribe that
14 electric vehicle registration plates be issued for an
15 indefinite term, such term to correspond to the term of
16 registration plates issued generally, as provided in Section
17 3-414.1.

18 (b) The Secretary, in the Secretary's discretion, may
19 permit an electric vehicle to obtain alternative registration,
20 in lieu of an electric vehicle registration, at the
21 alternative registration fee for any registration that is
22 permitted on an equivalent non-electric vehicle of comparable
23 weight class or use.

24 (Source: P.A. 101-32, eff. 6-28-19.)

25 (625 ILCS 5/3-806.1) (from Ch. 95 1/2, par. 3-806.1)

1 Sec. 3-806.1. Additional fees for vanity license plates.
2 In addition to the regular registration fee or electric
3 vehicle registration fee, an applicant for a vanity license
4 plate, other than a vanity plate in any military series or a
5 vanity plate issued under Section 3-664, shall be charged \$94
6 for each set of vanity license plates issued to a vehicle of
7 the first division or a vehicle of the second division
8 registered at not more than 8,000 pounds or to a recreational
9 vehicle and \$50 for each set of vanity plates issued to an
10 autocycle or motorcycle. In addition to the regular renewal
11 fee or electric vehicle registration renewal fee, an applicant
12 for a vanity plate, other than a vanity plate in any military
13 series or a vanity plate issued under Section 3-664, shall be
14 charged \$13 for the renewal of each set of vanity license
15 plates. There shall be no additional fees for a vanity license
16 plate in any military series of plates or a vanity plate issued
17 under Section 3-664.

18 (Source: P.A. 98-777, eff. 1-1-15.)

19 (625 ILCS 5/3-806.5)

20 Sec. 3-806.5. Additional fees for personalized license
21 plates. For registration periods commencing after December 31,
22 2003, in addition to the regular registration fee or electric
23 vehicle registration fee, an applicant for a personalized
24 license plate, other than a personalized plate in any military
25 series or a personalized plate issued under Section 3-664,

1 shall be charged \$47 for each set of personalized license
2 plates issued to a vehicle of the first division or a vehicle
3 of the second division registered at not more than 8,000
4 pounds or to a recreational vehicle and \$25 for each set of
5 personalized plates issued to an autocycle or motorcycle. In
6 addition to the regular renewal fee or electric vehicle
7 registration renewal fee, an applicant for a personalized
8 plate other than a personalized plate in any military series
9 or a personalized plate issued under Section 3-664, shall be
10 charged \$7 for the renewal of each set of personalized license
11 plates. There shall be no additional fees charged for a
12 personalized plate in any military series of plates or a
13 personalized plate issued under Section 3-664. Of the money
14 received by the Secretary of State as additional fees for
15 personalized license plates, 50% shall be deposited into the
16 Secretary of State Special License Plate Fund and 50% shall be
17 deposited into the General Revenue Fund.

18 (Source: P.A. 98-777, eff. 1-1-15.)

19 (625 ILCS 5/5-100) (from Ch. 95 1/2, par. 5-100)

20 Sec. 5-100. Definitions. For the purposes of this Chapter,
21 the following words shall have the meanings ascribed to them
22 as follows:

23 "Additional place of business" means a place owned or
24 leased and occupied by the dealer in addition to its
25 established place of business, at which the dealer conducts or

1 intends to conduct business on a permanent or long term basis.
2 The term does not include an area where an off site sale or
3 exhibition is conducted. The Secretary of State shall adopt
4 guidelines for the administration and enforcement of this
5 definition by rule.

6 "Display exhibition" means a temporary display of vehicles
7 by a dealer licensed under Section 5-101 or 5-102, at a
8 location at which no vehicles are offered for sale, that is
9 conducted at a place other than the dealer's established and
10 additional places of business.

11 "Established place of business" means the place owned or
12 leased and occupied by any person duly licensed or required to
13 be licensed as a dealer for the purpose of engaging in selling,
14 buying, bartering, displaying, exchanging or dealing in, on
15 consignment or otherwise, vehicles and their essential parts
16 and for such other ancillary purposes as may be permitted by
17 the Secretary by rule. It shall include an office in which the
18 dealer's records shall be separate and distinct from any other
19 business or tenant which may occupy space in the same building
20 except as provided in Section 5-101.1. This office shall not
21 be located in a house trailer, residence, tent, temporary
22 stand, temporary address, room or rooms in a hotel or rooming
23 house, nor the premises occupied by a single or multiple unit
24 residence. "Established place of business" only includes a
25 place with an outdoor lot capable of parking at least 5
26 vehicles or an indoor lot with space for a minimum of one

1 vehicle to be parked in its indoor showroom. The established
2 place of business of a scrap processor shall be the fixed
3 location where the scrap processor maintains its principal
4 place of business. The Secretary of State shall, by rule and
5 regulation, adopt guidelines for the administration and
6 enforcement of this definition, such as, but not limited to
7 issues concerning the required hours of operation, describing
8 where vehicles are displayed and offered for sale, where books
9 and records are maintained and requirements for the
10 fulfillment of warranties. A dealer may have an additional
11 place of business as defined under this Section.

12 "Motor vehicle financing affiliate" means a business
13 organization registered to do business in Illinois that,
14 pursuant to a written contract with either (1) a single new or
15 used motor vehicle dealer or (2) a single group of new or used
16 motor vehicle dealers that share a common ownership within the
17 group, purchases new or used motor vehicles on behalf of the
18 dealer or group of dealers and then sells, transfers, or
19 assigns those motor vehicles to the dealer or group of
20 dealers. The motor vehicle financing affiliate must be
21 incorporated or organized solely to purchase new or used
22 vehicles on behalf of the new or used motor vehicle dealer or
23 group of dealers with which it has contracted, shall not sell
24 motor vehicles at retail, shall perform only those business
25 functions related to the purchasing of motor vehicles and
26 selling, transferring, or assigning those motor vehicles to

1 the dealer or group of dealers. The motor vehicle financing
2 affiliate must be licensed under the provisions of Section
3 5-101.1 and must not be licensed as a new or used motor vehicle
4 dealer.

5 "Off site sale" means the temporary display and sale of
6 vehicles, for a period of not more than 7 calendar days
7 (excluding Sundays), by a dealer licensed under Section 5-101
8 or 5-102 at a place other than the dealer's established and
9 additional places of business.

10 "Relevant market area", for a new vehicle dealer licensed
11 under Section 5-101 and for a used vehicle dealer licensed
12 under Section 5-102, means the area within 10 miles of the
13 established or additional place of business of the dealer
14 located in a county with a population of 300,000 or more, or
15 within 15 miles if the established place of business is
16 located in a county with a population of less than 300,000.

17 "Trade show exhibition" means a temporary display of
18 vehicles, by dealers licensed under Section 5-101 or 5-102, or
19 any other person as defined in subsection (c) of Section
20 5-102.1, at a location at which no vehicles are offered for
21 sale that is conducted at a place other than the dealer's
22 established and additional places of business. In order for a
23 display exhibition to be considered a trade show exhibition,
24 it must be participated in by at least 3 dealers, 2 of which
25 must be licensed under Section 5-101 or 5-102; and a trade show
26 exhibition of new vehicles shall only be participated in by

1 licensed new vehicle dealers at least 2 of which must be
2 licensed under Section 5-101.

3 (Source: P.A. 90-89, eff. 1-1-98; 91-415, eff. 1-1-00.)

4 (625 ILCS 5/5-101) (from Ch. 95 1/2, par. 5-101)

5 Sec. 5-101. New vehicle dealers must be licensed.

6 (a) No person shall engage in this State in the business of
7 selling or dealing in, on consignment or otherwise, new
8 vehicles of any make, or act as an intermediary or agent or
9 broker for any licensed dealer or vehicle purchaser other than
10 as a salesperson, or represent or advertise that he is so
11 engaged or intends to so engage in such business unless
12 licensed to do so in writing by the Secretary of State under
13 the provisions of this Section.

14 (b) An application for a new vehicle dealer's license
15 shall be filed with the Secretary of State, duly verified by
16 oath, on such form as the Secretary of State may by rule or
17 regulation prescribe and shall contain:

18 1. The name and type of business organization of the
19 applicant and his established and additional places of
20 business, if any, in this State.

21 2. If the applicant is a corporation, a list of its
22 officers, directors, and shareholders having a ten percent
23 or greater ownership interest in the corporation, setting
24 forth the residence address of each; if the applicant is a
25 sole proprietorship, a partnership, an unincorporated

1 association, a trust, or any similar form of business
2 organization, the name and residence address of the
3 proprietor or of each partner, member, officer, director,
4 trustee, or manager.

5 3. The make or makes of new vehicles which the
6 applicant will offer for sale at retail in this State.

7 4. The name of each manufacturer or franchised
8 distributor, if any, of new vehicles with whom the
9 applicant has contracted for the sale of such new
10 vehicles. As evidence of this fact, the application shall
11 be accompanied by a signed statement from each such
12 manufacturer or franchised distributor. If the applicant
13 is in the business of offering for sale new conversion
14 vehicles, trucks or vans, except for trucks modified to
15 serve a special purpose which includes but is not limited
16 to the following vehicles: street sweepers, fertilizer
17 spreaders, emergency vehicles, implements of husbandry or
18 maintenance type vehicles, he must furnish evidence of a
19 sales and service agreement from both the chassis
20 manufacturer and second stage manufacturer.

21 5. A statement that the applicant has been approved
22 for registration under the Retailers' Occupation Tax Act
23 by the Department of Revenue: Provided that this
24 requirement does not apply to a dealer who is already
25 licensed hereunder with the Secretary of State, and who is
26 merely applying for a renewal of his license. As evidence

1 of this fact, the application shall be accompanied by a
2 certification from the Department of Revenue showing that
3 that Department has approved the applicant for
4 registration under the Retailers' Occupation Tax Act.

5 6. A statement that the applicant has complied with
6 the appropriate liability insurance requirement. A
7 Certificate of Insurance in a solvent company authorized
8 to do business in the State of Illinois shall be included
9 with each application covering each location at which he
10 proposes to act as a new vehicle dealer. The policy must
11 provide liability coverage in the minimum amounts of
12 \$100,000 for bodily injury to, or death of, any person,
13 \$300,000 for bodily injury to, or death of, two or more
14 persons in any one accident, and \$50,000 for damage to
15 property. Such policy shall expire not sooner than
16 December 31 of the year for which the license was issued or
17 renewed. The expiration of the insurance policy shall not
18 terminate the liability under the policy arising during
19 the period for which the policy was filed. Trailer and
20 mobile home dealers are exempt from this requirement.

21 If the permitted user has a liability insurance policy
22 that provides automobile liability insurance coverage of
23 at least \$100,000 for bodily injury to or the death of any
24 person, \$300,000 for bodily injury to or the death of any 2
25 or more persons in any one accident, and \$50,000 for
26 damage to property, then the permitted user's insurer

1 shall be the primary insurer and the dealer's insurer
2 shall be the secondary insurer. If the permitted user does
3 not have a liability insurance policy that provides
4 automobile liability insurance coverage of at least
5 \$100,000 for bodily injury to or the death of any person,
6 \$300,000 for bodily injury to or the death of any 2 or more
7 persons in any one accident, and \$50,000 for damage to
8 property, or does not have any insurance at all, then the
9 dealer's insurer shall be the primary insurer and the
10 permitted user's insurer shall be the secondary insurer.

11 When a permitted user is "test driving" a new vehicle
12 dealer's automobile, the new vehicle dealer's insurance
13 shall be primary and the permitted user's insurance shall
14 be secondary.

