

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 3-114, 3-117.1, and 3-301 as follows:

6 (625 ILCS 5/3-114) (from Ch. 95 1/2, par. 3-114)

7 Sec. 3-114. Transfer by operation of law.

8 (a) If the interest of an owner in a vehicle passes to
9 another other than by voluntary transfer, the transferee
10 shall, except as provided in paragraph (b), promptly mail or
11 deliver within 20 days to the Secretary of State the last
12 certificate of title, if available, proof of the transfer, and
13 his application for a new certificate in the form the
14 Secretary of State prescribes. It shall be unlawful for any
15 person having possession of a certificate of title for a motor
16 vehicle, semi-trailer, or house car by reason of his having a
17 lien or encumbrance on such vehicle, to fail or refuse to
18 deliver such certificate to the owner, upon the satisfaction
19 or discharge of the lien or encumbrance, indicated upon such
20 certificate of title.

21 (b) If the interest of an owner in a vehicle passes to
22 another under the provisions of the Small Estates provisions
23 of the Probate Act of 1975 the transferee shall promptly mail

1 or deliver to the Secretary of State, within 120 days, the last
2 certificate of title, if available, the documentation required
3 under the provisions of the Probate Act of 1975, and an
4 application for certificate of title. The Small Estate
5 Affidavit form shall be furnished by the Secretary of State.
6 The transfer may be to the transferee or to the nominee of the
7 transferee.

8 (c) If the interest of an owner in a vehicle passes to
9 another under other provisions of the Probate Act of 1975, as
10 amended, and the transfer is made by a representative or
11 guardian, such transferee shall promptly mail or deliver to
12 the Secretary of State, the last certificate of title, if
13 available, and a certified copy of the letters of office or
14 guardianship, and an application for certificate of title.
15 Such application shall be made before the estate is closed.
16 The transfer may be to the transferee or to the nominee of the
17 transferee.

18 (d) If the interest of an owner in joint tenancy passes to
19 the other joint tenant with survivorship rights as provided by
20 law, the transferee shall promptly mail or deliver to the
21 Secretary of State, the last certificate of title, if
22 available, proof of death of the one joint tenant and
23 survivorship of the surviving joint tenant, and an application
24 for certificate of title. Such application shall be made
25 within 120 days after the death of the joint tenant. The
26 transfer may be to the transferee or to the nominee of the

1 transferee.

2 (d-5) If the interest of an owner passes to the owner's
3 spouse or if the spouse otherwise acquires ownership of the
4 vehicle, then the transferee shall promptly mail or deliver to
5 the Secretary of State, proof of (i) the owner's death; (ii)
6 the transfer or acquisition of ownership; and (iii) proof of
7 the marital relationship between the owner and the transferee,
8 along with the last certificate of title, if available, and an
9 application for certificate of title along with the
10 appropriate fees and taxes, if applicable. The application
11 shall be made within 180 days after the death of the owner.

12 (e) The Secretary of State shall transfer a decedent's
13 vehicle title to any legatee, representative or heir of the
14 decedent who submits to the Secretary a death certificate and
15 an affidavit by an attorney at law on the letterhead
16 stationery of the attorney at law stating the facts of the
17 transfer.

18 (f) Repossession with assignment of title. In all cases
19 wherein a lienholder has repossessed a vehicle by other than
20 judicial process and holds it for resale under a security
21 agreement, and the owner of record has executed an assignment
22 of the existing certificate of title after default, the
23 lienholder may proceed to sell or otherwise dispose of the
24 vehicle as authorized under the Uniform Commercial Code. Upon
25 selling the vehicle to another person, the lienholder need not
26 send the certificate of title to the Secretary of State, but

