



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB1345

Introduced 2/4/2015, by Rep. Emanuel Chris Welch

#### SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-904	from Ch. 95 1/2, par. 3-904
625 ILCS 5/3-904.5 new	
625 ILCS 5/5-101	from Ch. 95 1/2, par. 5-101
625 ILCS 5/5-102	from Ch. 95 1/2, par. 5-102

Amends the Illinois Vehicle Code. Requires a minimum of 8 hours of prelicensing education by an owner, principal, corporate officer, director, or member or partner of a limited liability company or limited liability partnership of the applicant for a remittance agent license. Provides that the education program course curricula and instruction must be approved by the Secretary of State. Provides that each person who successfully completes an approved prelicensing education program shall be issued a certificate. Requires that a copy of the certificate be submitted with the remittance agent license application. Adds convictions for criminal forcible felonies to the list of disqualifying violations for new and used vehicle dealer licensing. Effective January 1, 2016.

LRB099 07217 RJF 27314 b

1 AN ACT concerning transportation.

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

4 Section 5. The Illinois Vehicle Code is amended by changing  
5 Sections 3-904, 5-101, and 5-102 and by adding Section 3-904.5  
6 as follows:

7 (625 ILCS 5/3-904) (from Ch. 95 1/2, par. 3-904)

8 Sec. 3-904. Application; contents; affidavits; prelicense  
9 education certification ~~—Contents—Affidavits.~~

10 (a) Any person who desires to act as a "remittance agent"  
11 shall first file with the Secretary of State a written  
12 application for a license. The application shall be under oath  
13 and shall contain the following:

14 1. The name and address of the applicant.

15 2. The address of each location at which the applicant  
16 intends to act as a remittance agent.

17 3. The applicant's business, occupation or profession.

18 4. A statement disclosing whether he has been involved  
19 in any civil or criminal litigation and if so, the material  
20 facts pertaining thereto.

21 5. A statement that the applicant has not committed in  
22 the past 3 years any violation as determined in any civil,  
23 criminal, or administrative proceedings under the

1 Retailers' Occupation Tax Act or under Article I or VII of  
2 Chapter 3 of this Code.

3 6. Any other information concerning the business of the  
4 applicant that the Secretary of State may prescribe.

5 (b) The application under subsection (a) shall be  
6 accompanied by the affidavits of two persons residing in the  
7 city or town of such applicant's residence. Such affiants shall  
8 state that they have known the applicant for a period of at  
9 least two years; that the applicant is of good moral character  
10 and that his reputation for honesty and business integrity in  
11 the community in which he resides is good. If the applicant is  
12 not an individual, the requirements of this paragraph shall  
13 apply to each of its officers or members.

14 (c) The application under subsection (a) shall be  
15 accompanied by a copy of the certification from the  
16 prelicensing education program as required by Section 3-904.5  
17 of this Code.

18 (Source: P.A. 97-832, eff. 7-20-12.)

19 (625 ILCS 5/3-904.5 new)

20 Sec. 3-904.5. Remittance agent prelicensing education  
21 program courses.

22 (a) An applicant for a license as a remittance agent shall  
23 complete a minimum of 8 hours of prelicensing education program  
24 courses under this Section prior to submitting an application  
25 to the Secretary of State.

1       (b) To meet the requirements of this Section, at least one  
2 person who is associated with the remittance agent as an owner,  
3 principal, corporate officer, director, or member or partner of  
4 a limited liability company or limited liability partnership  
5 shall complete the education program courses.

6       (c) The prelicensing education program courses shall be  
7 provided by public or private entities with an expertise in the  
8 area as approved by the Secretary of State. The Secretary of  
9 State must approve course curricula and instruction, in  
10 consultation with the Department of Transportation and any  
11 private entity with expertise in the area in the Secretary's  
12 discretion.

13       (d) Each person who successfully completes an approved  
14 prelicensing education program under this Section shall be  
15 issued a certificate by the education program provider. The  
16 current certificate of completion, or a copy of the current  
17 certificate, shall be posted conspicuously in the principal  
18 office of the licensee.

19       (e) The provisions of this Section apply to all remittance  
20 agents including, but not limited to, persons, corporations,  
21 and partnerships, except for the following:

22           (1) motor vehicle rental companies having a national  
23 franchise;

24           (2) national motor vehicle auction companies;

25           (3) wholesale dealer-only auction companies;

26           (4) used vehicle dealerships owned by a franchise motor

1       vehicle dealer; and  
2               (5) banks, credit unions, and savings and loan  
3       associations.

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 shall  
15      be filed with the Secretary of State, duly verified by oath, on  
16      such form as the Secretary of State may by rule or regulation  
17      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 vehicles.