15 As used in this paragraph 6, a "permitted user" is a
16 person who, with the permission of the new vehicle dealer
17 or an employee of the new vehicle dealer, drives a vehicle
18 owned and held for sale or lease by the new vehicle dealer
19 which the person is considering to purchase or lease, in
20 order to evaluate the performance, reliability, or
21 condition of the vehicle. The term "permitted user" also
22 includes a person who, with the permission of the new
23 vehicle dealer, drives a vehicle owned or held for sale or
24 lease by the new vehicle dealer for loaner purposes while
25 the user's vehicle is being repaired or evaluated.

26 As used in this paragraph 6, "test driving" occurs

1 when a permitted user who, with the permission of the new
2 vehicle dealer or an employee of the new vehicle dealer,
3 drives a vehicle owned and held for sale or lease by a new
4 vehicle dealer that the person is considering to purchase
5 or lease, in order to evaluate the performance,
6 reliability, or condition of the vehicle.

7 As used in this paragraph 6, "loaner purposes" means
8 when a person who, with the permission of the new vehicle
9 dealer, drives a vehicle owned or held for sale or lease by
10 the new vehicle dealer while the user's vehicle is being
11 repaired or evaluated.

12 7. (A) An application for a new motor vehicle dealer's
13 license shall be accompanied by the following license
14 fees:

15 (i) \$1,000 for applicant's established place of
16 business, and \$100 for each additional place of
17 business, if any, to which the application pertains;
18 but if the application is made after June 15 of any
19 year, the license fee shall be \$500 for applicant's
20 established place of business plus \$50 for each
21 additional place of business, if any, to which the
22 application pertains. License fees shall be returnable
23 only in the event that the application is denied by the
24 Secretary of State. All moneys received by the
25 Secretary of State as license fees under this
26 subparagraph (i) prior to applications for the 2004

1 licensing year shall be deposited into the Motor
2 Vehicle Review Board Fund and shall be used to
3 administer the Motor Vehicle Review Board under the
4 Motor Vehicle Franchise Act. Of the money received by
5 the Secretary of State as license fees under this
6 subparagraph (i) for the 2004 licensing year and
7 thereafter, 10% shall be deposited into the Motor
8 Vehicle Review Board Fund and shall be used to
9 administer the Motor Vehicle Review Board under the
10 Motor Vehicle Franchise Act and 90% shall be deposited
11 into the General Revenue Fund.

12 (ii) Except for dealers selling 25 or fewer
13 automobiles or as provided in subsection (h) of
14 Section 5-102.7 of this Code, an Annual Dealer
15 Recovery Fund Fee in the amount of \$500 for the
16 applicant's established place of business, and \$50 for
17 each additional place of business, if any, to which
18 the application pertains; but if the application is
19 made after June 15 of any year, the fee shall be \$250
20 for the applicant's established place of business plus
21 \$25 for each additional place of business, if any, to
22 which the application pertains. For a license renewal
23 application, the fee shall be based on the amount of
24 automobiles sold in the past year according to the
25 following formula:

26 (1) \$0 for dealers selling 25 or less

1 automobiles;

2 (2) \$150 for dealers selling more than 25 but
3 less than 200 automobiles;

4 (3) \$300 for dealers selling 200 or more
5 automobiles but less than 300 automobiles; and

6 (4) \$500 for dealers selling 300 or more
7 automobiles.

8 License fees shall be returnable only in the event
9 that the application is denied by the Secretary of
10 State. Moneys received under this subparagraph (ii)
11 shall be deposited into the Dealer Recovery Trust
12 Fund.

13 (B) An application for a new vehicle dealer's license,
14 other than for a new motor vehicle dealer's license, shall
15 be accompanied by the following license fees:

16 (i) \$1,000 for applicant's established place of
17 business, and \$50 for each additional place of
18 business, if any, to which the application pertains;
19 but if the application is made after June 15 of any
20 year, the license fee shall be \$500 for applicant's
21 established place of business plus \$25 for each
22 additional place of business, if any, to which the
23 application pertains. License fees shall be returnable
24 only in the event that the application is denied by the
25 Secretary of State. Of the money received by the
26 Secretary of State as license fees under this

1 subparagraph (i) for the 2004 licensing year and
2 thereafter, 95% shall be deposited into the General
3 Revenue Fund.

4 (ii) Except as provided in subsection (h) of
5 Section 5-102.7 of this Code, an Annual Dealer
6 Recovery Fund Fee in the amount of \$500 for the
7 applicant's established place of business, and \$50 for
8 each additional place of business, if any, to which
9 the application pertains; but if the application is
10 made after June 15 of any year, the fee shall be \$250
11 for the applicant's established place of business plus
12 \$25 for each additional place of business, if any, to
13 which the application pertains. License fees shall be
14 returnable only in the event that the application is
15 denied by the Secretary of State. Moneys received
16 under this subparagraph (ii) shall be deposited into
17 the Dealer Recovery Trust Fund.

18 8. A statement that the applicant's officers,
19 directors, shareholders having a 10% or greater ownership
20 interest therein, proprietor, a partner, member, officer,
21 director, trustee, manager or other principals in the
22 business have not committed in the past 3 years any one
23 violation as determined in any civil, criminal or
24 administrative proceedings of any one of the following
25 Acts:

26 (A) The Anti-Theft Laws of the Illinois Vehicle

1 Code;

2 (B) The Certificate of Title Laws of the Illinois
3 Vehicle Code;

4 (C) The Offenses against Registration and
5 Certificates of Title Laws of the Illinois Vehicle
6 Code;

7 (D) The Dealers, Transporters, Wreckers and
8 Rebuilders Laws of the Illinois Vehicle Code;

9 (E) Section 21-2 of the Criminal Code of 1961 or
10 the Criminal Code of 2012, Criminal Trespass to
11 Vehicles; or

12 (F) The Retailers' Occupation Tax Act.

13 9. A statement that the applicant's officers,
14 directors, shareholders having a 10% or greater ownership
15 interest therein, proprietor, partner, member, officer,
16 director, trustee, manager or other principals in the
17 business have not committed in any calendar year 3 or more
18 violations, as determined in any civil, criminal or
19 administrative proceedings, of any one or more of the
20 following Acts:

21 (A) The Consumer Finance Act;

22 (B) The Consumer Installment Loan Act;

23 (C) The Retail Installment Sales Act;

24 (D) The Motor Vehicle Retail Installment Sales
25 Act;

26 (E) The Interest Act;

1 (F) The Illinois Wage Assignment Act;

2 (G) Part 8 of Article XII of the Code of Civil
3 Procedure; or

4 (H) The Consumer Fraud Act.

5 9.5. A statement that, within 10 years of application,
6 each officer, director, shareholder having a 10% or
7 greater ownership interest therein, proprietor, partner,
8 member, officer, director, trustee, manager, or other
9 principal in the business of the applicant has not
10 committed, as determined in any civil, criminal, or
11 administrative proceeding, in any calendar year one or
12 more forcible felonies under the Criminal Code of 1961 or
13 the Criminal Code of 2012, or a violation of either or both
14 Article 16 or 17 of the Criminal Code of 1961 or a
15 violation of either or both Article 16 or 17 of the
16 Criminal Code of 2012, Article 29B of the Criminal Code of
17 1961 or the Criminal Code of 2012, or a similar
18 out-of-state offense. For the purposes of this paragraph,
19 "forcible felony" has the meaning provided in Section 2-8
20 of the Criminal Code of 2012.

21 10. A bond or certificate of deposit in the amount of
22 \$50,000 for each location at which the applicant intends
23 to act as a new vehicle dealer. The bond shall be for the
24 term of the license, or its renewal, for which application
25 is made, and shall expire not sooner than December 31 of
26 the year for which the license was issued or renewed. The

1 bond shall run to the People of the State of Illinois, with
2 surety by a bonding or insurance company authorized to do
3 business in this State. It shall be conditioned upon the
4 proper transmittal of all title and registration fees and
5 taxes (excluding taxes under the Retailers' Occupation Tax
6 Act) accepted by the applicant as a new vehicle dealer.

7 11. Such other information concerning the business of
8 the applicant as the Secretary of State may by rule or
9 regulation prescribe.

10 12. A statement that the applicant understands Chapter
11 1 through Chapter 5 of this Code.

12 13. The full name, address, and contact information of
13 each of the dealer's agents or legal representatives who
14 is an Illinois resident and liable for the performance of
15 the dealership.

16 (c) Any change which renders no longer accurate any
17 information contained in any application for a new vehicle
18 dealer's license shall be amended within 30 days after the
19 occurrence of such change on such form as the Secretary of
20 State may prescribe by rule or regulation, accompanied by an
21 amendatory fee of \$2.

22 (d) Anything in this Chapter 5 to the contrary
23 notwithstanding no person shall be licensed as a new vehicle
24 dealer unless:

25 1. He is authorized by contract in writing between
26 himself and the manufacturer or franchised distributor of

1 such make of vehicle to so sell the same in this State, and

2 2. Such person shall maintain an established place of
3 business as defined in this Act.

4 (e) The Secretary of State shall, within a reasonable time
5 after receipt, examine an application submitted to him under
6 this Section and unless he makes a determination that the
7 application submitted to him does not conform with the
8 requirements of this Section or that grounds exist for a
9 denial of the application, under Section 5-501 of this
10 Chapter, grant the applicant an original new vehicle dealer's
11 license in writing for his established place of business and a
12 supplemental license in writing for each additional place of
13 business in such form as he may prescribe by rule or regulation
14 which shall include the following:

15 1. The name of the person licensed;

16 2. If a corporation, the name and address of its
17 officers or if a sole proprietorship, a partnership, an
18 unincorporated association or any similar form of business
19 organization, the name and address of the proprietor or of
20 each partner, member, officer, director, trustee or
21 manager;

22 3. In the case of an original license, the established
23 place of business of the licensee;

24 4. In the case of a supplemental license, the
25 established place of business of the licensee and the
26 additional place of business to which such supplemental

1 license pertains;

2 5. The make or makes of new vehicles which the
3 licensee is licensed to sell;

4 6. The full name, address, and contact information of
5 each of the dealer's agents or legal representatives who
6 is an Illinois resident and liable for the performance of
7 the dealership.

8 (f) The appropriate instrument evidencing the license or a
9 certified copy thereof, provided by the Secretary of State,
10 shall be kept posted conspicuously in the established place of
11 business of the licensee and in each additional place of
12 business, if any, maintained by such licensee.

13 (g) Except as provided in subsection (h) hereof, all new
14 vehicle dealer's licenses granted under this Section shall
15 expire by operation of law on December 31 of the calendar year
16 for which they are granted unless sooner revoked or cancelled
17 under the provisions of Section 5-501 of this Chapter.

18 (h) A new vehicle dealer's license may be renewed upon
19 application and payment of the fee required herein, and
20 submission of proof of coverage under an approved bond under
21 the Retailers' Occupation Tax Act or proof that applicant is
22 not subject to such bonding requirements, as in the case of an
23 original license, but in case an application for the renewal
24 of an effective license is made during the month of December,
25 the effective license shall remain in force until the
26 application is granted or denied by the Secretary of State.

1 (i) All persons licensed as a new vehicle dealer are
2 required to furnish each purchaser of a motor vehicle:

3 1. In the case of a new vehicle a manufacturer's
4 statement of origin and in the case of a used motor vehicle
5 a certificate of title, in either case properly assigned
6 to the purchaser;

7 2. A statement verified under oath that all
8 identifying numbers on the vehicle agree with those on the
9 certificate of title or manufacturer's statement of
10 origin;

11 3. A bill of sale properly executed on behalf of such
12 person;

13 4. A copy of the Uniform Invoice-transaction reporting
14 return referred to in Section 5-402 hereof;

15 5. In the case of a rebuilt vehicle, a copy of the
16 Disclosure of Rebuilt Vehicle Status; and

17 6. In the case of a vehicle for which the warranty has
18 been reinstated, a copy of the warranty.