1 shall promptly and within 20 days mail or deliver to the
2 purchaser as transferee the existing certificate of title for
3 the repossessed vehicle, reflecting the release of the
4 lienholder's security interest in the vehicle. The application
5 for a certificate of title made by the purchaser shall comply
6 with subsection (a) of Section 3-104 and be accompanied by the
7 existing certificate of title for the repossessed vehicle. The
8 lienholder shall execute the assignment and warranty of title
9 showing the name and address of the purchaser in the spaces
10 provided therefor on the certificate of title or as the
11 Secretary of State prescribes. The lienholder shall complete
12 the assignment of title in the certificate of title to reflect
13 the transfer of the vehicle to the lienholder and also a
14 reassignment to reflect the transfer from the lienholder to
15 the purchaser. For this purpose, the lienholder is
16 specifically authorized to complete and execute the space
17 reserved in the certificate of title for a dealer
18 reassignment, notwithstanding that the lienholder is not a
19 licensed dealer. Nothing herein shall be construed to mean
20 that the lienholder is taking title to the repossessed vehicle
21 for purposes of liability for retailer occupation, vehicle
22 use, or other tax with respect to the proceeds from the
23 repossession sale. Delivery of the existing certificate of
24 title to the purchaser shall be deemed disclosure to the
25 purchaser of the owner of the vehicle.

26 (f-5) Repossession without assignment of title. Subject to

1 subsection (f-30), in all cases wherein a lienholder has
2 repossessed a vehicle by other than judicial process and holds
3 it for resale under a security agreement, and the owner of
4 record has not executed an assignment of the existing
5 certificate of title, the lienholder shall comply with the
6 following provisions:

7 (1) Prior to sale, the lienholder shall deliver or
8 mail to the owner at the owner's last known address and to
9 any other lienholder of record, a notice of redemption
10 setting forth the following information: (i) the name of
11 the owner of record and in bold type at or near the top of
12 the notice a statement that the owner's vehicle was
13 repossessed on a specified date for failure to make
14 payments on the loan (or other reason), (ii) a description
15 of the vehicle subject to the lien sufficient to identify
16 it, (iii) the right of the owner to redeem the vehicle,
17 (iv) the lienholder's intent to sell or otherwise dispose
18 of the vehicle after the expiration of 21 days from the
19 date of mailing or delivery of the notice, and (v) the
20 name, address, and telephone number of the lienholder from
21 whom information may be obtained concerning the amount due
22 to redeem the vehicle and from whom the vehicle may be
23 redeemed under Section 9-623 of the Uniform Commercial
24 Code. At the lienholder's option, the information required
25 to be set forth in this notice of redemption may be made a
26 part of or accompany the notification of sale or other

1 disposition required under Section 9-611 of the Uniform
2 Commercial Code, but none of the information required by
3 this notice shall be construed to impose any requirement
4 under Article 9 of the Uniform Commercial Code.

5 (2) With respect to the repossession of a vehicle used
6 primarily for personal, family, or household purposes, the
7 lienholder shall also deliver or mail to the owner at the
8 owner's last known address an affidavit of defense. The
9 affidavit of defense shall accompany the notice of
10 redemption required in subdivision (f-5)(1) of this
11 Section. The affidavit of defense shall (i) identify the
12 lienholder, owner, and the vehicle; (ii) provide space for
13 the owner to state the defense claimed by the owner; and
14 (iii) include an acknowledgment by the owner that the
15 owner may be liable to the lienholder for fees, charges,
16 and costs incurred by the lienholder in establishing the
17 insufficiency or invalidity of the owner's defense. To
18 stop the transfer of title, the affidavit of defense must
19 be received by the lienholder no later than 21 days after
20 the date of mailing or delivery of the notice required in
21 subdivision (f-5)(1) of this Section. If the lienholder
22 receives the affidavit from the owner in a timely manner,
23 the lienholder must apply to a court of competent
24 jurisdiction to determine if the lienholder is entitled to
25 possession of the vehicle.

26 (3) Upon selling the vehicle to another person, the

1 lienholder need not send the certificate of title to the
2 Secretary of State, but shall promptly and within 20 days
3 mail or deliver to the purchaser as transferee (i) the
4 existing certificate of title for the repossessed vehicle,
5 reflecting the release of the lienholder's security
6 interest in the vehicle; and (ii) an affidavit of
7 repossession made by or on behalf of the lienholder which
8 provides the following information: that the vehicle was
9 repossessed, a description of the vehicle sufficient to
10 identify it, whether the vehicle has been damaged in
11 excess of 50% ~~33 1/3%~~ of its fair market value as required
12 under subdivision (b)(3) of Section 3-117.1, that the
13 owner and any other lienholder of record were given the
14 notice required in subdivision (f-5)(1) of this Section,
15 that the owner of record was given the affidavit of
16 defense required in subdivision (f-5)(2) of this Section,
17 that the interest of the owner was lawfully terminated or
18 sold pursuant to the terms of the security agreement, and
19 the purchaser's name and address. If the vehicle is
20 damaged in excess of 50% ~~33 1/3%~~ of its fair market value,
21 the lienholder shall make application for a salvage
22 certificate under Section 3-117.1 and transfer the vehicle
23 to a person eligible to receive assignments of salvage
24 certificates identified in Section 3-118.

