- 1 AMENDMENT TO HOUSE BILL 4975
- 2 AMENDMENT NO. ____. Amend House Bill 4975 by replacing
- 3 everything after the enacting clause:
- 4 "Section 5. The Illinois Vehicle Code is amended by
- 5 changing Section 5-101 and 5-102 as follows:
- 6 (625 ILCS 5/5-101) (from Ch. 95 1/2, par. 5-101)
- 7 Sec. 5-101. New vehicle dealers must be licensed.
- 8 (a) No person shall engage in this State in the business
- 9 of selling or dealing in, on consignment or otherwise, new
- 10 vehicles of any make, or act as an intermediary or agent or
- 11 broker for any licensed dealer or vehicle purchaser other
- 12 than as a salesperson, or represent or advertise that he is
- so engaged or intends to so engage in such business unless
- 14 licensed to do so in writing by the Secretary of State under
- 15 the provisions of this Section.
- 16 (b) An application for a new vehicle dealer's license
- 17 shall be filed with the Secretary of State, duly verified by
- oath, on such form as the Secretary of State may by rule or
- 19 regulation prescribe and shall contain:
- 1. The name and type of business organization of
- 21 the applicant and his established and additional places
- of business, if any, in this State.

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- 2. If the applicant is a corporation, a list of its directors, and shareholders having a ten percent or greater ownership interest in the corporation, setting forth the residence address of each; applicant is a sole proprietorship, a partnership, an unincorporated association, a trust, or any similar form of business organization, the name and residence address of the proprietor or of each partner, member, officer, director, trustee, or manager.
 - 3. The make or makes of new vehicles which the applicant will offer for sale at retail in this State.
 - 4. The name of each manufacturer or franchised distributor, if any, of new vehicles with whom the applicant has contracted for the sale of such new vehicles. As evidence of this fact, the application shall be accompanied by a signed statement from each such manufacturer or franchised distributor. If the applicant is in the business of offering for sale new conversion vehicles, trucks or vans, except for trucks modified to serve a special purpose which includes but is not limited to the following vehicles: street sweepers, fertilizer spreaders, emergency vehicles, implements of husbandry or maintenance type vehicles, he must furnish evidence of a sales and service agreement from both the chassis manufacturer and second stage manufacturer.
 - 5. A statement that the applicant has been approved for registration under the Retailers' Occupation Tax Act by the Department of Revenue: Provided that this requirement does not apply to a dealer who is already licensed hereunder with the Secretary of State, and who is merely applying for a renewal of his license. As evidence of this fact, the application shall be accompanied by a certification from the Department of Revenue showing that that Department has approved the

applicant for registration under the Retailers'
Occupation Tax Act.

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

The liability insurance policy must provide automobile liability coverage in the minimum amounts of \$100,000 for bodily injury to or death of any person, \$300,000 for bodily injury to or death of 2 or more persons in any one accident, and \$50,000 for damage to property for any permitted user of the new vehicle dealer's automobile if the permitted user has no automobile liability insurance of his or her own or if the permitted user has automobile liability insurance in amounts of less than \$100,000 for bodily injury to or death of any person, \$300,000 for bodily injury to or death of 2 or more persons in any one accident, and \$50,000 for damage to property.

If the permitted user of the new vehicle dealer's automobile has automobile liability coverage in the

minimum amounts of \$100,000 for bodily injury to or death of any person, \$300,000 for bodily injury to or death of 2 or more persons in any one accident, and \$50,000 for damage to property, the permitted user's insurance shall be primary and the new vehicle dealer's insurance shall be secondary, unless the permitted user is "test driving" the new vehicle dealer's automobile. When a permitted user is "test driving" a new vehicle dealer's automobile, the new vehicle dealer's insurance shall be primary and the permitted user's insurance shall be secondary.

As used in this paragraph 6, "test driving" occurs when a permitted user who, with the permission of the new vehicle dealer or an employee of the new vehicle dealer, drives a vehicle owned and held for sale or lease by a new vehicle dealer that the person is considering to purchase or lease, for the exclusive purpose of evaluating the performance, reliability, or condition of the vehicle. As used in this paragraph 6, a "permitted user" means a person who is not an officer, director, or employee or a spouse of an officer, director, or employee of the new vehicle dealer and is permitted or authorized to drive a vehicle owned by the new vehicle dealer.