19 (j) Except at the time of sale or repossession of the
20 vehicle, no person licensed as a new vehicle dealer may issue
21 any other person a newly created key to a vehicle unless the
22 new vehicle dealer makes a color photocopy or electronic scan
23 of the driver's license or State identification card of the
24 person requesting or obtaining the newly created key. The new
25 vehicle dealer must retain the photocopy or scan for 30 days.

26 A new vehicle dealer who violates this subsection (j) is

1 guilty of a petty offense. Violation of this subsection (j) is
2 not cause to suspend, revoke, cancel, or deny renewal of the
3 new vehicle dealer's license.

4 This amendatory Act of 1983 shall be applicable to the
5 1984 registration year and thereafter.

6 (k) Only a licensed dealer under this Section may use the
7 reassignment portion included on a certificate of title to
8 reassign a vehicle to another licensed dealer under this
9 Chapter.

10 (l) If a licensee under this Section voluntarily
11 surrenders a license to the Illinois Secretary of State Police
12 or a representative of the Secretary of State Vehicle Services
13 Department due to the licensee's inability to adhere to
14 recordkeeping provisions, or the inability to properly issue
15 certificates of title or registrations under this Code, or the
16 Secretary revokes a license under this Section, then the
17 licensee and the licensee's agent, designee, or legal
18 representative, if applicable, may not be named on a new
19 application for a licensee under this Section or under this
20 Chapter, nor is the licensee or the licensee's agent,
21 designee, or legal representative permitted to work for
22 another licensee under this Chapter in a recordkeeping,
23 management, or financial position or as an employee who
24 handles certificate of title and registration documents and
25 applications.

26 (Source: P.A. 100-450, eff. 1-1-18; 100-956, eff. 1-1-19;

1 101-505, eff. 1-1-20.)

2 (625 ILCS 5/5-101.1)

3 Sec. 5-101.1. Motor vehicle financing affiliates;
4 licensing.

5 (a) In this State no business shall engage in the business
6 of a motor vehicle financing affiliate without a license to do
7 so in writing from the Secretary of State.

8 (b) An application for a motor vehicle financing
9 affiliate's license must be filed with the Secretary of State,
10 duly verified by oath, on a form prescribed by the Secretary of
11 State and shall contain all of the following:

12 (1) The name and type of business organization of the
13 applicant and the applicant's established place of
14 business and any additional places of business in this
15 State.

16 (2) The name and address of the licensed new or used
17 vehicle dealer to which the applicant will be selling,
18 transferring, or assigning new or used motor vehicles
19 pursuant to a written contract. If more than one dealer is
20 on the application, the applicant shall state in writing
21 the basis of common ownership among the dealers.

22 (3) A list of the business organization's officers,
23 directors, members, and shareholders having a 10% or
24 greater ownership interest in the business, providing the
25 residential address for each person listed.

1 (4) If selling, transferring, or assigning new motor
2 vehicles, the make or makes of new vehicles that it will
3 sell, assign, or otherwise transfer to the contracting new
4 motor vehicle dealer listed on the application pursuant to
5 paragraph (2).

6 (5) The name of each manufacturer or franchised
7 distributor, if any, of new vehicles with whom the
8 applicant has contracted for the sale of new vehicles and
9 a signed statement from each manufacturer or franchised
10 distributor acknowledging the contract.

11 (6) A statement that the applicant has been approved
12 for registration under the Retailers' Occupation Tax Act
13 by the Department of Revenue. This requirement does not
14 apply to a motor vehicle financing affiliate that is
15 already licensed with the Secretary of State and is
16 applying for a renewal of its license.

17 (7) A statement that the applicant has complied with
18 the appropriate liability insurance requirement and a
19 Certificate of Insurance that shall not expire before
20 December 31 of the year for which the license was issued or
21 renewed with a minimum liability coverage of \$100,000 for
22 the bodily injury or death of any person, \$300,000 for the
23 bodily injury or death of 2 or more persons in any one
24 accident, and \$50,000 for damage to property. The
25 expiration of the insurance policy shall not terminate the
26 liability under the policy arising during the period for

1 which the policy was filed. Trailer and mobile home
2 dealers are exempt from the requirements of this
3 paragraph. A motor vehicle financing affiliate is exempt
4 from the requirements of this paragraph if it is covered
5 by the insurance policy of the new or used dealer listed on
6 the application pursuant to paragraph (2).

7 (8) A license fee of \$1,000 for the applicant's
8 established place of business and \$250 for each additional
9 place of business, if any, to which the application
10 pertains. However, if the application is made after June
11 15 of any year, the license fee shall be \$500 for the
12 applicant's established place of business and \$125 for
13 each additional place of business, if any, to which the
14 application pertains. These license fees shall be
15 returnable only in the event that the application is
16 denied by the Secretary of State.

17 (9) A statement incorporating the requirements of
18 paragraphs 8 and 9 of subsection (b) of Section 5-101.

19 (10) Any other information concerning the business of
20 the applicant as the Secretary of State may prescribe.

21 (11) A statement that the applicant understands
22 Chapter 1 through Chapter 5 of this Code.

23 (12) The full name, address, and contact information
24 of each of the dealer's agents or legal representatives
25 who is an Illinois resident and liable for the performance
26 of the dealership.

1 (c) Any change which renders no longer accurate any
2 information contained in any application for a motor vehicle
3 financing affiliate's license shall be amended within 30 days
4 after the occurrence of the change on a form prescribed by the
5 Secretary of State, accompanied by an amendatory fee of \$2.

6 (d) If a new vehicle dealer is not listed on the
7 application, pursuant to paragraph (2) of subsection (b), the
8 motor vehicle financing affiliate shall not receive, possess,
9 or transfer any new vehicle. If a new motor vehicle dealer is
10 listed on the application, pursuant to paragraph (2) of
11 subsection (b), the new motor vehicle dealer can only receive
12 those new cars it is permitted to receive under its franchise
13 agreement. If both a new and used motor vehicle dealer are
14 listed on the application, pursuant to paragraph (2) of
15 subsection (b), only the new motor vehicle dealer may receive
16 new motor vehicles. If a used motor vehicle is listed on the
17 application, pursuant to paragraph (2) of subsection (b), the
18 used motor vehicle dealer shall not receive any new motor
19 vehicles.

20 (e) The applicant and dealer provided pursuant to
21 paragraph (2) of subsection (b) must be business organizations
22 registered to conduct business in Illinois. Three-fourths of
23 the dealer's board of directors must be members of the motor
24 vehicle financing affiliate's board of directors, if
25 applicable.

26 (f) Unless otherwise provided in this Chapter 5, no

1 business organization registered to do business in Illinois
2 shall be licensed as a motor vehicle financing affiliate
3 unless:

4 (1) The motor vehicle financing affiliate shall only
5 sell, transfer, or assign motor vehicles to the licensed
6 new or used dealer listed on the application pursuant to
7 paragraph (2) of subsection (b).

8 (2) The motor vehicle financing affiliate sells,
9 transfers, or assigns to the new motor vehicle dealer
10 listed on the application, if any, only those new motor
11 vehicles the motor vehicle financing affiliate has
12 received under the contract set forth in paragraph (5) of
13 subsection (b).

14 (3) Any new vehicle dealer listed pursuant to
15 paragraph (2) of subsection (b) has a franchise agreement
16 that permits the dealer to receive motor vehicles from the
17 motor vehicle franchise affiliate.

18 (4) The new or used motor vehicle dealer listed on the
19 application pursuant to paragraph (2) of subsection (b)
20 has one established place of business or supplemental
21 places of business as referenced in subsection (g).

22 (g) The Secretary of State shall, within a reasonable time
23 after receipt, examine an application submitted pursuant to
24 this Section and, unless it is determined that the application
25 does not conform with the requirements of this Section or that
26 grounds exist for a denial of the application under Section

1 5-501, grant the applicant a motor vehicle financing affiliate
2 license in writing for the applicant's established place of
3 business and a supplemental license in writing for each
4 additional place of business in a form prescribed by the
5 Secretary, which shall include all of the following:

6 (1) The name of the business licensed;

7 (2) The name and address of its officers, directors,
8 or members, as applicable;

9 (3) In the case of an original license, the
10 established place of business of the licensee; ~~and~~

11 (4) If applicable, the make or makes of new vehicles
12 which the licensee is licensed to sell to the new motor
13 vehicle dealer listed on the application pursuant to
14 paragraph (2) of subsection (b); ~~and~~

15 (5) The full name, address, and contact information of
16 each of the dealer's agents or legal representatives who
17 is an Illinois resident and liable for the performance of
18 the dealership.

19 (h) The appropriate instrument evidencing the license or a
20 certified copy, provided by the Secretary of State, shall be
21 kept posted conspicuously in the established place of business
22 of the licensee.

23 (i) Except as provided in subsection (h), all motor
24 vehicle financing affiliate's licenses granted under this
25 Section shall expired by operation of law on December 31 of the
26 calendar year for which they are granted, unless revoked or

1 canceled at an earlier date pursuant to Section 5-501.

2 (j) A motor vehicle financing affiliate's license may be
3 renewed upon application and payment of the required fee.
4 However, when an application for renewal of a motor vehicle
5 financing affiliate's license is made during the month of
6 December, the effective license shall remain in force until
7 the application is granted or denied by the Secretary of
8 State.

9 (k) The contract a motor vehicle financing affiliate has
10 with a manufacturer or franchised distributor, as provided in
11 paragraph (5) of subsection (b), shall only permit the
12 applicant to sell, transfer, or assign new motor vehicles to
13 the new motor vehicle dealer listed on the application
14 pursuant to paragraph (2) of subsection (b). The contract
15 shall specifically prohibit the motor vehicle financing
16 affiliate from selling motor vehicles at retail. This contract
17 shall not be considered the granting of a franchise as defined
18 in Section 2 of the Motor Vehicle Franchise Act.

19 (l) When purchasing of a motor vehicle by a new or used
20 motor vehicle dealer, all persons licensed as a motor vehicle
21 financing affiliate are required to furnish all of the
22 following:

23 (1) For a new vehicle, a manufacturer's statement of
24 origin properly assigned to the purchasing dealer. For a
25 used vehicle, a certificate of title properly assigned to
26 the purchasing dealer.

1 (2) A statement verified under oath that all
2 identifying numbers on the vehicle agree with those on the
3 certificate of title or manufacturer's statement of
4 origin.

5 (3) A bill of sale properly executed on behalf of the
6 purchasing dealer.

7 (4) A copy of the Uniform Invoice-transaction report
8 pursuant to Section 5-402.

9 (5) In the case of a rebuilt vehicle, a copy of the
10 Disclosure of Rebuilt Vehicle Status pursuant to Section
11 5-104.3.

12 (6) In the case of a vehicle for which a warranty has
13 been reinstated, a copy of the warranty.

14 (m) The motor vehicle financing affiliate shall use the
15 established and supplemental place or places of business the
16 new or used vehicle dealer listed on the application pursuant
17 to paragraph (2) of subsection (b) as its established and
18 supplemental place or places of business.

19 (n) The motor vehicle financing affiliate shall keep all
20 books and records required by this Code with the books and
21 records of the new or used vehicle dealer listed on the
22 application pursuant to paragraph (2) of subsection (b). The
23 motor vehicle financing affiliate may use the books and
24 records of the new or used motor vehicle dealer listed on the
25 application pursuant to paragraph (2) of subsection (b).

26 (o) Under no circumstances shall a motor vehicle financing

1 affiliate sell, transfer, or assign a new vehicle to any place
2 of business of a new motor vehicle dealer, unless that place of
3 business is licensed under this Chapter to sell, assign, or
4 otherwise transfer the make of the new motor vehicle
5 transferred.

6 (p) All moneys received by the Secretary of State as
7 license fees under this Section shall be deposited into the
8 Motor Vehicle Review Board Fund and shall be used to
9 administer the Motor Vehicle Review Board under the Motor
10 Vehicle Franchise Act.