25 (4) The application for a certificate of title made by
26 the purchaser shall comply with subsection (a) of Section

1 3-104 and be accompanied by the affidavit of repossession
2 furnished by the lienholder and the existing certificate
3 of title for the repossessed vehicle. The lienholder shall
4 execute the assignment and warranty of title showing the
5 name and address of the purchaser in the spaces provided
6 therefor on the certificate of title or as the Secretary
7 of State prescribes. The lienholder shall complete the
8 assignment of title in the certificate of title to reflect
9 the transfer of the vehicle to the lienholder and also a
10 reassignment to reflect the transfer from the lienholder
11 to the purchaser. For this purpose, the lienholder is
12 specifically authorized to execute the assignment on
13 behalf of the owner as seller if the owner has not done so
14 and to complete and execute the space reserved in the
15 certificate of title for a dealer reassignment,
16 notwithstanding that the lienholder is not a licensed
17 dealer. Nothing herein shall be construed to mean that the
18 lienholder is taking title to the repossessed vehicle for
19 purposes of liability for retailer occupation, vehicle
20 use, or other tax with respect to the proceeds from the
21 repossession sale. Delivery of the existing certificate of
22 title to the purchaser shall be deemed disclosure to the
23 purchaser of the owner of the vehicle. In the event the
24 lienholder does not hold the certificate of title for the
25 repossessed vehicle, the lienholder shall make application
26 for and may obtain a new certificate of title in the name

1 of the lienholder upon furnishing information satisfactory
2 to the Secretary of State. Upon receiving the new
3 certificate of title, the lienholder may proceed with the
4 sale described in subdivision (f-5)(3), except that upon
5 selling the vehicle the lienholder shall promptly and
6 within 20 days mail or deliver to the purchaser the new
7 certificate of title reflecting the assignment and
8 transfer of title to the purchaser.

9 (5) Neither the lienholder nor the owner shall file
10 with the Office of the Secretary of State the notice of
11 redemption or affidavit of defense described in
12 subdivisions (f-5)(1) and (f-5)(2) of this Section. The
13 Office of the Secretary of State shall not determine the
14 merits of an owner's affidavit of defense, nor consider
15 any allegations or assertions regarding the validity or
16 invalidity of a lienholder's claim to the vehicle or an
17 owner's asserted defenses to the repossession action.

18 (f-7) Notice of reinstatement in certain cases.

19 (1) Subject to subsection (f-30), if, at the time of
20 repossession by a lienholder that is seeking to transfer
21 title pursuant to subsection (f-5), the owner has paid an
22 amount equal to 30% or more of the deferred payment price
23 or total of payments due, the owner may, within 21 days of
24 the date of repossession, reinstate the contract or loan
25 agreement and recover the vehicle from the lienholder by
26 tendering in a lump sum (i) the total of all unpaid

1 amounts, including any unpaid delinquency or deferral
2 charges due at the date of reinstatement, without
3 acceleration; and (ii) performance necessary to cure any
4 default other than nonpayment of the amounts due; and
5 (iii) all reasonable costs and fees incurred by the
6 lienholder in retaking, holding, and preparing the vehicle
7 for disposition and in arranging for the sale of the
8 vehicle. Reasonable costs and fees incurred by the
9 lienholder include without limitation repossession and
10 storage expenses and, if authorized by the contract or
11 loan agreement, reasonable attorneys' fees and collection
12 agency charges.

13 (2) Tender of payment and performance pursuant to this
14 limited right of reinstatement restores to the owner his
15 rights under the contract or loan agreement as though no
16 default had occurred. The owner has the right to reinstate
17 the contract or loan agreement and recover the vehicle
18 from the lienholder only once under this subsection. The
19 lienholder may, in the lienholder's sole discretion,
20 extend the period during which the owner may reinstate the
21 contract or loan agreement and recover the vehicle beyond
22 the 21 days allowed under this subsection, and the
23 extension shall not subject the lienholder to liability to
24 the owner under the laws of this State.