10 As evidence of this fact, the application shall be  
11 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 for  
22 registration under the Retailers' Occupation Tax Act by the  
23 Department of Revenue: Provided that this requirement does  
24 not apply to a dealer who is already licensed hereunder  
25 with the Secretary of State, and who is merely applying for  
26 a renewal of his license. As evidence of this fact, the

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

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

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



1 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 fees:

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

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

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

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

1                   (2) \$150 for dealers selling more than 25 but  
2                   less than 200 automobiles;

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

5                   (4) \$500 for dealers selling 300 or more  
6                   automobiles.

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

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

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

1 Revenue Fund.

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

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

24 (A) The Anti-Theft ~~Anti-Theft~~ Laws of the Illinois  
25 Vehicle Code;

26 (B) The Certificate of Title Laws of the Illinois

1 Vehicle Code;

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

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

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

10 (F) The Retailers' Occupation Tax Act.

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

19 (A) The Consumer Finance Act;

20 (B) The Consumer Installment Loan Act;

21 (C) The Retail Installment Sales Act;

22 (D) The Motor Vehicle Retail Installment Sales  
23 Act;

24 (E) The Interest Act;

25 (F) The Illinois Wage Assignment Act;

26 (G) Part 8 of Article XII of the Code of Civil

1 Procedure; or

2 (H) The Consumer Fraud Act.

3 9.5. A statement that, within 10 years of application,  
4 the applicant's officers, directors, shareholders having a  
5 10% or greater ownership interest therein, proprietor,  
6 partner, member, officer, director, trustee, manager or  
7 other principals in the business have not been convicted in  
8 any calendar year of one or more violations, as determined  
9 in any civil, criminal or administrative proceedings, of a  
10 forcible felony under the Criminal Code of 1961 or the  
11 Criminal Code of 2012 or a similar out-of-state offense.  
12 For the purposes this paragraph, "forcible felony" has the  
13 meaning as defined in Section 2-8 of the Criminal Code of  
14 2012.

15 10. A bond or certificate of deposit in the amount of  
16 \$20,000 for each location at which the applicant intends to  
17 act as a new vehicle dealer. The bond shall be for the term  
18 of the license, or its renewal, for which application is  
19 made, and shall expire not sooner than December 31 of the  
20 year for which the license was issued or renewed. The bond  
21 shall run to the People of the State of Illinois, with  
22 surety by a bonding or insurance company authorized to do  
23 business in this State. It shall be conditioned upon the  
24 proper transmittal of all title and registration fees and  
25 taxes (excluding taxes under the Retailers' Occupation Tax  
26 Act) accepted by the applicant as a new vehicle dealer.

1           11. Such other information concerning the business of  
2           the applicant as the Secretary of State may by rule or  
3           regulation prescribe.

4           12. A statement that the applicant understands Chapter  
5           1 ~~One~~ through Chapter 5 ~~Five~~ of this Code.

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

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

15                1. He is authorized by contract in writing between  
16                himself and the manufacturer or franchised distributor of  
17                such make of vehicle to so sell the same in this State, and

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

20          (e) The Secretary of State shall, within a reasonable time  
21          after receipt, examine an application submitted to him under  
22          this Section and unless he makes a determination that the  
23          application submitted to him does not conform with the  
24          requirements of this Section or that grounds exist for a denial  
25          of the application, under Section 5-501 of this Chapter, grant  
26          the applicant an original new vehicle dealer's license in

1 writing for his established place of business and a  
2 supplemental license in writing for each additional place of  
3 business in such form as he may prescribe by rule or regulation  
4 which shall include the following:

5 1. The name of the person licensed;

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

12 3. In the case of an original license, the established  
13 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 additional place of business to which such supplemental  
17 license pertains;

18 5. The make or makes of new vehicles which the licensee  
19 is licensed to sell.

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

25 (g) Except as provided in subsection (h) hereof, all new  
26 vehicle dealer's licenses granted under this Section shall



1 expire by operation of law on December 31 of the calendar year  
2 for which they are granted unless sooner revoked or cancelled  
3 under the provisions of Section 5-501 of this Chapter.