11 (q) Except as otherwise provided in this Section, a motor
12 vehicle financing affiliate shall comply with all provisions
13 of this Code.

14 (r) If a licensee under this Section voluntarily
15 surrenders a license to the Illinois Secretary of State Police
16 or a representative of the Secretary of State Vehicle Services
17 Department due to the licensee's inability to adhere to
18 recordkeeping provisions, or the inability to properly issue
19 certificates of title or registrations under this Code, or the
20 Secretary revokes a license under this Section, then the
21 licensee and the licensee's agent, designee, or legal
22 representative, if applicable, may not be named on a new
23 application for a license under this Section or under this
24 Chapter, nor is the licensee or the licensee's agent,
25 designee, or legal representative permitted to work for
26 another licensee under this Chapter in a recordkeeping,

1 management, or financial position or as an employee who
2 handles certificate of title and registration documents and
3 applications.

4 (Source: P.A. 91-415, eff. 1-1-00.)

5 (625 ILCS 5/5-101.2)

6 Sec. 5-101.2. Manufactured home dealers; licensing.

7 (a) For the purposes of this Section, the following words
8 shall have the meanings ascribed to them as follows:

9 "Community-based manufactured home dealer" means an
10 individual or entity that operates a tract of land or 2 or
11 more contiguous tracts of land which contain sites with
12 the necessary utilities for 5 or more independent
13 manufactured homes for permanent habitation, either free
14 of charge or for revenue purposes, and shall include any
15 building, structure, vehicle, or enclosure used or
16 intended for use as a part of the equipment of the
17 manufactured home park who may, incidental to the
18 operation of the manufactured home community, sell, trade,
19 or buy no more than 2 manufactured homes or park models per
20 calendar year that are located within the manufactured
21 home community pursuant to a franchise agreement or
22 similar agreement with a manufacturer, or used
23 manufactured homes or park models located within the
24 manufactured home community or additional place of
25 business that is owned or managed by the community-based

1 manufactured home dealer.

2 "Established place of business" means the place owned
3 or leased and occupied by any person duly licensed or
4 required to be licensed as a manufactured home dealer or a
5 community-based manufactured home dealer for the purpose
6 of engaging in selling, buying, bartering, displaying,
7 exchanging, or dealing in, on consignment or otherwise,
8 manufactured homes or park models and for such other
9 ancillary purposes as may be permitted by the Secretary by
10 rule. An established place of business shall include a
11 single or central office in which the manufactured home
12 dealer's or community-based manufactured home dealer's
13 records shall be separate and distinct from any other
14 business or tenant which may occupy space in the same
15 building, except as provided in this Section, and the
16 office shall not be located in a tent, temporary stand,
17 temporary address, room or rooms in a hotel or rooming
18 house, nor the premises occupied by a single or multiple
19 unit residence, unless the multiple unit residence has a
20 separate and distinct office.

21 "Manufactured home" means a factory assembled
22 structure built on a permanent chassis, transportable in
23 one or more sections in the travel mode, incapable of
24 self-propulsion, and bears a label indicating the
25 manufacturer's compliance with the United States
26 Department of Housing and Urban Development standards, as

1 applicable, that is without a permanent foundation and is
2 designed for year round occupancy as a single-family
3 residence when connected to approved water, sewer, and
4 electrical utilities.

5 "Manufactured home dealer" means an individual or
6 entity that engages in the business of acquiring or
7 disposing of a manufactured home or park model, either a
8 new manufactured home or park model, pursuant to a
9 franchise agreement with a manufacturer, or used
10 manufactured homes or park models, and who has an
11 established place of business that is not in a residential
12 community-based setting.

13 "Park model" means a vehicle that is incapable of
14 self-propulsion that is less than 400 square feet of
15 habitable space that is built to American National
16 Standards Institute (ANSI) standards that prohibits
17 occupancy on a permanent basis and is built on a vehicle
18 chassis.

19 "Supplemental license" means a license that a
20 community-based manufactured home dealer receives and
21 displays at locations in which the licensee is authorized
22 to sell, buy, barter, display, exchange, or deal in, on
23 consignment or otherwise, manufactured homes or park
24 models, but is not the established place of business of
25 the licensee.

26 (b) No person shall engage in this State in the business of

1 selling or dealing in, on consignment or otherwise,
2 manufactured homes or park models of any make, or act as an
3 intermediary, agent, or broker for any manufactured home or
4 park model purchaser, other than as a salesperson or to
5 represent or advertise that he or she is so engaged, or intends
6 to so engage, in the business, unless licensed to do so by the
7 Secretary of State under the provisions of this Section.

8 (c) An application for a manufactured home dealer's
9 license or a community-based manufactured home dealer's
10 license shall be filed with the Secretary of State and duly
11 verified by oath, on such form as the Secretary of State may by
12 rule prescribe and shall contain all of the following:

13 (1) The name and type of business organization of the
14 applicant, and his or her established and additional
15 places of business, if any, in this State.

16 (2) If the applicant is a corporation, a list of its
17 officers, directors, and shareholders having a 10% or
18 greater ownership interest in the corporation. If the
19 applicant is a sole proprietorship, a partnership, a
20 limited liability company, an unincorporated association,
21 a trust, or any similar form of business organization, the
22 name and residence address of the proprietor, or the name
23 and residence address of each partner, member, officer,
24 director, trustee, or manager.

25 (3) The make or makes of new manufactured homes or
26 park models that the applicant will offer for sale at

1 retail in the State.

2 (4) The name of each manufacturer or franchised
3 distributor, if any, of new manufactured homes or park
4 models with whom the applicant has contracted for the sale
5 of new manufactured homes or park models. As evidence of
6 this fact, the application shall be accompanied by a
7 signed statement from each manufacturer or franchised
8 distributor.

9 (5) A statement that the applicant has been approved
10 for registration under the Retailers' Occupation Tax Act
11 by the Department of Revenue, provided that this
12 requirement does not apply to a manufactured home dealer
13 who is already licensed with the Secretary of State, and
14 who is merely applying for a renewal of his or her license.
15 As evidence of this fact, the application shall be
16 accompanied by a certification from the Department of
17 Revenue showing that the Department has approved the
18 applicant for registration under the Retailers' Occupation
19 Tax Act.

20 (6) An application for:

21 (A) a manufactured home dealer's license, when the
22 applicant is selling new manufactured homes or park
23 models on behalf of a manufacturer of manufactured
24 homes or park models, or 5 or more used manufactured
25 homes or park models during the calendar year, shall
26 be accompanied by a \$1,000 license fee for the

1 applicant's established place of business, and \$100
2 for each additional place of business, if any, to
3 which the application pertains. If the application is
4 made after June 15 in any year, the license fee shall
5 be \$500 for the applicant's established place of
6 business, and \$50 for each additional place of
7 business, if any, to which the application pertains.
8 License fees shall be returnable only in the event
9 that the application is denied by the Secretary of
10 State; or

11 (B) a community-based manufactured home dealer's
12 license, when the applicant is selling new
13 manufactured homes or park models on behalf of a
14 manufacturer of manufactured homes or park models, or
15 5 or more used manufactured homes or park models
16 during the calendar year, but within a community
17 setting, shall be accompanied by a license fee of \$500
18 for the applicant's established place of business, and
19 \$50 for each additional place of business within a
20 50-mile radius of the established place of business,
21 if any to which the application pertains. If the
22 application is made after June 15 in any year, the
23 license fee shall be \$250 for the applicant's
24 established place of business, and \$50 for each
25 additional place of business, if any, to which the
26 application pertains. License fees shall be returnable

1 only in the event that the application is denied by the
2 Secretary of State.

3 Of the monies received by the Secretary of State
4 as license fees under this paragraph (6), 95% shall be
5 deposited into the General Revenue Fund and 5% into
6 the Motor Vehicle License Plate Fund.

7 (7) A statement that the applicant's officers,
8 directors, and shareholders having a 10% or greater
9 ownership interest therein, proprietor, a partner, member,
10 officer, director, trustee, manager, or other principals
11 in the business, have not committed in the past 3 years any
12 one violation, as determined in any civil, criminal, or
13 administrative hearing proceeding, of any one of the
14 following Acts:

15 (A) the Anti Theft Laws of the Illinois Vehicle
16 Code;

17 (B) the Certificate of Title Laws of the Illinois
18 Vehicle Code;

19 (C) the Offenses against Registration and
20 Certificates of Title Laws of the Illinois Vehicle
21 Code;

22 (D) the Dealers, Transporters, Wreckers, and
23 Rebuilders Laws of the Illinois Vehicle Code;

24 (E) Section 21-2 of the Criminal Code of 2012
25 (criminal trespass to vehicles);

26 (F) the Retailers Occupation Tax Act;

- 1 (G) the Consumer Finance Act;
- 2 (H) the Consumer Installment Loan Act;
- 3 (I) the Retail Installment Sales Act;
- 4 (J) the Motor Vehicle Retail Installment Sales
- 5 Act;
- 6 (K) the Interest Act;
- 7 (L) the Illinois Wage Assignment Act;
- 8 (M) Part 8 of Article XII of the Code of Civil
- 9 Procedure; or
- 10 (N) the Consumer Fraud Act.

11 (8) A bond or certificate of deposit in the amount of

12 \$20,000 for each license holder applicant intending to act

13 as a manufactured home dealer or community-based

14 manufactured home dealer under this Section. The bond

15 shall be for the term of the license, for which

16 application is made, and shall expire not sooner than

17 December 31 of the year for which the license was issued.

18 The bond shall run to the People of the State of Illinois,

19 with surety by a bonding or insurance company authorized

20 to do business in this State. It shall be conditioned upon

21 the proper transmittal of all title and registration fees

22 and taxes (excluding taxes under the Retailers' Occupation

23 Tax Act) accepted by the applicant as a manufactured home

24 dealer.

25 (9) Dealers in business for over 5 years may

26 substitute a certificate of insurance in lieu of the bond

1 or certificate of deposit upon renewing their license.

2 (10) Any other information concerning the business of
3 the applicant as the Secretary of State may by rule
4 prescribe.

5 (11) A statement that the applicant has read and
6 understands Chapters 1 through 5 of this Code.

7 (12) The full name, address, and contact information
8 of each of the dealer's agents or legal representatives
9 who is an Illinois resident and liable for the performance
10 of the dealership.

11 (d) Any change which renders no longer accurate any
12 information contained in any application for a license under
13 this Section shall be amended within 30 days after the
14 occurrence of the change on a form the Secretary of State may
15 prescribe, by rule, accompanied by an amendatory fee of \$25.

16 (e) The Secretary of State shall, within a reasonable time
17 after receipt, examine an application submitted to him or her
18 under this Section, and unless he or she makes a determination
19 that the application submitted to him or her does not conform
20 with the requirements of this Section or that grounds exist
21 for a denial of the application under Section 5-501 of this
22 Chapter, grant the applicant an initial manufactured home
23 dealer's license or a community-based manufactured home
24 dealer's license in writing for his or her established place
25 of business and a supplemental license in writing for each
26 additional place of business in a form the Secretary may

1 prescribe by rule, which shall include the following:

2 (1) the name of the person or entity licensed;

3 (2) if a corporation, the name and address of its
4 officers; if a sole proprietorship, a partnership, an
5 unincorporated association, or any similar form of
6 business organization, the name and address of the
7 proprietor, or the name and address of each partner,
8 member, officer, director, trustee or manager; or if a
9 limited liability company, the name and address of the
10 general partner or partners, or managing member or
11 members;

12 (3) in the case of an original license, the
13 established place of business of the licensee;

14 (4) in the case of a supplemental license, the
15 established place of business of the licensee and the
16 distance to each additional place of business to which the
17 supplemental license pertains; ~~and~~

18 (5) if applicable, the make or makes of new
19 manufactured homes or park models to which a manufactured
20 home dealer is licensed to sell; ~~and~~.