25 (3) The lienholder shall deliver or mail written
26 notice to the owner at the owner's last known address,

1 within 3 business days of the date of repossession, of the
2 owner's right to reinstate the contract or loan agreement
3 and recover the vehicle pursuant to the limited right of
4 reinstatement described in this subsection. At the
5 lienholder's option, the information required to be set
6 forth in this notice of reinstatement may be made part of
7 or accompany the notice of redemption required in
8 subdivision (f-5)(1) of this Section and the notification
9 of sale or other disposition required under Section 9-611
10 of the Uniform Commercial Code, but none of the
11 information required by this notice of reinstatement shall
12 be construed to impose any requirement under Article 9 of
13 the Uniform Commercial Code.

14 (4) The reinstatement period, if applicable, and the
15 redemption period described in subdivision (f-5)(1) of
16 this Section, shall run concurrently if the information
17 required to be set forth in the notice of reinstatement is
18 part of or accompanies the notice of redemption. In any
19 event, the 21 day redemption period described in
20 subdivision (f-5)(1) of this Section shall commence on the
21 date of mailing or delivery to the owner of the
22 information required to be set forth in the notice of
23 redemption, and the 21 day reinstatement period described
24 in this subdivision, if applicable, shall commence on the
25 date of mailing or delivery to the owner of the
26 information required to be set forth in the notice of

1 reinstatement.

2 (5) The Office of the Secretary of State shall not
3 determine the merits of an owner's claim of right to
4 reinstatement, nor consider any allegations or assertions
5 regarding the validity or invalidity of a lienholder's
6 claim to the vehicle or an owner's asserted right to
7 reinstatement. Where a lienholder is subject to licensing
8 and regulatory supervision by the State of Illinois, the
9 lienholder shall be subject to all of the powers and
10 authority of the lienholder's primary State regulator to
11 enforce compliance with the procedures set forth in this
12 subsection (f-7).

13 (f-10) Repossession by judicial process. In all cases
14 wherein a lienholder has repossessed a vehicle by judicial
15 process and holds it for resale under a security agreement,
16 order for replevin, or other court order establishing the
17 lienholder's right to possession of the vehicle, the
18 lienholder may proceed to sell or otherwise dispose of the
19 vehicle as authorized under the Uniform Commercial Code or the
20 court order. Upon selling the vehicle to another person, the
21 lienholder need not send the certificate of title to the
22 Secretary of State, but shall promptly and within 20 days mail
23 or deliver to the purchaser as transferee (i) the existing
24 certificate of title for the repossessed vehicle reflecting
25 the release of the lienholder's security interest in the
26 vehicle; (ii) a certified copy of the court order; and (iii) a

1 bill of sale identifying the new owner's name and address and
2 the year, make, model, and vehicle identification number of
3 the vehicle. The application for a certificate of title made
4 by the purchaser shall comply with subsection (a) of Section
5 3-104 and be accompanied by the certified copy of the court
6 order furnished by the lienholder and the existing certificate
7 of title for the repossessed vehicle. The lienholder shall
8 execute the assignment and warranty of title showing the name
9 and address of the purchaser in the spaces provided therefor
10 on the certificate of title or as the Secretary of State
11 prescribes. The lienholder shall complete the assignment of
12 title in the certificate of title to reflect the transfer of
13 the vehicle to the lienholder and also a reassignment to
14 reflect the transfer from the lienholder to the purchaser. For
15 this purpose, the lienholder is specifically authorized to
16 execute the assignment on behalf of the owner as seller if the
17 owner has not done so and to complete and execute the space
18 reserved in the certificate of title for a dealer
19 reassignment, notwithstanding that the lienholder is not a
20 licensed dealer. Nothing herein shall be construed to mean
21 that the lienholder is taking title to the repossessed vehicle
22 for purposes of liability for retailer occupation, vehicle
23 use, or other tax with respect to the proceeds from the
24 repossession sale. Delivery of the existing certificate of
25 title to the purchaser shall be deemed disclosure to the
26 purchaser of the owner of the vehicle. In the event the

1 lienholder does not hold the certificate of title for the
2 repossessed vehicle, the lienholder shall make application for
3 and may obtain a new certificate of title in the name of the
4 lienholder upon furnishing information satisfactory to the
5 Secretary of State. Upon receiving the new certificate of
6 title, the lienholder may proceed with the sale described in
7 this subsection, except that upon selling the vehicle the
8 lienholder shall promptly and within 20 days mail or deliver
9 to the purchaser the new certificate of title reflecting the
10 assignment and transfer of title to the purchaser.

