



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2503

Introduced 2/18/2015, by Rep. Rita Mayfield

SYNOPSIS AS INTRODUCED:

625 ILCS 5/3-104	from Ch. 95 1/2, par. 3-104
625 ILCS 5/3-104.5 new	
625 ILCS 5/3-118	from Ch. 95 1/2, par. 3-118
625 ILCS 5/3-824	from Ch. 95 1/2, par. 3-824

Amends the Illinois Vehicle Code. Requires that applications for certificate of title for a motor vehicle shall be verified by the National Motor Vehicle Title Information System (NMVTIS) for a vehicle history report prior to the Secretary of State issuing a certificate of title. Provides that applications for a certificate of title or a salvage certificate that are verified by the NMVTIS and are returned with a warning or error shall be reviewed by the Secretary as to whether the warning or error warrants a change to the type of title or brand that is issued to a motor vehicle. Provides for the type of title or brand that is to be issued to a motor vehicle if the application is returned with an NMVTIS warning or error. Allows applicants to contest the Secretary's title or certificate designation by request of an administrative hearing. Requires that applications for a salvage certificate for a motor vehicle shall be verified by the NMVTIS for a vehicle history report prior to the Secretary issuing a salvage certificate. Provides that refunds may be granted for any title-related transaction if a title application has not been processed by the Secretary. Provides that an applicant for a certificate of title or a salvage certificate shall have 6 months to apply for a refund of cost, or the difference of the certificate of title or salvage certificate if an application is verified by the NMVTIS, and a warning or error is received reporting the vehicle as requiring either a salvage certificate or a junk certificate. Effective immediately.

LRB099 07952 RJF 28092 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 3-104, 3-118, and 3-824 and by adding Section 3-104.5
6 as follows:

7 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

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

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

12 1. The name, Illinois residence and mail address of the
13 owner;

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

23 3. The date of purchase by applicant and, if

1 applicable, the name and address of the person from whom
2 the vehicle was acquired and the names and addresses of any
3 lienholders in the order of their priority and signatures
4 of owners;

5 4. The current odometer reading at the time of transfer
6 and that the stated odometer reading is one of the
7 following: actual mileage, not the actual mileage or
8 mileage is in excess of its mechanical limits; and

9 5. Any further information the Secretary of State
10 reasonably requires to identify the vehicle and to enable
11 him to determine whether the owner is entitled to a
12 certificate of title and the existence or nonexistence of
13 security interests in the vehicle.

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

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

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

25 1. Any certified document of ownership so recognized
26 and issued by the other State or country and acceptable to

1 the Secretary of State, and

2 2. Any other information and documents the Secretary of
3 State reasonably requires to establish the ownership of the
4 vehicle and the existence or nonexistence of security
5 interests in it.

6 (d) If the application refers to a new vehicle it must be
7 accompanied by the Manufacturer's Statement of Origin, or other
8 documents as required and acceptable by the Secretary of State,
9 with such assignments as may be necessary to show title in the
10 applicant.

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

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

1 determination from the Department of Revenue showing that no
2 tax imposed pursuant to the Municipal Use Tax Act or the County
3 Use Tax Act is owed by anyone with respect to that vehicle, or
4 a receipt from the Department of Revenue showing that any tax
5 so imposed has been paid. In the absence of such a receipt for
6 payment or determination of exemption from the Department, no
7 certificate of title shall be issued to the applicant.

8 If the proof of payment of the tax or of nonliability
9 therefor is, after the issuance of the certificate of title and
10 display certificate of title, found to be invalid, the
11 Secretary of State shall revoke the certificate and require
12 that the certificate of title and, when applicable, the display
13 certificate of title be returned to him.

14 (g) If the application refers to a vehicle not manufactured
15 in accordance with federal safety and emission standards, the
16 application must be accompanied by all documents required by
17 federal governmental agencies to meet their standards before a
18 vehicle is allowed to be issued title and registration.