21 (6) the full name, address, and contact information of
22 each of the dealer's agents or legal representatives who
23 is an Illinois resident and liable for the performance of
24 the dealership.

25 (e-5) A manufactured home dealer may operate a
26 supplemental lot if the lot is located within 50 miles of the

1 manufactured home dealer's principal place of business.
2 Records pertaining to a supplemental lot may be maintained at
3 the principal place of business.

4 (f) The appropriate instrument evidencing the license or a
5 certified copy of the instrument, provided by the Secretary of
6 State, shall be kept posted conspicuously in the established
7 place of business of the licensee and in each additional place
8 of business, if any, maintained by the licensee, unless the
9 licensee is a community-based manufactured home dealer, then
10 the license shall be posted in the community-based
11 manufactured home dealer's central office and it shall include
12 a list of the other locations that the community-based
13 manufactured home dealer may oversee.

14 (g) Except as provided in subsection (i) of this Section,
15 all licenses granted under this Section shall expire by
16 operation of law on December 31 of the calendar year for which
17 the licenses were granted, unless sooner revoked or cancelled
18 under the provisions of Section 5-501 of this Chapter.

19 (h) All persons licensed as a manufactured home dealer or
20 a community-based manufactured home dealer are required to
21 furnish each purchaser of a manufactured home or park model:

22 (1) in the case of a new manufactured home or park
23 model, a manufacturer's statement of origin, and in the
24 case of a previously owned manufactured home or park
25 model, a certificate of title, in either case properly
26 assigned to the purchaser;

1 (2) a statement verified under oath that all
2 identifying numbers on the vehicle match the identifying
3 numbers on the certificate of title or manufacturer's
4 statement of origin;

5 (3) a bill of sale properly executed on behalf of the
6 purchaser;

7 (4) a copy of the Uniform Invoice-transaction
8 reporting return form referred to in Section 5-402; and

9 (5) for a new manufactured home or park model, a
10 warranty, and in the case of a manufactured home or park
11 model for which the warranty has been reinstated, a copy
12 of the warranty; if no warranty is provided, a disclosure
13 or statement that the manufactured home or park model is
14 being sold "AS IS".

15 (i) This Section shall not apply to a (i) seller who
16 privately owns his or her manufactured home or park model as
17 his or her main residence and is selling the manufactured home
18 or park model to another individual or to a licensee; (ii) a
19 retailer or entity licensed under either Section 5-101 or
20 5-102 of this Code; or (iii) an individual or entity licensed
21 to sell truck campers, travel trailers, motor homes, or mini
22 motor homes as defined by this Code. Any vehicle not covered by
23 this Section that requires an individual or entity to obtain a
24 license to sell 5 or more vehicles must obtain a license under
25 the relevant provisions of this Code.

26 (j) This Section shall not apply to any person licensed

1 under the Real Estate License Act of 2000.

2 (k) The Secretary of State may adopt any rules necessary
3 to implement this Section.

4 (l) Only a licensed dealer under this Section may use the
5 reassignment portion included on a certificate of title to
6 reassign a vehicle to another licensed dealer under this
7 Chapter.

8 (Source: P.A. 101-407, eff. 8-16-19.)

9 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

10 Sec. 5-102. Used vehicle dealers must be licensed.

11 (a) No person, other than a licensed new vehicle dealer,
12 shall engage in the business of selling or dealing in, on
13 consignment or otherwise, 5 or more used vehicles of any make
14 during the year (except house trailers as authorized by
15 paragraph (j) of this Section and rebuilt salvage vehicles
16 sold by their rebuilders to persons licensed under this
17 Chapter), or act as an intermediary, agent or broker for any
18 licensed dealer or vehicle purchaser (other than as a
19 salesperson) or represent or advertise that he is so engaged
20 or intends to so engage in such business unless licensed to do
21 so by the Secretary of State under the provisions of this
22 Section.

23 (b) An application for a used vehicle dealer's license
24 shall be filed with the Secretary of State, duly verified by
25 oath, in such form as the Secretary of State may by rule or

1 regulation prescribe and shall contain:

2 1. The name and type of business organization
3 established and additional places of business, if any, in
4 this State.

5 2. If the applicant is a corporation, a list of its
6 officers, directors, and shareholders having a ten percent
7 or greater ownership interest in the corporation, setting
8 forth the residence address of each; if the applicant is a
9 sole proprietorship, a partnership, an unincorporated
10 association, a trust, or any similar form of business
11 organization, the names and residence address of the
12 proprietor or of each partner, member, officer, director,
13 trustee or manager.

14 3. A statement that the applicant has been approved
15 for registration under the Retailers' Occupation Tax Act
16 by the Department of Revenue. However, this requirement
17 does not apply to a dealer who is already licensed
18 hereunder with the Secretary of State, and who is merely
19 applying for a renewal of his license. As evidence of this
20 fact, the application shall be accompanied by a
21 certification from the Department of Revenue showing that
22 the Department has approved the applicant for registration
23 under the Retailers' Occupation Tax Act.

24 4. A statement that the applicant has complied with
25 the appropriate liability insurance requirement. A
26 Certificate of Insurance in a solvent company authorized

1 to do business in the State of Illinois shall be included
2 with each application covering each location at which he
3 proposes to act as a used vehicle dealer. The policy must
4 provide liability coverage in the minimum amounts of
5 \$100,000 for bodily injury to, or death of, any person,
6 \$300,000 for bodily injury to, or death of, two or more
7 persons in any one accident, and \$50,000 for damage to
8 property. Such policy shall expire not sooner than
9 December 31 of the year for which the license was issued or
10 renewed. The expiration of the insurance policy shall not
11 terminate the liability under the policy arising during
12 the period for which the policy was filed. Trailer and
13 mobile home dealers are exempt from this requirement.

14 If the permitted user has a liability insurance policy
15 that provides automobile liability insurance coverage of
16 at least \$100,000 for bodily injury to or the death of any
17 person, \$300,000 for bodily injury to or the death of any 2
18 or more persons in any one accident, and \$50,000 for
19 damage to property, then the permitted user's insurer
20 shall be the primary insurer and the dealer's insurer
21 shall be the secondary insurer. If the permitted user does
22 not have a liability insurance policy that provides
23 automobile liability insurance coverage of at least
24 \$100,000 for bodily injury to or the death of any person,
25 \$300,000 for bodily injury to or the death of any 2 or more
26 persons in any one accident, and \$50,000 for damage to

1 property, or does not have any insurance at all, then the
2 dealer's insurer shall be the primary insurer and the
3 permitted user's insurer shall be the secondary insurer.

4 When a permitted user is "test driving" a used vehicle
5 dealer's automobile, the used vehicle dealer's insurance
6 shall be primary and the permitted user's insurance shall
7 be secondary.

8 As used in this paragraph 4, a "permitted user" is a
9 person who, with the permission of the used vehicle dealer
10 or an employee of the used vehicle dealer, drives a
11 vehicle owned and held for sale or lease by the used
12 vehicle dealer which the person is considering to purchase
13 or lease, in order to evaluate the performance,
14 reliability, or condition of the vehicle. The term
15 "permitted user" also includes a person who, with the
16 permission of the used vehicle dealer, drives a vehicle
17 owned or held for sale or lease by the used vehicle dealer
18 for loaner purposes while the user's vehicle is being
19 repaired or evaluated.

20 As used in this paragraph 4, "test driving" occurs
21 when a permitted user who, with the permission of the used
22 vehicle dealer or an employee of the used vehicle dealer,
23 drives a vehicle owned and held for sale or lease by a used
24 vehicle dealer that the person is considering to purchase
25 or lease, in order to evaluate the performance,
26 reliability, or condition of the vehicle.

1 As used in this paragraph 4, "loaner purposes" means
2 when a person who, with the permission of the used vehicle
3 dealer, drives a vehicle owned or held for sale or lease by
4 the used vehicle dealer while the user's vehicle is being
5 repaired or evaluated.

6 5. An application for a used vehicle dealer's license
7 shall be accompanied by the following license fees:

8 (A) \$1,000 for applicant's established place of
9 business, and \$50 for each additional place of
10 business, if any, to which the application pertains;
11 however, if the application is made after June 15 of
12 any year, the license fee shall be \$500 for
13 applicant's established place of business plus \$25 for
14 each additional place of business, if any, to which
15 the application pertains. License fees shall be
16 returnable only in the event that the application is
17 denied by the Secretary of State. Of the money
18 received by the Secretary of State as license fees
19 under this subparagraph (A) for the 2004 licensing
20 year and thereafter, 95% shall be deposited into the
21 General Revenue Fund.

22 (B) Except for dealers selling 25 or fewer
23 automobiles or as provided in subsection (h) of
24 Section 5-102.7 of this Code, an Annual Dealer
25 Recovery Fund Fee in the amount of \$500 for the
26 applicant's established place of business, and \$50 for

1 each additional place of business, if any, to which
2 the application pertains; but if the application is
3 made after June 15 of any year, the fee shall be \$250
4 for the applicant's established place of business plus
5 \$25 for each additional place of business, if any, to
6 which the application pertains. For a license renewal
7 application, the fee shall be based on the amount of
8 automobiles sold in the past year according to the
9 following formula:

10 (1) \$0 for dealers selling 25 or less
11 automobiles;

12 (2) \$150 for dealers selling more than 25 but
13 less than 200 automobiles;

14 (3) \$300 for dealers selling 200 or more
15 automobiles but less than 300 automobiles; and

16 (4) \$500 for dealers selling 300 or more
17 automobiles.

18 License fees shall be returnable only in the event
19 that the application is denied by the Secretary of
20 State. Moneys received under this subparagraph (B)
21 shall be deposited into the Dealer Recovery Trust
22 Fund.

23 6. A statement that the applicant's officers,
24 directors, shareholders having a 10% or greater ownership
25 interest therein, proprietor, partner, member, officer,
26 director, trustee, manager or other principals in the

1 business have not committed in the past 3 years any one
2 violation as determined in any civil, criminal or
3 administrative proceedings of any one of the following
4 Acts:

5 (A) The Anti-Theft Laws of the Illinois Vehicle
6 Code;

7 (B) The Certificate of Title Laws of the Illinois
8 Vehicle Code;

9 (C) The Offenses against Registration and
10 Certificates of Title Laws of the Illinois Vehicle
11 Code;

12 (D) The Dealers, Transporters, Wreckers and
13 Rebuilders Laws of the Illinois Vehicle Code;

14 (E) Section 21-2 of the Illinois Criminal Code of
15 1961 or the Criminal Code of 2012, Criminal Trespass
16 to Vehicles; or

17 (F) The Retailers' Occupation Tax Act.

18 7. A statement that the applicant's officers,
19 directors, shareholders having a 10% or greater ownership
20 interest therein, proprietor, partner, member, officer,
21 director, trustee, manager or other principals in the
22 business have not committed in any calendar year 3 or more
23 violations, as determined in any civil or criminal or
24 administrative proceedings, of any one or more of the
25 following Acts:

26 (A) The Consumer Finance Act;

- 1 (B) The Consumer Installment Loan Act;
- 2 (C) The Retail Installment Sales Act;
- 3 (D) The Motor Vehicle Retail Installment Sales
- 4 Act;
- 5 (E) The Interest Act;
- 6 (F) The Illinois Wage Assignment Act;
- 7 (G) Part 8 of Article XII of the Code of Civil
- 8 Procedure; or
- 9 (H) The Consumer Fraud and Deceptive Business
- 10 Practices Act.