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

\$100 for applicant's established place of business, and \$50 for each additional place of business, if any, to which the application pertains; but if the application is made after June 15 of any year, the license fee shall be \$50 for applicant's established place of business plus \$25 for each additional place of business, if any, to which the application pertains. License fees shall be returnable only in the event that the application is

denied by the Secretary of State. All moneys received by the Secretary of State as license fees under this Section shall be deposited into the Motor Vehicle Review Board Fund and shall be used to administer the Motor Vehicle Review Board under the Motor Vehicle Franchise Act.

- (B) An application for a new vehicle dealer's license, other than for a new motor vehicle dealer's license, shall be accompanied by the following license fees:
- \$50 for applicant's established place of business, and \$25 for each additional place of business, if any, to which the application pertains; but if the application is made after June 15 of any year, the license fee shall be \$25 for applicant's established place of business plus \$12.50 for each additional place of business, if any, to which the application pertains. License fees shall be returnable only in the event that the application is denied by the Secretary of State.
- 8. A statement that the applicant's officers, directors, shareholders having a 10% or greater ownership interest therein, proprietor, a partner, member, officer, director, trustee, manager or other principals in the business have not committed in the past 3 years any one violation as determined in any civil, criminal or administrative proceedings of any one of the following Acts:
 - (A) The Anti Theft Laws of the Illinois
 Vehicle Code;
 - (B) The Certificate of Title Laws of the Illinois Vehicle Code;
 - (C) The Offenses against Registration and Certificates of Title Laws of the Illinois Vehicle

1	Code;
2	(D) The Dealers, Transporters, Wreckers and
3	Rebuilders Laws of the Illinois Vehicle Code;
4	(E) Section 21-2 of the Criminal Code of 1961,
5	Criminal Trespass to Vehicles; or
6	(F) The Retailers' Occupation Tax Act.
7	9. A statement that the applicant's officers,
8	directors, shareholders having a 10% or greater ownership
9	interest therein, proprietor, partner, member, officer,
10	director, trustee, manager or other principals in the
11	business have not committed in any calendar year 3 or
12	more violations, as determined in any civil, criminal or
13	administrative proceedings, of any one or more of the
14	following Acts:
15	(A) The Consumer Finance Act;
16	(B) The Consumer Installment Loan Act;
17	(C) The Retail Installment Sales Act;
18	(D) The Motor Vehicle Retail Installment Sales
19	Act;
20	(E) The Interest Act;
21	(F) The Illinois Wage Assignment Act;
22	(G) Part 8 of Article XII of the Code of Civil
23	Procedure; or
24	(H) The Consumer Fraud Act.
25	10. A bond or certificate of deposit in the amount
26	of \$20,000 for each location at which the applicant
27	intends to act as a new vehicle dealer. The bond shall
28	be for the term of the license, or its renewal, for which
29	application is made, and shall expire not sooner thar
30	December 31 of the year for which the license was issued
31	or renewed. The bond shall run to the People of the
32	State of Illinois, with surety by a bonding or insurance
33	company authorized to do business in this State. It

34 shall be conditioned upon the proper transmittal of all

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- title and registration fees and taxes (excluding taxes under the Retailers' Occupation Tax Act) accepted by the applicant as a new vehicle dealer.
 - 11. Such other information concerning the business of the applicant as the Secretary of State may by rule or regulation prescribe.
- 7 12. A statement that the applicant understands 8 Chapter One through Chapter Five of this Code.
 - (c) Any change which renders no longer accurate any information contained in any application for a new vehicle dealer's license shall be amended within 30 days after the occurrence of such change on such form as the Secretary of State may prescribe by rule or regulation, accompanied by an amendatory fee of \$2.
- 15 (d) Anything in this Chapter 5 to the contrary 16 notwithstanding no person shall be licensed as a new vehicle 17 dealer unless:
- 1. He is authorized by contract in writing between
 himself and the manufacturer or franchised distributor of
 such make of vehicle to so sell the same in this State,
 and
- 22 2. Such person shall maintain an established place 23 of business as defined in this Act.
- The Secretary of State shall, within a reasonable 24 25 time after receipt, examine an application submitted to him under this Section and unless he makes a determination that 26 the application submitted to him does not conform with the 27 requirements of this Section or that grounds exist for a 28 denial of the application, under Section 5-501 of this 29 30 Chapter, grant the applicant an original new vehicle dealer's license in writing for his established place of business and 31 a supplemental license in writing for each additional place 32 of business in such form as he may prescribe by rule or 33 34 regulation which shall include the following:

1. The name of the person licensed;

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- 2. If a corporation, the name and address of its

 officers or if a sole proprietorship, a partnership, an

 unincorporated association or any similar form of

 business organization, the name and address of the

 proprietor or of each partner, member, officer, director,

 trustee or manager;
 - 3. In the case of an original license, the established place of business of the licensee;
 - 4. In the case of a supplemental license, the established place of business of the licensee and the additional place of business to which such supplemental license pertains;
- 5. The make or makes of new vehicles which the licensee is licensed to sell.
- 16 (f) The appropriate instrument evidencing the license or 17 a certified copy thereof, provided by the Secretary of State, 18 shall be kept posted conspicuously in the established place 19 of business of the licensee and in each additional place of 20 business, if any, maintained by such licensee.
 - (g) Except as provided in subsection (h) hereof, all new vehicle dealer's licenses granted under this Section shall expire by operation of law on December 31 of the calendar year for which they are granted unless sooner revoked or cancelled under the provisions of Section 5-501 of this Chapter.
- A new vehicle dealer's license may be renewed upon 27 (h) application and payment of the fee required herein, and 28 29 submission of proof of coverage under an approved bond under 30 the "Retailers' Occupation Tax Act" or proof that applicant is not subject to such bonding requirements, as in the case 31 32 an original license, but in case an application for the of renewal of an effective license is made during the month of 33 34 December, the effective license shall remain in force until

- the application is granted or denied by the Secretary of State.
- 3 (i) All persons licensed as a new vehicle dealer are 4 required to furnish each purchaser of a motor vehicle:
- 1. In the case of a new vehicle a manufacturer's statement of origin and in the case of a used motor vehicle a certificate of title, in either case properly assigned to the purchaser;
- 2. A statement verified under oath that all identifying numbers on the vehicle agree with those on the certificate of title or manufacturer's statement of origin;
- 3. A bill of sale properly executed on behalf of such person;
- 4. A copy of the Uniform Invoice-transaction reporting return referred to in Section 5-402 hereof;
- 5. In the case of a rebuilt vehicle, a copy of the Disclosure of Rebuilt Vehicle Status; and
 - 6. In the case of a vehicle for which the warranty has been reinstated, a copy of the warranty.
- 21 (j) Except at the time of sale or repossession of the 22 vehicle, no person licensed as a new vehicle dealer may issue 23 any other person a newly created key to a vehicle unless the 24 new vehicle dealer makes a copy of the driver's license or 25 State identification card of the person requesting or 26 obtaining the newly created key. The new vehicle dealer must 27 retain the copy for 30 days.
- A new vehicle dealer who violates this subsection (j) is guilty of a petty offense. Violation of this subsection (j) is not cause to suspend, revoke, cancel, or deny renewal of the new vehicle dealer's license.
- This amendatory Act of 1983 shall be applicable to the 1984 registration year and thereafter.
- 34 (Source: P.A. 92-391, eff. 8-16-01.)

- 1 (625 ILCS 5/5-102) (from Ch. 95 1/2, par. 5-102)
- 2 Sec. 5-102. Used vehicle dealers must be licensed.
- 3 (a) No person, other than a licensed new vehicle dealer,
- 4 shall engage in the business of selling or dealing in, on
- 5 consignment or otherwise, 5 or more used vehicles of any make
- 6 during the year (except house trailers as authorized by
- 7 paragraph (j) of this Section and rebuilt salvage vehicles
- 8 sold by their rebuilders to persons licensed under this
- 9 Chapter), or act as an intermediary, agent or broker for any
- 10 licensed dealer or vehicle purchaser (other than as a
- 11 salesperson) or represent or advertise that he is so engaged
- or intends to so engage in such business unless licensed to
- do so by the Secretary of State under the provisions of this
- 14 Section.
- 15 (b) An application for a used vehicle dealer's license
- shall be filed with the Secretary of State, duly verified by
- oath, in such form as the Secretary of State may by rule or
- 18 regulation prescribe and shall contain:
- 1. The name and type of business organization
- 20 established and additional places of business, if any, in
- 21 this State.
- 22 2. If the applicant is a corporation, a list of its
- officers, directors, and shareholders having a ten
- 24 percent or greater ownership interest in the corporation,
- 25 setting forth the residence address of each; if the
- 26 applicant is a sole proprietorship, a partnership, an
- 27 unincorporated association, a trust, or any similar form
- of business organization, the names and residence address
- of the proprietor or of each partner, member, officer,
- 30 director, trustee or manager.
- 3. A statement that the applicant has been approved
- for registration under the Retailers' Occupation Tax Act
- 33 by the Department of Revenue. However, this requirement
- does not apply to a dealer who is already licensed

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

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

The liability insurance policy must provide automobile liability coverage in the minimum amounts of \$100,000 for bodily injury to or death of any person, \$300,000 for bodily injury to or death of 2 or more persons in any one accident, and \$50,000 for damage to property for any permitted user of the used vehicle dealer's automobile if the permitted user has no automobile liability insurance of his or her own or if the permitted user has automobile liability insurance in amounts of less than \$100,000 for bodily injury to or death of any person, \$300,000 for bodily injury to or

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death of 2 or more persons in any one accident, and \$50,000 for damage to property.

