

1 AN ACT relating to motor vehicles.

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

4 Section 5. The Illinois Vehicle Code is amended by  
5 changing Section 3-117.1 as follows:

6 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

7 Sec. 3-117.1. When junking certificates or salvage  
8 certificates must be obtained.

9 (a) Except as provided in Chapter 4 of this Code, a  
10 person who possesses a junk vehicle shall within 15 days  
11 cause the certificate of title, salvage certificate,  
12 certificate of purchase, or a similarly acceptable out of  
13 state document of ownership to be surrendered to the  
14 Secretary of State along with an application for a junking  
15 certificate, except as provided in Section 3-117.2, whereupon  
16 the Secretary of State shall issue to such a person a junking  
17 certificate, which shall authorize the holder thereof to  
18 possess, transport, or, by an endorsement, transfer ownership  
19 in such junked vehicle, and a certificate of title shall not  
20 again be issued for such vehicle.

21 A licensee who possesses a junk vehicle and a Certificate  
22 of Title, Salvage Certificate, Certificate of Purchase, or a  
23 similarly acceptable out-of-state document of ownership for  
24 such junk vehicle, may transport the junk vehicle to another  
25 licensee prior to applying for or obtaining a junking  
26 certificate, by executing a uniform invoice. The licensee  
27 transferor shall furnish a copy of the uniform invoice to the  
28 licensee transferee at the time of transfer. In any case,  
29 the licensee transferor shall apply for a junking certificate  
30 in conformance with Section 3-117.1 of this Chapter. The  
31 following information shall be contained on a uniform

1 invoice:

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

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

9 (3) The date of the disposition of the vehicle,  
10 junk vehicle or vehicle cowl;

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

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

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

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

25 The Secretary of State may certify a junking manifest in  
26 a form prescribed by the Secretary of State that reflects  
27 those vehicles for which junking certificates have been  
28 applied or issued. A junking manifest may be issued to any  
29 person and it shall constitute evidence of ownership for the  
30 vehicle listed upon it. A junking manifest may be  
31 transferred only to a person licensed under Section 5-301 of  
32 this Code as a scrap processor. A junking manifest will  
33 allow the transportation of those vehicles to a scrap  
34 processor prior to receiving the junk certificate from the

1 Secretary of State.

2 (b) An application for a salvage certificate shall be  
3 submitted to the Secretary of State in any of the following  
4 situations:

5 (1) When an insurance company makes a payment of  
6 damages on a total loss claim for a vehicle, the  
7 insurance company shall be deemed to be the owner of such  
8 vehicle and the vehicle shall be considered to be salvage  
9 except that ownership of a vehicle that has incurred only  
10 hail damage or similar damage that does not affect the  
11 operational safety of the vehicle or any vehicle 9 model  
12 years of age or older may, by agreement between the  
13 registered owner and the insurance company, be retained  
14 by the registered owner of such vehicle. The insurance  
15 company shall promptly deliver or mail within 20 days the  
16 certificate of title along with proper application and  
17 fee to the Secretary of State, and a salvage certificate  
18 shall be issued in the name of the insurance company. An  
19 insurer making payment of damages on a total loss claim  
20 for the theft of a vehicle may exchange the salvage  
21 certificate for a certificate of title if the vehicle is  
22 recovered without damage. In such a situation, the  
23 insurer shall fill out and sign a form prescribed by the  
24 Secretary of State which contains an affirmation under  
25 penalty of perjury that the vehicle was recovered without  
26 damage and the Secretary of State may, by rule or  
27 regulation, require photographs to be submitted.

28 (2) When a vehicle the ownership of which has been  
29 transferred to any person through a certificate of  
30 purchase from acquisition of the vehicle at an auction,  
31 other dispositions as set forth in Sections 4-208 and  
32 4-209 of this Code, a lien arising under Section 18a-501  
33 of this Code, or a public sale under the Abandoned Mobile  
34 Home Act shall be deemed salvage or junk at the option of

1 the purchaser. The person acquiring such vehicle in such  
2 manner shall promptly deliver or mail, within 20 days  
3 after the acquisition of the vehicle, the certificate of  
4 purchase, the proper application and fee, and, if the  
5 vehicle is an abandoned mobile home under the Abandoned  
6 Mobile Home Act, a certification from a local law  
7 enforcement agency that the vehicle was purchased or  
8 acquired at a public sale under the Abandoned Mobile Home  
9 Act to the Secretary of State and a salvage certificate  
10 or junking certificate shall be issued in the name of  
11 that person. The salvage certificate or junking  
12 certificate issued by the Secretary of State under this  
13 Section shall be free of any lien that existed against  
14 the vehicle prior to the time the vehicle was acquired by  
15 the applicant under this Code.