19 (h) If the application refers to a vehicle sold at public
20 sale by a sheriff, it must be accompanied by the required fee
21 and a bill of sale issued and signed by a sheriff. The bill of
22 sale must identify the new owner's name and address, the year
23 model, make and vehicle identification number of the vehicle,
24 court order document number authorizing such sale, if
25 applicable, and the name and address of any lienholders in
26 order of priority, if applicable.

1 (i) If the application refers to a vehicle for which a
2 court of law determined the ownership, it must be accompanied
3 with a certified copy of such court order and the required fee.
4 The court order must indicate the new owner's name and address,
5 the complete description of the vehicle, if known, the name and
6 address of the lienholder, if any, and must be signed and dated
7 by the judge issuing such order.

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

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

1 Department determines that the volume of expedited title
2 requests received on a given day exceeds the ability of the
3 Vehicle Services Department to process those requests in an
4 expedited manner, the Vehicle Services Department may decline
5 to provide expedited services, and the additional fee for the
6 expedited service shall be refunded to the applicant.

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

16 (m) The holder of a Manufacturer's Statement of Origin to a
17 manufactured home may deliver it to any person to facilitate
18 conveying or encumbering the manufactured home. Any person
19 receiving any such Manufacturer's Statement of Origin so
20 delivered holds it in trust for the person delivering it.

21 (n) Within 45 days after the completion of the first retail
22 sale of a manufactured home, the Manufacturer's Statement of
23 Origin to that manufactured home must be surrendered to the
24 Secretary of State either in conjunction with an application
25 for a certificate of title for that manufactured home or in
26 accordance with Section 3-116.1.

1 (o) Each application for certificate of title for a motor
2 vehicle shall be verified by the National Motor Vehicle Title
3 Information System (NMVTIS) for a vehicle history report prior
4 to the Secretary issuing a certificate of title.

5 (Source: P.A. 97-918, eff. 1-1-13; 98-749, eff. 7-16-14.)

6 (625 ILCS 5/3-104.5 new)

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

8 (a) Each application for a certificate of title or a
9 salvage certificate for a motor vehicle that is verified by the
10 National Motor Vehicle Title Information System (NMVTIS) that
11 is returned with a warning or error shall be reviewed by the
12 Secretary of State, or his or her designees, as to whether the
13 warning or error warrants a change to the type of title or
14 brand that is issued to a motor vehicle.

15 (b) Any motor vehicle application for a certificate of
16 title or a salvage certificate that is returned with a NMVTIS
17 warning or error indicating structural defects equivalent to a
18 junk vehicle, as defined in Section 1-134.1 of this Code, in
19 this State, or a brand indicating the motor vehicle is no
20 longer capable of being driven, shall receive a title with a
21 "prior out of state junk" brand if that history item was
22 entered 120 months or more before the date of the submission of
23 the current application for title.

24 (c) Any motor vehicle application for a certificate of
25 title or a salvage certificate that is returned with a NMVTIS

1 warning or error indicating structural defects equivalent to a
2 junk vehicle, as defined in Section 1-134.1 of this Code, in
3 this State, or a brand indicating the motor vehicle is no
4 longer capable of being driven, shall be issued the appropriate
5 title, salvage certificate, or junk certificate that reflects
6 the motor vehicle's structural history, if that history item
7 was entered less than 120 months before the date of the
8 submission of the current application for title.

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

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

26 (f) Any applicant for a certificate of title or a salvage

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

7 (g) The Secretary may adopt any rules necessary to
8 implement this Section.

9 (625 ILCS 5/3-118) (from Ch. 95 1/2, par. 3-118)

10 Sec. 3-118. Application for salvage or junking
11 certificate; contents.

12 (a) An application for a salvage certificate or junking
13 certificate shall be made upon the forms prescribed by the
14 Secretary of State and contain:

15 1. The name and address of the owner;

16 2. A description of the vehicle including, so far as
17 the following data exists: its make, year-model,
18 identifying number, type of body, whether new or used;

19 3. The date of purchase by applicant; and

20 4. Any further information reasonably required by the
21 Secretary of State.

22 (b) The application for salvage certificate must also
23 contain the current odometer reading and that the stated
24 odometer reading is one of the following: actual mileage, not
25 the actual mileage or mileage is in excess of its mechanical

1 limits.