If the permitted user of the used vehicle dealer's automobile has automobile liability coverage in the minimum amounts of \$100,000 for bodily injury to or death of any person, \$300,000 for bodily injury to or death of 2 or more persons in any one accident, and \$50,000 for damage to property, the permitted user's insurance shall be primary and the used vehicle dealer's insurance shall be secondary, unless the permitted user is "test driving" the used vehicle dealer's automobile. When a permitted user is "test driving" a used vehicle dealer's automobile, the used vehicle dealer's insurance shall be primary and the permitted user's insurance shall be secondary.

As used in this paragraph 4, "test driving" occurs when a permitted user who, with the permission of the used vehicle dealer or an employee of the used vehicle dealer, drives a vehicle owned and held for sale or lease by a used vehicle dealer that the person is considering to purchase or lease, for the exclusive purpose of evaluating the performance, reliability, or condition of the vehicle. As used in this paragraph 4, a "permitted user" means a person who is not an officer, director, or employee of the used vehicle dealer and is permitted or authorized to drive a vehicle owned by the used vehicle dealer.

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

\$50 for applicant's established place of business, and \$25 for each additional place of business, if any, to which the application pertains; however, if the application is made after June 15 of any year, the

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1	license fee shall be \$25 for applicant's established
2	place of business plus \$12.50 for each additional place
3	of business, if any, to which the application pertains.
4	License fees shall be returnable only in the event that
5	the application is denied by the Secretary of State.

- 6. A statement that the applicant's officers, directors, shareholders having a 10% or greater ownership interest therein, proprietor, partner, member, officer, director, trustee, manager or other principals in the business have not committed in the past 3 years any one violation as determined in any civil, criminal or administrative proceedings of any one of the following Acts:
 - (A) The Anti Theft Laws of the Illinois
 Vehicle Code;
 - (B) The Certificate of Title Laws of the Illinois Vehicle Code;
 - (C) The Offenses against Registration and Certificates of Title Laws of the Illinois Vehicle Code;
 - (D) The Dealers, Transporters, Wreckers and Rebuilders Laws of the Illinois Vehicle Code;
 - (E) Section 21-2 of the Illinois Criminal Code of 1961, Criminal Trespass to Vehicles; or
 - (F) The Retailers' Occupation Tax Act.
- 7. A statement that the applicant's officers, directors, shareholders having a 10% or greater ownership interest therein, proprietor, partner, member, officer, director, trustee, manager or other principals in the business have not committed in any calendar year 3 or more violations, as determined in any civil or criminal or administrative proceedings, of any one or more of the following Acts:
 - (A) The Consumer Finance Act;

1	(B) The Consumer Installment Loan Act;
2	(C) The Retail Installment Sales Act;
3	(D) The Motor Vehicle Retail Installment Sales
4	Act;
5	(E) The Interest Act;
6	(F) The Illinois Wage Assignment Act;
7	(G) Part 8 of Article XII of the Code of Civil
8	Procedure; or
9	(H) The Consumer Fraud Act.
10	8. A bond or Certificate of Deposit in the amount
11	of \$20,000 for each location at which the applicant
12	intends to act as a used vehicle dealer. The bond shall
13	be for the term of the license, or its renewal, for which
14	application is made, and shall expire not sooner than
15	December 31 of the year for which the license was issued
16	or renewed. The bond shall run to the People of the
17	State of Illinois, with surety by a bonding or insurance
18	company authorized to do business in this State. It
19	shall be conditioned upon the proper transmittal of all
20	title and registration fees and taxes (excluding taxes
21	under the Retailers' Occupation Tax Act) accepted by the
22	applicant as a used vehicle dealer.
23	9. Such other information concerning the business
24	of the applicant as the Secretary of State may by rule or
25	regulation prescribe.
26	10. A statement that the applicant understands
27	Chapter 1 through Chapter 5 of this Code.
28	(c) Any change which renders no longer accurate any
29	information contained in any application for a used vehicle
30	dealer's license shall be amended within 30 days after the
31	occurrence of each change on such form as the Secretary of

34 (d) Anything in this Chapter to the contrary

State may prescribe by rule or regulation, accompanied by an

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amendatory fee of \$2.