16 (3) A vehicle which has been repossessed by a  
17 lienholder shall be considered to be salvage only when  
18 the repossessed vehicle, on the date of repossession by  
19 the lienholder, has sustained damage by collision, fire,  
20 theft, rust corrosion, or other means so that the cost of  
21 repairing such damage, including labor, would be greater  
22 than 33 1/3% of its fair market value without such  
23 damage. If the lienholder determines that such vehicle  
24 is damaged in excess of 33 1/3% of such fair market  
25 value, the lienholder shall, before sale, transfer or  
26 assignment of the vehicle, make application for a salvage  
27 certificate, and shall submit with such application the  
28 proper fee and evidence of possession. If the facts  
29 required to be shown in subsection (f) of Section 3-114  
30 are satisfied, the Secretary of State shall issue a  
31 salvage certificate in the name of the lienholder making  
32 the application. In any case wherein the vehicle  
33 repossessed is not damaged in excess of 33 1/3% of its  
34 fair market value, the lienholder shall comply with the

1 requirements of subsections (f), (f-5), and (f-10) of  
2 Section 3-114, except that the affidavit of repossession  
3 made by or on behalf of the lienholder shall also contain  
4 an affirmation under penalty of perjury that the vehicle  
5 on the date of sale is not damaged in excess of 33 1/3%  
6 of its fair market value. If the facts required to be  
7 shown in subsection (f) of Section 3-114 are satisfied,  
8 the Secretary of State shall issue a certificate of title  
9 as set forth in Section 3-116 of this Code. The Secretary  
10 of State may by rule or regulation require photographs to  
11 be submitted.

12 (4) A vehicle which is a part of a fleet of more  
13 than 5 commercial vehicles registered in this State or  
14 any other state or registered proportionately among  
15 several states shall be considered to be salvage when  
16 such vehicle has sustained damage by collision, fire,  
17 theft, rust, corrosion or similar means so that the cost  
18 of repairing such damage, including labor, would be  
19 greater than 33 1/3% of the fair market value of the  
20 vehicle without such damage. If the owner of a fleet  
21 vehicle desires to sell, transfer, or assign his interest  
22 in such vehicle to a person within this State other than  
23 an insurance company licensed to do business within this  
24 State, and the owner determines that such vehicle, at the  
25 time of the proposed sale, transfer or assignment is  
26 damaged in excess of 33 1/3% of its fair market value,  
27 the owner shall, before such sale, transfer or  
28 assignment, make application for a salvage certificate.  
29 The application shall contain with it evidence of  
30 possession of the vehicle. If the fleet vehicle at the  
31 time of its sale, transfer, or assignment is not damaged  
32 in excess of 33 1/3% of its fair market value, the owner  
33 shall so state in a written affirmation on a form  
34 prescribed by the Secretary of State by rule or

1 regulation. The Secretary of State may by rule or  
2 regulation require photographs to be submitted. Upon  
3 sale, transfer or assignment of the fleet vehicle the  
4 owner shall mail the affirmation to the Secretary of  
5 State.

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

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

31 (d) Any person who knowingly fails to surrender to the  
32 Secretary of State a certificate of title, salvage  
33 certificate, certificate of purchase or a similarly  
34 acceptable out-of-state document of ownership as required

1 under the provisions of this Section is guilty of a Class A  
2 misdemeanor for a first offense and a Class 4 felony for a  
3 subsequent offense; except that a person licensed under this  
4 Code who violates paragraph (5) of subsection (b) of this  
5 Section is guilty of a business offense and shall be fined  
6 not less than \$1,000 nor more than \$5,000 for a first offense  
7 and is guilty of a Class 4 felony for a second or subsequent  
8 violation.

9 (e) Any vehicle which is salvage or junk may not be  
10 driven or operated on roads and highways within this State.  
11 A violation of this subsection is a Class A misdemeanor. A  
12 salvage vehicle displaying valid special plates issued under  
13 Section 3-601(b) of this Code, which is being driven to or  
14 from an inspection conducted under Section 3-308 of this  
15 Code, is exempt from the provisions of this subsection. A  
16 salvage vehicle for which a short term permit has been issued  
17 under Section 3-307 of this Code is exempt from the  
18 provisions of this subsection for the duration of the permit.  
19 (Source: P.A. 89-669, eff. 1-1-97; 90-665, eff. 1-1-99.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.