2 (b-5) Each application for a salvage certificate for a
3 motor vehicle shall be verified by the National Motor Vehicle
4 Title Information System (NMVTIS) for a vehicle history report
5 prior to the Secretary issuing a salvage certificate.

6 (c) A salvage certificate may be assigned to any person
7 licensed under this Act as a rebuilder, automotive parts
8 recycler, or scrap processor, or to an out-of-state salvage
9 vehicle buyer. A salvage certificate for a vehicle that has
10 come from a police impoundment may be assigned to a municipal
11 fire department. A junking certificate may be assigned to
12 anyone. The provisions for reassignment by dealers under
13 paragraph (a) of Section 3-113 shall apply to salvage
14 certificates, except as provided in Section 3-117.2. A salvage
15 certificate may be reassigned to one other person to whom a
16 salvage certificate may be assigned pursuant to this Section.
17 (Source: P.A. 95-301, eff. 1-1-08; 95-783, eff. 1-1-09.)

18 (625 ILCS 5/3-824) (from Ch. 95 1/2, par. 3-824)

19 Sec. 3-824. When fees returnable.

20 (a) Whenever any application to the Secretary of State is
21 accompanied by any fee as required by law and such application
22 is refused or rejected, said fee shall be returned to said
23 applicant.

24 (b) Whenever the Secretary of State collects any fee not
25 required to be paid under the provisions of this Act, the same

1 shall be refunded to the person paying the same upon
2 application therefor made within 6 months after the date of
3 such payment, except as follows: (1) whenever a refund is
4 determined to be due and owing as a result of an audit, by this
5 State or any other state or province, in accordance with
6 Section 2-124 of this Code, of a prorated or apportioned license
7 fee payment pursuant to any reciprocal compact or agreement
8 between this State and any other state or province, and the
9 Secretary for any reason fails to promptly make such refund,
10 the licensee shall have one year from the date of the
11 notification of the audit result to file, with the Secretary,
12 an application for refund found to be due and owing as a result
13 of such audit; and (2) whenever a person eligible for a reduced
14 registration fee pursuant to Section 3-806.3 of this Code has
15 paid in excess of the reduced registration fee owed, the refund
16 applicant shall have 2 years from the date of overpayment to
17 apply with the Secretary for a refund of that part of payment
18 made in excess of the established reduced registration fee.

19 (c) Whenever a person dies after making application for
20 registration, application for a refund of the registration fees
21 and taxes may be made if the vehicle is then sold or disposed
22 of so that the registration plates, registration sticker and
23 card are never used. The Secretary of State shall refund the
24 registration fees and taxes upon receipt within 6 months after
25 the application for registration of an application for refund
26 accompanied with the unused registration plates or

1 registration sticker and card and proof of both the death of
2 the applicant and the sale or disposition of the vehicle.

3 (d) Any application for refund received after the times
4 specified in this Section shall be denied and the applicant in
5 order to receive a refund must apply to the Court of Claims.

6 (d-5) Refunds may be granted for any title-related
7 transaction if a title application has not been processed by
8 the Secretary of State. If any application for a certificate of
9 title under Section 3-104 or salvage title under Section 3-118
10 is verified by the National Motor Vehicle Title Information
11 System (NMVTIS), and receives a warning or error from the
12 NMVTIS reporting that the vehicle requires either a salvage
13 certificate or a junk certificate in lieu of the original
14 applied certificate of title or salvage title, then the
15 applicant shall have 6 months to apply for a refund of cost, or
16 the difference of the certificate of title or salvage
17 certificate.

18 (e) The Secretary of State is authorized to maintain a two
19 signature revolving checking account with a suitable
20 commercial bank for the purpose of depositing and
21 withdrawal-for-return those monies received and determined
22 upon receipt to be in excess of the amount or amounts required
23 by law.

24 (f) Refunds on audits performed by Illinois or another
25 member of the International Registration Plan shall be made in
26 accordance with the procedures as set forth in the agreement.

1 (Source: P.A. 92-69, eff. 7-12-01.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.