11 (f-15) The Secretary of State shall not issue a
12 certificate of title to a purchaser under subsection (f),
13 (f-5), or (f-10) of this Section, unless the person from whom
14 the vehicle has been repossessed by the lienholder is shown to
15 be the last registered owner of the motor vehicle. The
16 Secretary of State may provide by rule for the standards to be
17 followed by a lienholder in assigning and transferring
18 certificates of title with respect to repossessed vehicles.

19 (f-20) If applying for a salvage certificate or a junking
20 certificate, the lienholder shall within 20 days make an
21 application to the Secretary of State for a salvage
22 certificate or a junking certificate, as set forth in this
23 Code. The Secretary of State shall not issue a salvage
24 certificate or a junking certificate to such lienholder unless
25 the person from whom such vehicle has been repossessed is
26 shown to be the last registered owner of such motor vehicle and

1 such lienholder establishes to the satisfaction of the
2 Secretary of State that he is entitled to such salvage
3 certificate or junking certificate. The Secretary of State may
4 provide by rule for the standards to be followed by a
5 lienholder in order to obtain a salvage certificate or junking
6 certificate for a repossessed vehicle.

7 (f-25) If the interest of an owner in a mobile home, as
8 defined in the Mobile Home Local Services Tax Act, passes to
9 another under the provisions of the Mobile Home Local Services
10 Tax Enforcement Act, the transferee shall promptly mail or
11 deliver to the Secretary of State (i) the last certificate of
12 title, if available, (ii) a certified copy of the court order
13 ordering the transfer of title, and (iii) an application for
14 certificate of title.

15 (f-30) Bankruptcy. If the repossessed vehicle is the
16 subject of a bankruptcy proceeding or discharge:

17 (1) the lienholder may proceed to sell or otherwise
18 dispose of the vehicle as authorized by the Bankruptcy
19 Code and the Uniform Commercial Code;

20 (2) the notice of redemption, affidavit of defense,
21 and notice of reinstatement otherwise required to be sent
22 by the lienholder to the owner of record or other
23 lienholder of record under this Section are not required
24 to be delivered or mailed;

25 (3) the requirement to delay disposition of the
26 vehicle for 21 days, (i) from the mailing or delivery of

1 the notice of redemption under subdivision (f-5)(1) of
2 this Section, (ii) from the mailing or delivery of the
3 affidavit of defense under subdivision (f-5)(2) of this
4 Section, or (iii) from the date of repossession when the
5 owner is entitled to a notice of reinstatement under
6 subsection (f-7) of this Section, does not apply;

7 (4) the affidavit of repossession that is required
8 under subdivision (f-5)(3) shall contain a notation of
9 "bankruptcy" where the affidavit requires the date of the
10 mailing or delivery of the notice of redemption. The
11 notation of "bankruptcy" means the lienholder makes no
12 sworn representations regarding the mailing or delivery of
13 the notice of redemption or affidavit of defense or
14 lienholder's compliance with the requirements that
15 otherwise apply to the notices listed in this subsection
16 (f-30), and makes no sworn representation that the
17 lienholder assumes liability or costs for any litigation
18 that may arise from the issuance of a certificate of title
19 based on the excluded representations;

20 (5) the right of redemption, the right to assert a
21 defense to the transfer of title, and reinstatement rights
22 under this Section do not apply; and

23 (6) references to judicial process and court orders in
24 subsection (f-10) of this Section do not include
25 bankruptcy proceedings or orders.