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

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

15 1. In the case of a new vehicle a manufacturer's  
16 statement of origin and in the case of a used motor vehicle  
17 a certificate of title, in either case properly assigned to  
18 the purchaser;

19 2. A statement verified under oath that all identifying  
20 numbers on the vehicle agree with those on the certificate  
21 of title or manufacturer's statement of origin;

22 3. A bill of sale properly executed on behalf of such  
23 person;

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

26 5. In the case of a rebuilt vehicle, a copy of the

1 Disclosure of Rebuilt Vehicle Status; and

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

4 (j) Except at the time of sale or repossession of the  
5 vehicle, no person licensed as a new vehicle dealer may issue  
6 any other person a newly created key to a vehicle unless the  
7 new vehicle dealer makes a copy of the driver's license or  
8 State identification card of the person requesting or obtaining  
9 the newly created key. The new vehicle dealer must retain the  
10 copy for 30 days.

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

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

17 (Source: P.A. 97-480, eff. 10-1-11; 97-1150, eff. 1-25-13;  
18 98-450, eff. 1-1-14; revised 12-10-14.)

19 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)

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

21 (a) No person, other than a licensed new vehicle dealer,  
22 shall engage in the business of selling or dealing in, on  
23 consignment or otherwise, 5 or more used vehicles of any make  
24 during the year (except house trailers as authorized by  
25 paragraph (j) of this Section and rebuilt salvage vehicles sold

1 by their rebuilders to persons licensed under this Chapter), or  
2 act as an intermediary, agent or broker for any licensed dealer  
3 or vehicle purchaser (other than as a salesperson) or represent  
4 or advertise that he is so engaged or intends to so engage in  
5 such business unless licensed to do so by the Secretary of  
6 State under the provisions of this Section.

7 (b) An application for a used vehicle dealer's license  
8 shall be filed with the Secretary of State, duly verified by  
9 oath, in such form as the Secretary of State may by rule or  
10 regulation prescribe and shall contain:

11 1. The name and type of business organization  
12 established and additional places of business, if any, in  
13 this State.

14 2. 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 3. A statement that the applicant has been approved for  
24 registration under the Retailers' Occupation Tax Act by the  
25 Department of Revenue. However, this requirement does not  
26 apply to a dealer who is already licensed hereunder with

1 the Secretary of State, and who is merely applying for a  
2 renewal of his license. As evidence of this fact, the  
3 application shall be accompanied by a certification from  
4 the Department of Revenue showing that the Department has  
5 approved the applicant for registration under the  
6 Retailers' Occupation Tax Act.

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

23 If the permitted user has a liability insurance policy  
24 that provides automobile liability insurance coverage of  
25 at least \$100,000 for bodily injury to or the death of any  
26 person, \$300,000 for bodily injury to or the death of any 2

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

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

17 As used in this paragraph 4, a "permitted user" is a  
18 person who, with the permission of the used vehicle dealer  
19 or an employee of the used vehicle dealer, drives a vehicle  
20 owned and held for sale or lease by the used vehicle dealer  
21 which the person is considering to purchase or lease, in  
22 order to evaluate the performance, reliability, or  
23 condition of the vehicle. The term "permitted user" also  
24 includes a person who, with the permission of the used  
25 vehicle dealer, drives a vehicle owned or held for sale or  
26 lease by the used vehicle dealer for loaner purposes while

1 the user's vehicle is being repaired or evaluated.

2 As used in this paragraph 4, "test driving" occurs when  
3 a permitted user who, with the permission of the used  
4 vehicle dealer or an employee of the used vehicle dealer,  
5 drives a vehicle owned and held for sale or lease by a used  
6 vehicle dealer that the person is considering to purchase  
7 or lease, in order to evaluate the performance,  
8 reliability, or condition of the vehicle.

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

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

16 (A) \$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 however, if the application is made after June 15 of  
20 any 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 (A) for the 2004 licensing year and  
2           thereafter, 95% shall be deposited into the General  
3           Revenue Fund.

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

18                 (1) \$0 for dealers selling 25 or less  
19                 automobiles;

20                 (2) \$150 for dealers selling more than 25 but  
21                 less than 200 automobiles;

22                 (3) \$300 for dealers selling 200 or more  
23                 automobiles but less than 300 automobiles; and

24                 (4) \$500 for dealers selling 300 or more  
25                 automobiles.

26          License fees shall be returnable only in the event

1           that the application is denied by the Secretary of  
2           State. Moneys received under this subparagraph (B)  
3           shall be deposited into the Dealer Recovery Trust Fund.

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

12                   (A) The Anti-Theft ~~Anti-Theft~~ Laws of the Illinois  
13          Vehicle Code;

14                   (B) The Certificate of Title Laws of the Illinois  
15          Vehicle Code;

16                   (C) The Offenses against Registration and  
17          Certificates of Title Laws of the Illinois Vehicle  
18          Code;

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

21                   (E) Section 21-2 of the Illinois Criminal Code of  
22          1961 or the Criminal Code of 2012, Criminal Trespass to  
23          Vehicles; or

24                   (F) The Retailers' Occupation Tax Act.