11 7.5. A statement that, within 10 years of application,

12 each officer, director, shareholder having a 10% or

13 greater ownership interest therein, proprietor, partner,

14 member, officer, director, trustee, manager, or other

15 principal in the business of the applicant has not

16 committed, as determined in any civil, criminal, or

17 administrative proceeding, in any calendar year one or

18 more forcible felonies under the Criminal Code of 1961 or

19 the Criminal Code of 2012, or a violation of either or both

20 Article 16 or 17 of the Criminal Code of 1961 or a

21 violation of either or both Article 16 or 17 of the

22 Criminal Code of 2012, Article 29B of the Criminal Code of

23 1961 or the Criminal Code of 2012, or a similar

24 out-of-state offense. For the purposes of this paragraph,

25 "forcible felony" has the meaning provided in Section 2-8

26 of the Criminal Code of 2012.

1 8. A bond or Certificate of Deposit in the amount of
2 \$50,000 for each location at which the applicant intends
3 to act as a used vehicle dealer. The bond shall be for the
4 term of the license, or its renewal, for which application
5 is made, and shall expire not sooner than December 31 of
6 the year for which the license was issued or renewed. The
7 bond shall run to the People of the State of Illinois, with
8 surety by a bonding or insurance company authorized to do
9 business in this State. It shall be conditioned upon the
10 proper transmittal of all title and registration fees and
11 taxes (excluding taxes under the Retailers' Occupation Tax
12 Act) accepted by the applicant as a used vehicle dealer.

13 9. Such other information concerning the business of
14 the applicant as the Secretary of State may by rule or
15 regulation prescribe.

16 10. A statement that the applicant understands Chapter
17 1 through Chapter 5 of this Code.

18 11. A copy of the certification from the prelicensing
19 education program.

20 12. The full name, address, and contact information of
21 each of the dealer's agents or legal representatives who
22 is an Illinois resident and liable for the performance of
23 the dealership.

24 (c) Any change which renders no longer accurate any
25 information contained in any application for a used vehicle
26 dealer's license shall be amended within 30 days after the

1 occurrence of each change on such form as the Secretary of
2 State may prescribe by rule or regulation, accompanied by an
3 amendatory fee of \$2.

4 (d) Anything in this Chapter to the contrary
5 notwithstanding, no person shall be licensed as a used vehicle
6 dealer unless such person maintains an established place of
7 business as defined in this Chapter.

8 (e) The Secretary of State shall, within a reasonable time
9 after receipt, examine an application submitted to him under
10 this Section. Unless the Secretary makes a determination that
11 the application submitted to him does not conform to this
12 Section or that grounds exist for a denial of the application
13 under Section 5-501 of this Chapter, he must grant the
14 applicant an original used vehicle dealer's license in writing
15 for his established place of business and a supplemental
16 license in writing for each additional place of business in
17 such form as he may prescribe by rule or regulation which shall
18 include the following:

19 1. The name of the person licensed;

20 2. If a corporation, the name and address of its
21 officers or if a sole proprietorship, a partnership, an
22 unincorporated association or any similar form of business
23 organization, the name and address of the proprietor or of
24 each partner, member, officer, director, trustee or
25 manager;

26 3. In case of an original license, the established

1 place of business of the licensee;

2 4. In the case of a supplemental license, the
3 established place of business of the licensee and the
4 additional place of business to which such supplemental
5 license pertains;

6 5. The full name, address, and contact information of
7 each of the dealer's agents or legal representatives who
8 is an Illinois resident and liable for the performance of
9 the dealership.

10 (f) The appropriate instrument evidencing the license or a
11 certified copy thereof, provided by the Secretary of State
12 shall be kept posted, conspicuously, in the established place
13 of business of the licensee and in each additional place of
14 business, if any, maintained by such licensee.

15 (g) Except as provided in subsection (h) of this Section,
16 all used vehicle dealer's licenses granted under this Section
17 expire by operation of law on December 31 of the calendar year
18 for which they are granted unless sooner revoked or cancelled
19 under Section 5-501 of this Chapter.

20 (h) A used vehicle dealer's license may be renewed upon
21 application and payment of the fee required herein, and
22 submission of proof of coverage by an approved bond under the
23 "Retailers' Occupation Tax Act" or proof that applicant is not
24 subject to such bonding requirements, as in the case of an
25 original license, but in case an application for the renewal
26 of an effective license is made during the month of December,

1 the effective license shall remain in force until the
2 application for renewal is granted or denied by the Secretary
3 of State.

4 (i) All persons licensed as a used vehicle dealer are
5 required to furnish each purchaser of a motor vehicle:

6 1. A certificate of title properly assigned to the
7 purchaser;

8 2. A statement verified under oath that all
9 identifying numbers on the vehicle agree with those on the
10 certificate of title;

11 3. A bill of sale properly executed on behalf of such
12 person;

13 4. A copy of the Uniform Invoice-transaction reporting
14 return referred to in Section 5-402 of this Chapter;

15 5. In the case of a rebuilt vehicle, a copy of the
16 Disclosure of Rebuilt Vehicle Status; and

17 6. In the case of a vehicle for which the warranty has
18 been reinstated, a copy of the warranty.

19 (j) A real estate broker holding a valid certificate of
20 registration issued pursuant to "The Real Estate Brokers and
21 Salesmen License Act" may engage in the business of selling or
22 dealing in house trailers not his own without being licensed
23 as a used vehicle dealer under this Section; however such
24 broker shall maintain a record of the transaction including
25 the following:

26 (1) the name and address of the buyer and seller,

1 (2) the date of sale,

2 (3) a description of the mobile home, including the
3 vehicle identification number, make, model, and year, and

4 (4) the Illinois certificate of title number.

5 The foregoing records shall be available for inspection by
6 any officer of the Secretary of State's Office at any
7 reasonable hour.

8 (k) Except at the time of sale or repossession of the
9 vehicle, no person licensed as a used vehicle dealer may issue
10 any other person a newly created key to a vehicle unless the
11 used vehicle dealer makes a color photocopy or electronic scan
12 of the driver's license or State identification card of the
13 person requesting or obtaining the newly created key. The used
14 vehicle dealer must retain the photocopy or scan for 30 days.

15 A used vehicle dealer who violates this subsection (k) is
16 guilty of a petty offense. Violation of this subsection (k) is
17 not cause to suspend, revoke, cancel, or deny renewal of the
18 used vehicle dealer's license.

19 (l) Used vehicle dealers licensed under this Section shall
20 provide the Secretary of State a register for the sale at
21 auction of each salvage or junk certificate vehicle. Each
22 register shall include the following information:

23 1. The year, make, model, style and color of the
24 vehicle;

25 2. The vehicle's manufacturer's identification number
26 or, if applicable, the Secretary of State or Illinois

1 Department of State Police identification number;

2 3. The date of acquisition of the vehicle;

3 4. The name and address of the person from whom the
4 vehicle was acquired;

5 5. The name and address of the person to whom any
6 vehicle was disposed, the person's Illinois license number
7 or if the person is an out-of-state salvage vehicle buyer,
8 the license number from the state or jurisdiction where
9 the buyer is licensed; and

10 6. The purchase price of the vehicle.

11 (m) Only a licensed dealer under this Section may use the
12 reassignment portion included on a certificate of title to
13 reassign a vehicle to another licensed dealer under this
14 Chapter.

15 (n) If a licensee under this Section voluntarily
16 surrenders a license to the Illinois Secretary of State Police
17 or a representative of the Secretary of State Vehicle Services
18 Department due to the licensee's inability to adhere to
19 recordkeeping provisions, or the inability to properly issue
20 certificates of title or registrations under this Code, or the
21 Secretary revokes a license under this Section, then the
22 licensee and the licensee's agent, designee, or legal
23 representative, if applicable, may not be named on a new
24 application for a license under this Section or under this
25 Chapter, nor is the licensee or the licensee's agent,
26 designee, or legal representative permitted to work for

1 another licensee under this Chapter in a recordkeeping,
2 management, or financial position or as an employee who
3 handles certificate of title and registration documents and
4 applications.

5 The register shall be submitted to the Secretary of State
6 via written or electronic means within 10 calendar days from
7 the date of the auction.

8 (Source: P.A. 100-450, eff. 1-1-18; 100-956, eff. 1-1-19;
9 101-505, eff. 1-1-20.)

10 (625 ILCS 5/5-102.8)

11 Sec. 5-102.8. Licensure of Buy Here, Pay Here used vehicle
12 dealers.

13 (a) As used in this Section, "Buy Here, Pay Here used
14 vehicle dealer" means any entity that engages in the business
15 of selling or leasing of vehicles and finances the sale or
16 purchase price of the vehicle to a customer without the
17 customer using a third-party lender.

18 (b) No person shall engage in the business of selling or
19 dealing in, on consignment or otherwise, 5 or more used
20 vehicles of any make during the year (except rebuilt salvage
21 vehicles sold by their rebuilders to persons licensed under
22 this Chapter), or act as an intermediary, agent, or broker for
23 any licensed dealer or vehicle purchaser (other than as a
24 salesperson) or represent or advertise that he or she is so
25 engaged or intends to so engage in such business of a Buy Here,

1 Pay Here used vehicle dealer unless licensed to do so by the
2 Secretary of State under the provisions of this Section.

3 (c) An application for a Buy Here, Pay Here used vehicle
4 dealer's license shall be filed with the Secretary of State,
5 duly verified by oath, in such form as the Secretary of State
6 may by rule or regulation prescribe and shall contain:

7 (1) The name and type of business organization
8 established and additional places of business, if any, in
9 this State.

10 (2) If the applicant is a corporation, a list of its
11 officers, directors, and shareholders having a 10% or
12 greater ownership interest in the corporation, setting
13 forth the residence address of each; if the applicant is a
14 sole proprietorship, a partnership, an unincorporated
15 association, a trust, or any similar form of business
16 organization, the names and residence address of the
17 proprietor or of each partner, member, officer, director,
18 trustee, or manager.

19 (3) A statement that the applicant has been approved
20 for registration under the Retailers' Occupation Tax Act
21 by the Department of Revenue. However, this requirement
22 does not apply to a dealer who is already licensed
23 hereunder with the Secretary of State, and who is merely
24 applying for a renewal of his or her license. As evidence
25 of this fact, the application shall be accompanied by a
26 certification from the Department of Revenue showing that

1 the Department has approved the applicant for registration
2 under the Retailers' Occupation Tax Act.

3 (4) A statement that the applicant has complied with
4 the appropriate liability insurance requirement. A
5 Certificate of Insurance in a solvent company authorized
6 to do business in the State of Illinois shall be included
7 with each application covering each location at which he
8 or she proposes to act as a Buy Here, Pay Here used vehicle
9 dealer. The policy must provide liability coverage in the
10 minimum amounts of \$100,000 for bodily injury to, or death
11 of, any person, \$300,000 for bodily injury to, or death
12 of, 2 or more persons in any one accident, and \$50,000 for
13 damage to property. Such policy shall expire not sooner
14 than December 31 of the year for which the license was
15 issued or renewed. The expiration of the insurance policy
16 shall not terminate the liability under the policy arising
17 during the period for which the policy was filed.

18 If the permitted user has a liability insurance policy
19 that provides automobile liability insurance coverage of
20 at least \$100,000 for bodily injury to or the death of any
21 person, \$300,000 for bodily injury to or the death of any 2
22 or more persons in any one accident, and \$50,000 for
23 damage to property, then the permitted user's insurer
24 shall be the primary insurer and the dealer's insurer
25 shall be the secondary insurer. If the permitted user does
26 not have a liability insurance policy that provides

1 automobile liability insurance coverage of at least
2 \$100,000 for bodily injury to or the death of any person,
3 \$300,000 for bodily injury to or the death of any 2 or more
4 persons in any one accident, and \$50,000 for damage to
5 property, or does not have any insurance at all, then the
6 dealer's insurer shall be the primary insurer and the
7 permitted user's insurer shall be the secondary insurer.