26 (g) A person holding a certificate of title whose interest

1 in the vehicle has been extinguished or transferred other than
2 by voluntary transfer shall mail or deliver the certificate,
3 within 20 days upon request of the Secretary of State. The
4 delivery of the certificate pursuant to the request of the
5 Secretary of State does not affect the rights of the person
6 surrendering the certificate, and the action of the Secretary
7 of State in issuing a new certificate of title as provided
8 herein is not conclusive upon the rights of an owner or
9 lienholder named in the old certificate.

10 (h) The Secretary of State may decline to process any
11 application for a transfer of an interest in a vehicle
12 hereunder if any fees or taxes due under this Act from the
13 transferor or the transferee have not been paid upon
14 reasonable notice and demand.

15 (i) The Secretary of State shall not be held civilly or
16 criminally liable to any person because any purported
17 transferor may not have had the power or authority to make a
18 transfer of any interest in any vehicle or because a
19 certificate of title issued in error is subsequently used to
20 commit a fraudulent act.

21 (Source: P.A. 99-260, eff. 1-1-16.)

22 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

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

25 (a) Except as provided in Chapter 4 and Section 3-117.3 of

1 this Code, a person who possesses a junk vehicle shall within
2 15 days cause the certificate of title, salvage certificate,
3 certificate of purchase, or a similarly acceptable
4 out-of-state document of ownership to be surrendered to the
5 Secretary of State along with an application for a junking
6 certificate, except as provided in Section 3-117.2, whereupon
7 the Secretary of State shall issue to such a person a junking
8 certificate, which shall authorize the holder thereof to
9 possess, transport, or, by an endorsement, transfer ownership
10 in such junked vehicle, and a certificate of title shall not
11 again be issued for such vehicle. The owner of a junk vehicle
12 is not required to surrender the certificate of title under
13 this subsection if (i) there is no lienholder on the
14 certificate of title or (ii) the owner of the junk vehicle has
15 a valid lien release from the lienholder releasing all
16 interest in the vehicle and the owner applying for the junk
17 certificate matches the current record on the certificate of
18 title file for the vehicle.

19 A licensee who possesses a junk vehicle and a Certificate
20 of Title, Salvage Certificate, Certificate of Purchase, or a
21 similarly acceptable out-of-state document of ownership for
22 such junk vehicle, may transport the junk vehicle to another
23 licensee prior to applying for or obtaining a junking
24 certificate, by executing a uniform invoice. The licensee
25 transferor shall furnish a copy of the uniform invoice to the
26 licensee transferee at the time of transfer. In any case, the

1 licensee transferor shall apply for a junking certificate in
2 conformance with Section 3-117.1 of this Chapter. The
3 following information shall be contained on a uniform invoice:

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

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

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

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

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

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

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

26 The Secretary of State may certify a junking manifest in a

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

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

13 (1) When an insurance company makes a payment of
14 damages on a total loss claim for a vehicle, the insurance
15 company shall be deemed to be the owner of such vehicle and
16 the vehicle shall be considered to be salvage except that
17 ownership of (i) a vehicle that has incurred only hail
18 damage that does not affect the operational safety of the
19 vehicle or (ii) any vehicle 9 model years of age or older
20 may, by agreement between the registered owner and the
21 insurance company, be retained by the registered owner of
22 such vehicle. The insurance company shall promptly deliver
23 or mail within 20 days the certificate of title along with
24 proper application and fee to the Secretary of State, and
25 a salvage certificate shall be issued in the name of the
26 insurance company. Notwithstanding the foregoing, an

1 insurer making payment of damages on a total loss claim
2 for the theft of a vehicle shall not be required to apply
3 for a salvage certificate unless the vehicle is recovered
4 and has incurred damage that initially would have caused
5 the vehicle to be declared a total loss by the insurer.

6 (1.1) When a vehicle of a self-insured company is to
7 be sold in the State of Illinois and has sustained damaged
8 by collision, fire, theft, rust corrosion, or other means
9 so that the self-insured company determines the vehicle to
10 be a total loss, or if the cost of repairing the damage,
11 including labor, would be greater than 70% of its fair
12 market value without that damage, the vehicle shall be
13 considered salvage. The self-insured company shall
14 promptly deliver the certificate of title along with
15 proper application and fee to the Secretary of State, and
16 a salvage certificate shall be issued in the name of the
17 self-insured company. A self-insured company making
18 payment of damages on a total loss claim for the theft of a
19 vehicle may exchange the salvage certificate for a
20 certificate of title if the vehicle is recovered without
21 damage. In such a situation, the self-insured shall fill
22 out and sign a form prescribed by the Secretary of State
23 which contains an affirmation under penalty of perjury
24 that the vehicle was recovered without damage and the
25 Secretary of State may, by rule, require photographs to be
26 submitted.