- 1 notwithstanding, no person shall be licensed as a used
- 2 vehicle dealer unless such person maintains an established
- 3 place of business as defined in this Chapter.
- 4 (e) The Secretary of State shall, within a reasonable
- 5 time after receipt, examine an application submitted to him
- 6 under this Section. Unless the Secretary makes a
- 7 determination that the application submitted to him does not
- 8 conform to this Section or that grounds exist for a denial of
- 9 the application under Section 5-501 of this Chapter, he must
- 10 grant the applicant an original used vehicle dealer's license
- in writing for his established place of business and a
- 12 supplemental license in writing for each additional place of
- 13 business in such form as he may prescribe by rule or
- 14 regulation which shall include the following:
 - The name of the person licensed;
- 16 2. If a corporation, the name and address of its
- officers or if a sole proprietorship, a partnership, an
- 18 unincorporated association or any similar form of
- 19 business organization, the name and address of the
- 20 proprietor or of each partner, member, officer, director,
- 21 trustee or manager;

- 22 3. In case of an original license, the established
- 23 place of business of the licensee;
- 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
- 27 license pertains.
- 28 (f) The appropriate instrument evidencing the license or
- 29 a certified copy thereof, provided by the Secretary of State
- 30 shall be kept posted, conspicuously, in the established place
- 31 of business of the licensee and in each additional place of
- 32 business, if any, maintained by such licensee.
- 33 (g) Except as provided in subsection (h) of this
- 34 Section, all used vehicle dealer's licenses granted under

- 1 this Section expire by operation of law on December 31 of the
- 2 calendar year for which they are granted unless sooner
- 3 revoked or cancelled under Section 5-501 of this Chapter.
- 4 (h) A used vehicle dealer's license may be renewed upon
- 5 application and payment of the fee required herein, and
- 6 submission of proof of coverage by an approved bond under the
- 7 "Retailers' Occupation Tax Act" or proof that applicant is
- 8 not subject to such bonding requirements, as in the case of
- 9 an original license, but in case an application for the
- 10 renewal of an effective license is made during the month of
- 11 December, the effective license shall remain in force until
- 12 the application for renewal is granted or denied by the
- 13 Secretary of State.
- 14 (i) All persons licensed as a used vehicle dealer are
- 15 required to furnish each purchaser of a motor vehicle:
- 1. A certificate of title properly assigned to the
- 17 purchaser;
- 18 2. A statement verified under oath that all
- 19 identifying numbers on the vehicle agree with those on
- the certificate of title;
- 21 3. A bill of sale properly executed on behalf of
- 22 such person;
- 4. A copy of the Uniform Invoice-transaction
- reporting return referred to in Section 5-402 of this
- 25 Chapter;
- 5. In the case of a rebuilt vehicle, a copy of the
- 27 Disclosure of Rebuilt Vehicle Status; and
- 28 6. In the case of a vehicle for which the warranty
- 29 has been reinstated, a copy of the warranty.
- 30 (j) A real estate broker holding a valid certificate of
- 31 registration issued pursuant to "The Real Estate Brokers and
- 32 Salesmen License Act" may engage in the business of selling
- 33 or dealing in house trailers not his own without being
- licensed as a used vehicle dealer under this Section; however

- 1 such broker shall maintain a record of the transaction
- 2 including the following:
- 3 (1) the name and address of the buyer and seller,
- 4 (2) the date of sale,
- 5 (3) a description of the mobile home, including the
- 6 vehicle identification number, make, model, and year, and
- 7 (4) the Illinois certificate of title number.
- 8 The foregoing records shall be available for inspection
- 9 by any officer of the Secretary of State's Office at any
- 10 reasonable hour.
- 11 (k) Except at the time of sale or repossession of the
- vehicle, no person licensed as a used vehicle dealer may
- issue any other person a newly created key to a vehicle
- 14 unless the used vehicle dealer makes a copy of the driver's
- 15 license or State identification card of the person requesting
- or obtaining the newly created key. The used vehicle dealer
- must retain the copy for 30 days.
- 18 A used vehicle dealer who violates this subsection (k) is
- 19 guilty of a petty offense. Violation of this subsection (k)
- is not cause to suspend, revoke, cancel, or deny renewal of
- 21 the used vehicle dealer's license.
- 22 (Source: P.A. 92-391, eff. 8-16-01.)".