8 When a permitted user is "test driving" a Buy Here,
9 Pay Here used vehicle dealer's automobile, the Buy Here,
10 Pay Here used vehicle dealer's insurance shall be primary
11 and the permitted user's insurance shall be secondary.

12 As used in this paragraph, "permitted user" means a
13 person who, with the permission of the Buy Here, Pay Here
14 used vehicle dealer or an employee of the Buy Here, Pay
15 Here used vehicle dealer, drives a vehicle owned and held
16 for sale or lease by the Buy Here, Pay Here used vehicle
17 dealer that the person is considering to purchase or
18 lease, in order to evaluate the performance, reliability,
19 or condition of the vehicle. "Permitted user" includes a
20 person who, with the permission of the Buy Here, Pay Here
21 used vehicle dealer, drives a vehicle owned or held for
22 sale or lease by the Buy Here, Pay Here used vehicle dealer
23 for loaner purposes while the user's vehicle is being
24 repaired or evaluated.

25 As used in this paragraph, "test driving" occurs when
26 a permitted user who, with the permission of the Buy Here,

1 Pay Here used vehicle dealer or an employee of the Buy
2 Here, Pay Here used vehicle dealer, drives a vehicle owned
3 and held for sale or lease by a Buy Here, Pay Here used
4 vehicle dealer that the person is considering to purchase
5 or lease, in order to evaluate the performance,
6 reliability, or condition of the vehicle.

7 As used in this paragraph, "loaner purposes" means
8 when a person who, with the permission of the Buy Here, Pay
9 Here used vehicle dealer, drives a vehicle owned or held
10 for sale or lease by the used vehicle dealer while the
11 user's vehicle is being repaired or evaluated.

12 (5) An application for a Buy Here, Pay Here used
13 vehicle dealer's license shall be accompanied by the
14 following license fees:

15 (A) \$1,000 for the applicant's established place
16 of business, and \$50 for each additional place of
17 business, if any, to which the application pertains;
18 however, if the application is made after June 15 of
19 any year, the license fee shall be \$500 for the
20 applicant's established place of business plus \$25 for
21 each additional place of business, if any, to which
22 the application pertains. License fees shall be
23 returnable only if the application is denied by the
24 Secretary of State. Of the money received by the
25 Secretary of State as license fees under this
26 subparagraph, 95% shall be deposited into the General

1 Revenue Fund.

2 (B) Except for dealers selling 25 or fewer
3 automobiles or as provided in subsection (h) of
4 Section 5-102.7 of this Code, an Annual Dealer
5 Recovery Fund Fee in the amount of \$500 for the
6 applicant's established place of business, and \$50 for
7 each additional place of business, if any, to which
8 the application pertains; but if the application is
9 made after June 15 of any year, the fee shall be \$250
10 for the applicant's established place of business plus
11 \$25 for each additional place of business, if any, to
12 which the application pertains. For a license renewal
13 application, the fee shall be based on the amount of
14 automobiles sold in the past year according to the
15 following formula:

16 (1) \$0 for dealers selling 25 or less
17 automobiles;

18 (2) \$150 for dealers selling more than 25 but
19 less than 200 automobiles;

20 (3) \$300 for dealers selling 200 or more
21 automobiles but less than 300 automobiles; and

22 (4) \$500 for dealers selling 300 or more
23 automobiles.

24 Fees shall be returnable only if the application
25 is denied by the Secretary of State. Money received
26 under this subparagraph shall be deposited into the

1 Dealer Recovery Trust Fund. A Buy Here, Pay Here used
2 vehicle dealer shall pay into the Dealer Recovery
3 Trust Fund for every vehicle that is financed, sold,
4 or otherwise transferred to an individual or entity
5 other than the Buy Here, Pay Here used vehicle dealer
6 even if the individual or entity to which the Buy Here,
7 Pay Here used vehicle dealer transfers the vehicle is
8 unable to continue to adhere to the terms of the
9 transaction by the Buy Here, Pay Here used vehicle
10 dealer.

11 (6) A statement that each officer, director,
12 shareholder having a 10% or greater ownership interest
13 therein, proprietor, partner, member, officer, director,
14 trustee, manager, or other principal in the business of
15 the applicant has not committed in the past 3 years any one
16 violation as determined in any civil, criminal, or
17 administrative proceedings of any one of the following:

18 (A) the Anti-Theft Laws of this Code;

19 (B) the Certificate of Title Laws of this Code;

20 (C) the Offenses against Registration and
21 Certificates of Title Laws of this Code;

22 (D) the Dealers, Transporters, Wreckers and
23 Rebuilders Laws of this Code;

24 (E) Section 21-2 of the Illinois Criminal Code of
25 1961 or the Criminal Code of 2012, Criminal Trespass
26 to Vehicles; or

1 (F) the Retailers' Occupation Tax Act.

2 (7) A statement that each officer, director,
3 shareholder having a 10% or greater ownership interest
4 therein, proprietor, partner, member, officer, director,
5 trustee, manager, or other principal in the business of
6 the applicant has not committed in any calendar year 3 or
7 more violations, as determined in any civil, criminal, or
8 administrative proceedings, of any one or more of the
9 following:

10 (A) the Consumer Finance Act;

11 (B) the Consumer Installment Loan Act;

12 (C) the Retail Installment Sales Act;

13 (D) the Motor Vehicle Retail Installment Sales
14 Act;

15 (E) the Interest Act;

16 (F) the Illinois Wage Assignment Act;

17 (G) Part 8 of Article XII of the Code of Civil
18 Procedure; or

19 (H) the Consumer Fraud and Deceptive Business
20 Practices Act.

21 (8) A statement that, within 10 years of application,
22 each officer, director, shareholder having a 10% or
23 greater ownership interest therein, proprietor, partner,
24 member, officer, director, trustee, manager, or other
25 principal in the business of the applicant has not
26 committed, as determined in any civil, criminal, or

1 administrative proceeding, in any calendar year one or
2 more forcible felonies under the Criminal Code of 1961 or
3 the Criminal Code of 2012, or a violation of either or both
4 Article 16 or 17 of the Criminal Code of 1961, or a
5 violation of either or both Article 16 or 17 of the
6 Criminal Code of 2012, Article 29B of the Criminal Code of
7 1961 or the Criminal Code of 2012, or a similar
8 out-of-state offense. For the purposes of this paragraph,
9 "forcible felony" has the meaning provided in Section 2-8
10 of the Criminal Code of 2012.

11 (9) A bond or Certificate of Deposit in the amount of
12 \$50,000 for each location at which the applicant intends
13 to act as a Buy Here, Pay Here used vehicle dealer. The
14 bond shall be for the term of the license. The bond shall
15 run to the People of the State of Illinois, with surety by
16 a bonding or insurance company authorized to do business
17 in this State. It shall be conditioned upon the proper
18 transmittal of all title and registration fees and taxes
19 (excluding taxes under the Retailers' Occupation Tax Act)
20 accepted by the applicant as a Buy Here, Pay Here used
21 vehicle dealer.

22 (10) Such other information concerning the business of
23 the applicant as the Secretary of State may by rule
24 prescribe.

25 (11) A statement that the applicant understands
26 Chapter 1 through Chapter 5 of this Code.

1 (12) A copy of the certification from the prelicensing
2 education program.

3 (13) The full name, address, and contact information
4 of each of the dealer's agents or legal representatives
5 who is an Illinois resident and liable for the performance
6 of the dealership.

7 (d) Any change that renders no longer accurate any
8 information contained in any application for a Buy Here, Pay
9 Here used vehicle dealer's license shall be amended within 30
10 days after the occurrence of each change on such form as the
11 Secretary of State may prescribe by rule, accompanied by an
12 amendatory fee of \$2.

13 (e) Anything in this Chapter to the contrary
14 notwithstanding, no person shall be licensed as a Buy Here,
15 Pay Here used vehicle dealer unless the person maintains an
16 established place of business as defined in this Chapter.

17 (f) The Secretary of State shall, within a reasonable time
18 after receipt, examine an application submitted under this
19 Section. Unless the Secretary makes a determination that the
20 application does not conform to this Section or that grounds
21 exist for a denial of the application under Section 5-501 of
22 this Chapter, the Secretary must grant the applicant an
23 original Buy Here, Pay Here used vehicle dealer's license in
24 writing for his or her established place of business and a
25 supplemental license in writing for each additional place of
26 business in such form as the Secretary may prescribe by rule

1 that shall include the following:

2 (1) The name of the person licensed.

3 (2) If a corporation, the name and address of its
4 officers or if a sole proprietorship, a partnership, an
5 unincorporated association, or any similar form of
6 business organization, the name and address of the
7 proprietor or of each partner, member, officer, director,
8 trustee, or manager.

9 (3) In the case of an original license, the
10 established place of business of the licensee.

11 (4) In the case of a supplemental license, the
12 established place of business of the licensee and the
13 additional place of business to which the supplemental
14 license pertains.

15 (5) The full name, address, and contact information of
16 each of the dealer's agents or legal representatives who
17 is an Illinois resident and liable for the performance of
18 the dealership.

19 (g) The appropriate instrument evidencing the license or a
20 certified copy thereof, provided by the Secretary of State
21 shall be kept posted, conspicuously, in the established place
22 of business of the licensee and in each additional place of
23 business, if any, maintained by the licensee.

24 (h) Except as provided in subsection (i), all Buy Here,
25 Pay Here used vehicle dealer's licenses granted under this
26 Section expire by operation of law on December 31 of the

1 calendar year for which they are granted unless sooner revoked
2 or cancelled under Section 5-501 of this Chapter.

3 (i) A Buy Here, Pay Here used vehicle dealer's license may
4 be renewed upon application and payment of the fee required
5 herein, and submission of proof of coverage by an approved
6 bond under the Retailers' Occupation Tax Act or proof that the
7 applicant is not subject to such bonding requirements, as in
8 the case of an original license, but in the case of an
9 application for the renewal of an effective license made
10 during the month of December, the effective license shall
11 remain in force until the application for renewal is granted
12 or denied by the Secretary of State.

13 (j) Each person licensed as a Buy Here, Pay Here used
14 vehicle dealer is required to furnish each purchaser of a
15 motor vehicle:

16 (1) a certificate of title properly assigned to the
17 purchaser;

18 (2) a statement verified under oath that all
19 identifying numbers on the vehicle agree with those on the
20 certificate of title;

21 (3) a bill of sale properly executed on behalf of the
22 person;

23 (4) a copy of the Uniform Invoice-transaction
24 reporting return referred to in Section 5-402;

25 (5) in the case of a rebuilt vehicle, a copy of the
26 Disclosure of Rebuilt Vehicle Status; and

1 (6) in the case of a vehicle for which the warranty has
2 been reinstated, a copy of the warranty.

3 (k) Except at the time of sale or repossession of the
4 vehicle, no person licensed as a Buy Here, Pay Here used
5 vehicle dealer may issue any other person a newly created key
6 to a vehicle unless the Buy Here, Pay Here used vehicle dealer
7 makes a color photocopy or electronic scan of the driver's
8 license or State identification card of the person requesting
9 or obtaining the newly created key. The Buy Here, Pay Here used
10 vehicle dealer must retain the photocopy or scan for 30 days.

11 A Buy Here, Pay Here used vehicle dealer who violates this
12 subsection (k) is guilty of a petty offense. Violation of this
13 subsection (k) is not cause to suspend, revoke, cancel, or
14 deny renewal of the used vehicle dealer's license.

15 (1) A Buy Here, Pay Here used vehicle dealer licensed
16 under this Section shall provide the Secretary of State a
17 register for the sale at auction of each salvage or junk
18 certificate vehicle. Each register shall include the following
19 information:

20 (1) the year, make, model, style, and color of the
21 vehicle;

22 (2) the vehicle's manufacturer's identification number
23 or, if applicable, the Secretary of State or Illinois
24 Department of State Police identification number;

25 (3) the date of acquisition of the vehicle;

26 (4) the name and address of the person from whom the

1 vehicle was acquired;

2 (5) the name and address of the person to whom any
3 vehicle was disposed, the person's Illinois license number
4 or, if the person is an out-of-state salvage vehicle
5 buyer, the license number from the state or jurisdiction
6 where the buyer is licensed; and

7 (6) the purchase price of the vehicle.