1 (2) When a vehicle the ownership of which has been
2 transferred to any person through a certificate of
3 purchase from acquisition of the vehicle at an auction,
4 other dispositions as set forth in Sections 4-208 and
5 4-209 of this Code, or a lien arising under Section
6 18a-501 of this Code shall be deemed salvage or junk at the
7 option of the purchaser. The person acquiring such vehicle
8 in such manner shall promptly deliver or mail, within 20
9 days after the acquisition of the vehicle, the certificate
10 of purchase, the proper application and fee, and, if the
11 vehicle is an abandoned mobile home under the Abandoned
12 Mobile Home Act, a certification from a local law
13 enforcement agency that the vehicle was purchased or
14 acquired at a public sale under the Abandoned Mobile Home
15 Act to the Secretary of State and a salvage certificate or
16 junking certificate shall be issued in the name of that
17 person. The salvage certificate or junking certificate
18 issued by the Secretary of State under this Section shall
19 be free of any lien that existed against the vehicle prior
20 to the time the vehicle was acquired by the applicant
21 under this Code.

22 (3) A vehicle which has been repossessed by a
23 lienholder shall be considered to be salvage only when the
24 repossessed vehicle, on the date of repossession by the
25 lienholder, has sustained damage by collision, fire,
26 theft, rust corrosion, or other means so that the cost of

1 repairing such damage, including labor, would be greater
2 than 50% ~~33 1/3%~~ of its fair market value without such
3 damage. If the lienholder determines that such vehicle is
4 damaged in excess of 50% ~~33 1/3%~~ of such fair market value,
5 the lienholder shall, before sale, transfer or assignment
6 of the vehicle, make application for a salvage
7 certificate, and shall submit with such application the
8 proper fee and evidence of possession. If the facts
9 required to be shown in subsection (f) of Section 3-114
10 are satisfied, the Secretary of State shall issue a
11 salvage certificate in the name of the lienholder making
12 the application. In any case wherein the vehicle
13 repossessed is not damaged in excess of 50% ~~33 1/3%~~ of its
14 fair market value, the lienholder shall comply with the
15 requirements of subsections (f), (f-5), and (f-10) of
16 Section 3-114, except that the affidavit of repossession
17 made by or on behalf of the lienholder shall also contain
18 an affirmation under penalty of perjury that the vehicle
19 on the date of sale is not damaged in excess of 50% ~~33 1/3%~~
20 of its fair market value. If the facts required to be shown
21 in subsection (f) of Section 3-114 are satisfied, the
22 Secretary of State shall issue a certificate of title as
23 set forth in Section 3-116 of this Code. The Secretary of
24 State may by rule or regulation require photographs to be
25 submitted.

26 (4) A vehicle which is a part of a fleet of more than 5

1 commercial vehicles registered in this State or any other
2 state or registered proportionately among several states
3 shall be considered to be salvage when such vehicle has
4 sustained damage by collision, fire, theft, rust,
5 corrosion or similar means so that the cost of repairing
6 such damage, including labor, would be greater than 50% ~~33~~
7 ~~1/3%~~ of the fair market value of the vehicle without such
8 damage. If the owner of a fleet vehicle desires to sell,
9 transfer, or assign his interest in such vehicle to a
10 person within this State other than an insurance company
11 licensed to do business within this State, and the owner
12 determines that such vehicle, at the time of the proposed
13 sale, transfer or assignment is damaged in excess of 50%
14 ~~33 1/3%~~ of its fair market value, the owner shall, before
15 such sale, transfer or assignment, make application for a
16 salvage certificate. The application shall contain with it
17 evidence of possession of the vehicle. If the fleet
18 vehicle at the time of its sale, transfer, or assignment
19 is not damaged in excess of 50% ~~33 1/3%~~ of its fair market
20 value, the owner shall so state in a written affirmation
21 on a form prescribed by the Secretary of State by rule or
22 regulation. The Secretary of State may by rule or
23 regulation require photographs to be submitted. Upon sale,
24 transfer or assignment of the fleet vehicle the owner
25 shall mail the affirmation to the Secretary of State.