25          7. A statement that the applicant's officers,  
26          directors, shareholders having a 10% or greater ownership



1 interest therein, proprietor, partner, member, officer,  
2 director, trustee, manager or other principals in the  
3 business have not committed in any calendar year 3 or more  
4 violations, as determined in any civil or criminal or  
5 administrative proceedings, of any one or more of the  
6 following Acts:

7 (A) The Consumer Finance Act;

8 (B) The Consumer Installment Loan Act;

9 (C) The Retail Installment Sales Act;

10 (D) The Motor Vehicle Retail Installment Sales  
11 Act;

12 (E) The Interest Act;

13 (F) The Illinois Wage Assignment Act;

14 (G) Part 8 of Article XII of the Code of Civil  
15 Procedure; or

16 (H) The Consumer Fraud Act.

17 7.5. A statement that, within 10 years of application,  
18 the applicant's officers, directors, shareholders having a  
19 10% or greater ownership interest therein, proprietor,  
20 partner, member, officer, director, trustee, manager or  
21 other principals in the business have not been convicted in  
22 any calendar year of one or more violations of a forcible  
23 felony under the Criminal Code of 1961 or the Criminal Code  
24 of 2012 or a similar out-of-state offense. For the purposes  
25 of this paragraph, "forcible felony" has the meaning as  
26 defined in Section 2-8 of the Criminal Code of 2012.

1           8. A bond or Certificate of Deposit in the amount of  
2           \$20,000 for each location at which the applicant intends to  
3           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          (c) Any change which renders no longer accurate any  
21          information contained in any application for a used vehicle  
22          dealer's license shall be amended within 30 days after the  
23          occurrence of each change on such form as the Secretary of  
24          State may prescribe by rule or regulation, accompanied by an  
25          amendatory fee of \$2.

26          (d) Anything in this Chapter to the contrary

1 notwithstanding, no person shall be licensed as a used vehicle  
2 dealer unless such person maintains an established place of  
3 business as defined in this Chapter.

4 (e) The Secretary of State shall, within a reasonable time  
5 after receipt, examine an application submitted to him under  
6 this Section. Unless the Secretary makes a determination that  
7 the application submitted to him does not conform to this  
8 Section or that grounds exist for a denial of the application  
9 under Section 5-501 of this Chapter, he must grant the  
10 applicant an original used vehicle dealer's license in writing  
11 for his established place of business and a supplemental  
12 license in writing for each additional place of business in  
13 such form as he may prescribe by rule or regulation which shall  
14 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 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 (f) The appropriate instrument evidencing the license or a  
3 certified copy thereof, provided by the Secretary of State  
4 shall be kept posted, conspicuously, in the established place  
5 of business of the licensee and in each additional place of  
6 business, if any, maintained by such licensee.

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

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

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

23 1. A certificate of title properly assigned to the  
24 purchaser;

25 2. A statement verified under oath that all identifying  
26 numbers on the vehicle agree with those on the certificate

1 of title;

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

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

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

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

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

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

18 (2) the date of sale,

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

21 (4) the Illinois certificate of title number.

22 The foregoing records shall be available for inspection by  
23 any officer of the Secretary of State's Office at any  
24 reasonable hour.

25 (k) Except at the time of sale or repossession of the  
26 vehicle, no person licensed as a used vehicle dealer may issue

1 any other person a newly created key to a vehicle unless the  
2 used vehicle dealer makes a copy of the driver's license or  
3 State identification card of the person requesting or obtaining  
4 the newly created key. The used vehicle dealer must retain the  
5 copy for 30 days.

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

10 (1) Used vehicle dealers licensed under this Section shall  
11 provide the Secretary of State a register for the sale at  
12 auction of each salvage or junk certificate vehicle. Each  
13 register shall include the following information:

14 1. The year, make, model, style and color of the  
15 vehicle;

16 2. The vehicle's manufacturer's identification number  
17 or, if applicable, the Secretary of State or Illinois  
18 Department of State Police identification number;

19 3. The date of acquisition of the vehicle;

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

22 5. The name and address of the person to whom any  
23 vehicle was disposed, the person's Illinois license number  
24 or if the person is an out-of-state salvage vehicle buyer,  
25 the license number from the state or jurisdiction where the  
26 buyer is licensed; and

1           6. The purchase price of the vehicle.

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. 97-480, eff. 10-1-11; 97-1150, eff. 1-25-13;  
6 98-450, eff. 1-1-14; revised 12-10-14.)

7           Section 99. Effective date. This Act takes effect January  
8 1, 2016.