8 (m) Only a licensed dealer under this Section may use the
9 reassignment portion included on a certificate of title to
10 reassign a vehicle to another licensed dealer under this
11 Chapter.

12 (n) If a licensee under this Section voluntarily
13 surrenders a license to the Illinois Secretary of State Police
14 or a representative of the Secretary of State Vehicle Services
15 Department due to the licensee's inability to adhere to
16 recordkeeping provisions, or the inability to properly issue
17 certificates of title or registrations under this Code, or the
18 Secretary revokes a license under this Section, then the
19 licensee and the licensee's agent, designee, or legal
20 representative, if applicable, may not be named on a new
21 application for a licensee under this Section or under this
22 Chapter, nor is the licensee or the licensee's agent,
23 designee, or legal representative permitted to work for
24 another licensee under this Chapter in a recordkeeping,
25 management, or financial position or as an employee who
26 handles certificate of title and registration documents and

1 applications.

2 The register shall be submitted to the Secretary of State
3 via written or electronic means within 10 calendar days from
4 the date of the auction.

5 (Source: P.A. 101-505, eff. 1-1-20.)

6 (625 ILCS 5/5-301) (from Ch. 95 1/2, par. 5-301)

7 Sec. 5-301. Automotive parts recyclers, scrap processors,
8 repairers and rebuilders must be licensed.

9 (a) No person in this State shall, except as an incident to
10 the servicing of vehicles, carry on or conduct the business of
11 an automotive parts recycler, a scrap processor, a repairer,
12 or a rebuilder, unless licensed to do so in writing by the
13 Secretary of State under this Section. No person shall rebuild
14 a salvage vehicle unless such person is licensed as a
15 rebuilder by the Secretary of State under this Section. No
16 person shall engage in the business of acquiring 5 or more
17 previously owned vehicles in one calendar year for the primary
18 purpose of disposing of those vehicles in the manner described
19 in the definition of a "scrap processor" in this Code unless
20 the person is licensed as an automotive parts recycler by the
21 Secretary of State under this Section. No person shall engage
22 in the act of dismantling, crushing, or altering a vehicle
23 into another form using machinery or equipment unless licensed
24 to do so and only from the fixed location identified on the
25 license issued by the Secretary. Each license shall be applied

1 for and issued separately, except that a license issued to a
2 new vehicle dealer under Section 5-101 of this Code shall also
3 be deemed to be a repairer license.

4 (b) Any application filed with the Secretary of State,
5 shall be duly verified by oath, in such form as the Secretary
6 of State may by rule or regulation prescribe and shall
7 contain:

8 1. The name and type of business organization of the
9 applicant and his principal or additional places of
10 business, if any, in this State.

11 2. The kind or kinds of business enumerated in
12 subsection (a) of this Section to be conducted at each
13 location.

14 3. If the applicant is a corporation, a list of its
15 officers, directors, and shareholders having a ten percent
16 or greater ownership interest in the corporation, setting
17 forth the residence address of each; if the applicant is a
18 sole proprietorship, a partnership, an unincorporated
19 association, a trust, or any similar form of business
20 organization, the names and residence address of the
21 proprietor or of each partner, member, officer, director,
22 trustee or manager.

23 4. A statement that the applicant's officers,
24 directors, shareholders having a ten percent or greater
25 ownership interest therein, proprietor, partner, member,
26 officer, director, trustee, manager, or other principals

1 in the business have not committed in the past three years
2 any one violation as determined in any civil or criminal
3 or administrative proceedings of any one of the following
4 Acts:

5 (a) the Anti-Theft Laws of the Illinois Vehicle
6 Code;

7 (b) the "Certificate of Title Laws" of the
8 Illinois Vehicle Code;

9 (c) the "Offenses against Registration and
10 Certificates of Title Laws" of the Illinois Vehicle
11 Code;

12 (d) the "Dealers, Transporters, Wreckers and
13 Rebuilders Laws" of the Illinois Vehicle Code;

14 (e) Section 21-2 of the Criminal Code of 1961 or
15 the Criminal Code of 2012, Criminal Trespass to
16 Vehicles; or

17 (f) the Retailers Occupation Tax Act.

18 5. A statement that the applicant's officers,
19 directors, shareholders having a ten percent or greater
20 ownership interest therein, proprietor, partner, member,
21 officer, director, trustee, manager or other principals in
22 the business have not committed in any calendar year 3 or
23 more violations, as determined in any civil or criminal or
24 administrative proceedings, of any one or more of the
25 following Acts:

26 (a) the Consumer Finance Act;

- 1 (b) the Consumer Installment Loan Act;
- 2 (c) the Retail Installment Sales Act;
- 3 (d) the Motor Vehicle Retail Installment Sales
- 4 Act;
- 5 (e) the Interest Act;
- 6 (f) the Illinois Wage Assignment Act;
- 7 (g) Part 8 of Article XII of the Code of Civil
- 8 Procedure; or
- 9 (h) the Consumer Fraud Act.

10 6. An application for a license shall be accompanied

11 by the following fees: \$50 for applicant's established

12 place of business; \$25 for each additional place of

13 business, if any, to which the application pertains;

14 provided, however, that if such an application is made

15 after June 15 of any year, the license fee shall be \$25 for

16 applicant's established place of business plus \$12.50 for

17 each additional place of business, if any, to which the

18 application pertains. License fees shall be returnable

19 only in the event that such application shall be denied by

20 the Secretary of State.

21 7. A statement that the applicant understands Chapter

22 1 through Chapter 5 of this Code.

23 8. A statement that the applicant shall comply with

24 subsection (e) of this Section.

25 9. A statement indicating if the applicant, including

26 any of the applicant's affiliates or predecessor

1 corporations, has been subject to the revocation or
2 nonrenewal of a business license by a municipality under
3 Section 5-501.5 of this Code.

4 10. The applicant's National Motor Vehicle Title
5 Information System number and a statement of compliance if
6 applicable.

7 11. The full name, address, and contact information of
8 each of the dealer's agents or legal representatives who
9 is an Illinois resident and liable for the performance of
10 the dealership.

11 (c) Any change which renders no longer accurate any
12 information contained in any application for a license filed
13 with the Secretary of State shall be amended within 30 days
14 after the occurrence of such change on such form as the
15 Secretary of State may prescribe by rule or regulation,
16 accompanied by an amendatory fee of \$2.

17 (d) Anything in this Chapter to the contrary,
18 notwithstanding, no person shall be licensed under this
19 Section unless such person shall maintain an established place
20 of business as defined in this Chapter.

21 (e) The Secretary of State shall within a reasonable time
22 after receipt thereof, examine an application submitted to him
23 under this Section and unless he makes a determination that
24 the application submitted to him does not conform with the
25 requirements of this Section or that grounds exist for a
26 denial of the application, as prescribed in Section 5-501 of

1 this Chapter, grant the applicant an original license as
2 applied for in writing for his established place of business
3 and a supplemental license in writing for each additional
4 place of business in such form as he may prescribe by rule or
5 regulation which shall include the following:

6 1. the name of the person licensed;

7 2. if a corporation, the name and address of its
8 officers or if a sole proprietorship, a partnership, an
9 unincorporated association or any similar form of business
10 organization, the name and address of the proprietor or of
11 each partner, member, officer, director, trustee or
12 manager;

13 3. a designation of the kind or kinds of business
14 enumerated in subsection (a) of this Section to be
15 conducted at each location;

16 4. in the case of an original license, the established
17 place of business of the licensee;

18 5. in the case of a supplemental license, the
19 established place of business of the licensee and the
20 additional place of business to which such supplemental
21 license pertains;

22 6. the full name, address, and contact information of
23 each of the dealer's agents or legal representatives who
24 is an Illinois resident and liable for the performance of
25 the dealership.

26 (f) The appropriate instrument evidencing the license or a

1 certified copy thereof, provided by the Secretary of State
2 shall be kept, posted, conspicuously in the established place
3 of business of the licensee and in each additional place of
4 business, if any, maintained by such licensee. The licensee
5 also shall post conspicuously in the established place of
6 business and in each additional place of business a notice
7 which states that such business is required to be licensed by
8 the Secretary of State under Section 5-301, and which provides
9 the license number of the business and the license expiration
10 date. This notice also shall advise the consumer that any
11 complaints as to the quality of service may be brought to the
12 attention of the Attorney General. The information required on
13 this notice also shall be printed conspicuously on all
14 estimates and receipts for work by the licensee subject to
15 this Section. The Secretary of State shall prescribe the
16 specific format of this notice.

17 (g) Except as provided in subsection (h) hereof, licenses
18 granted under this Section shall expire by operation of law on
19 December 31 of the calendar year for which they are granted
20 unless sooner revoked, nonrenewed, or cancelled under the
21 provisions of Section 5-501 or 5-501.5 of this Chapter.

22 (h) Any license granted under this Section may be renewed
23 upon application and payment of the fee required herein as in
24 the case of an original license, provided, however, that in
25 case an application for the renewal of an effective license is
26 made during the month of December, such effective license

1 shall remain in force until such application is granted or
2 denied by the Secretary of State.

3 (i) All automotive repairers and rebuilders shall, in
4 addition to the requirements of subsections (a) through (h) of
5 this Section, meet the following licensing requirements:

6 1. provide proof that the property on which first time
7 applicants plan to do business is in compliance with local
8 zoning laws and regulations, and a listing of zoning
9 classification;

10 2. provide proof that the applicant for a repairer's
11 license complies with the proper workers' compensation
12 rate code or classification, and listing the code of
13 classification for that industry;

14 3. provide proof that the applicant for a rebuilder's
15 license complies with the proper workers' compensation
16 rate code or classification for the repair industry or the
17 auto parts recycling industry and listing the code of
18 classification;

19 4. provide proof that the applicant has obtained or
20 applied for a hazardous waste generator number, and
21 listing the actual number if available or certificate of
22 exemption;

23 5. provide proof that applicant has proper liability
24 insurance, and listing the name of the insurer and the
25 policy number; and

26 6. provide proof that the applicant has obtained or

1 applied for the proper State sales tax classification and
2 federal identification tax number, and listing the actual
3 numbers if available.

4 (i-1) All automotive repairers shall provide proof that
5 they comply with all requirements of the Automotive Collision
6 Repair Act.

7 (j) All automotive parts recyclers shall, in addition to
8 the requirements of subsections (a) through (h) of this
9 Section, meet the following licensing requirements:

10 1. provide a statement that the applicant purchases 5
11 vehicles per year or has 5 hulks or chassis in stock;

12 2. provide proof that the property on which all first
13 time applicants will do business does comply to the proper
14 local zoning laws in existence, and a listing of zoning
15 classifications;

16 3. provide proof that applicant complies with the
17 proper workers' compensation rate code or classification,
18 and listing the code of classification; and

19 4. provide proof that applicant has obtained or
20 applied for the proper State sales tax classification and
21 federal identification tax number, and listing the actual
22 numbers if available.

23 (Source: P.A. 100-409, eff. 8-25-17; 101-572, eff. 8-23-19.)

24 (625 ILCS 5/5-505 new)

25 Sec. 5-505. License suspension or revocation; penalty. The

1 Secretary shall suspend the license of any licensee under this
2 Chapter who permits an individual who is not an authorized
3 agent or employee of the licensee to use the license of the
4 licensee to purchase a vehicle from an auction. The suspension
5 shall be for a period of no less than 30 days for the first
6 violation. Upon a second or subsequent violation, the
7 Secretary shall revoke the license of the licensee.

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