26 (5) A vehicle that has been submerged in water to the

1 point that rising water has reached over the door sill and
2 has entered the passenger or trunk compartment is a "flood
3 vehicle". A flood vehicle shall be considered to be
4 salvage only if the vehicle has sustained damage so that
5 the cost of repairing the damage, including labor, would
6 be greater than 50% ~~33-1/3%~~ of the fair market value of the
7 vehicle without that damage. The salvage certificate
8 issued under this Section shall indicate the word "flood",
9 and the word "flood" shall be conspicuously entered on
10 subsequent titles for the vehicle. A person who possesses
11 or acquires a flood vehicle that is not damaged in excess
12 of 50% ~~33-1/3%~~ of its fair market value shall make
13 application for title in accordance with Section 3-116 of
14 this Code, designating the vehicle as "flood" in a manner
15 prescribed by the Secretary of State. The certificate of
16 title issued shall indicate the word "flood", and the word
17 "flood" shall be conspicuously entered on subsequent
18 titles for the vehicle.

19 (6) When any licensed rebuilder, repairer, new or used
20 vehicle dealer, or remittance agent has submitted an
21 application for title to a vehicle (other than an
22 application for title to a rebuilt vehicle) that he or she
23 knows or reasonably should have known to have sustained
24 damages in excess of 50% ~~33-1/3%~~ of the vehicle's fair
25 market value without that damage; provided, however, that
26 any application for a salvage certificate for a vehicle

1 recovered from theft and acquired from an insurance
2 company shall be made as required by paragraph (1) of this
3 subsection (b).

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

9 (d) Except as provided under subsection (a), any person
10 who knowingly fails to surrender to the Secretary of State a
11 certificate of title, salvage certificate, certificate of
12 purchase or a similarly acceptable out-of-state document of
13 ownership as required under the provisions of this Section is
14 guilty of a Class A misdemeanor for a first offense and a Class
15 4 felony for a subsequent offense; except that a person
16 licensed under this Code who violates paragraph (5) of
17 subsection (b) of this Section is guilty of a business offense
18 and shall be fined not less than \$1,000 nor more than \$5,000
19 for a first offense and is guilty of a Class 4 felony for a
20 second or subsequent violation.

21 (e) Any vehicle which is salvage or junk may not be driven
22 or operated on roads and highways within this State. A
23 violation of this subsection is a Class A misdemeanor. A
24 salvage vehicle displaying valid special plates issued under
25 Section 3-601(b) of this Code, which is being driven to or from
26 an inspection conducted under Section 3-308 of this Code, is

1 exempt from the provisions of this subsection. A salvage
2 vehicle for which a short term permit has been issued under
3 Section 3-307 of this Code is exempt from the provisions of
4 this subsection for the duration of the permit.

5 (Source: P.A. 100-104, eff. 11-9-17; 100-956, eff. 1-1-19;
6 100-1083, eff. 1-1-19; 101-81, eff. 7-12-19.)

7 (625 ILCS 5/3-301) (from Ch. 95 1/2, par. 3-301)

8 Sec. 3-301. New certificate of title for rebuilt vehicle.

9 (a) For vehicles 8 model years of age or newer, the
10 Secretary of State shall issue a new certificate of title to
11 any rebuilt vehicle or any vehicle which previously had been
12 titled as salvage in this State or any other jurisdiction upon
13 the successful inspection of the vehicle in accordance with
14 Section 3-308 of this Article.

15 (b) Vehicles more than 8 model years old shall not be
16 required to complete a successful inspection required under
17 Section 3-308 of this Code before being issued a new
18 certificate of title as provided under this Section.

19 (c) Vehicles designated as flood vehicles that have
20 sustained damage greater than 50% ~~33 1/3%~~ of their fair market
21 value with that damage shall be required to complete a
22 successful inspection required under Section 3-308 of this
23 Code before being issued a new certificate of title provided
24 under paragraph (5), subsection (b) of Section 3-117.1.

25 (Source: P.A. 88-685, eff. 1-24-95; 89-669, eff. 1-1-97.)