

AN ACT concerning transportation.

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

Section 5. The Alternate Fuels Act is amended by changing Section 35 as follows:

(415 ILCS 120/35)

Sec. 35. User fees.

(a) The Office of the Secretary of State shall collect annual user fees from any individual, partnership, association, corporation, or agency of the United States government that registers any combination of 10 or more of the following types of motor vehicles in the Covered Area: (1) vehicles of the First Division, as defined in the Illinois Vehicle Code; (2) vehicles of the Second Division registered under the B, C, D, F, H, MD, MF, MG, MH and MJ plate categories, as defined in the Illinois Vehicle Code; and (3) commuter vans and livery vehicles as defined in the Illinois Vehicle Code. This Section does not apply to vehicles registered under the International Registration Plan under Section 3-402.1 of the Illinois Vehicle Code. The user fee shall be \$20 for each vehicle registered in the Covered Area for each fiscal year. The Office of the Secretary of State shall collect the \$20 when a vehicle's registration fee is paid.

(b) Owners of State, county, and local government vehicles, rental vehicles, antique vehicles, expanded-use antique vehicles, electric vehicles, and motorcycles are exempt from paying the user fees on such vehicles.

(c) The Office of the Secretary of State shall deposit the user fees collected into the Alternate Fuels Fund.

(Source: P.A. 97-412, eff. 1-1-12.)

Section 10. The Illinois Vehicle Code is amended by changing Sections 3-601, 3-602, 3-904, 5-101, 5-102, 5-102.5, 5-102.7, 5-401.2, 5-402.1, 5-403.1, 5-501 and 5-503 and by adding Sections 3-904.2, 3-904.5, 5-102.8, and 5-102.9 as follows:

(625 ILCS 5/3-601) (from Ch. 95 1/2, par. 3-601)

Sec. 3-601. Operation of vehicles under special plates.

(a) A manufacturer owning any unregistered vehicle of a type otherwise required to be registered under this Act may operate or move such upon the highways without registering each such vehicle upon condition that any such vehicle display thereon, a special plate or plates issued to such owner as provided in this Article.

(b) A dealer owning any unregistered vehicle of a type otherwise required to be registered under this Act and held by him for sale or resale, may operate or move such upon the highways without registering each such vehicle upon condition

that any such vehicle display thereon a special plate or plates issued to such owner as provided in this Article. A dealer may use a special plate issued to the dealer to transport a vehicle sold to a customer either by towing or by driving the sold vehicle with the special plate attached to the vehicle.

(c) A transporter may operate or move any vehicle not owned by him upon the highways by the driveaway or towaway methods solely for the purpose of delivery upon likewise displaying thereon like plates issued to him as provided in this Article.

(d) A boat dealer owning any boat trailer of a type otherwise required to be registered under this Act may operate or move such upon the highways and haul a boat customarily sold with such boat trailer, without registering each such boat trailer upon condition that any such boat trailer display thereon, in the manner prescribed in Section 3-413, a special plate or plates issued to such owner as provided in this Article.

(e) Any person owning unregistered vehicles of a type required to be registered and which are exclusively operated off the highways and upon private property, may move such vehicles from one plant location to another upon the highways without registering each such vehicle upon conditions that any such vehicle display thereon a special plate or plates issued to such persons as provided in this Article. Such vehicles must be unladen and may not be operated upon any highways with such special plates except for the interplant movement.

(f) Any person owning a vehicle of a type required to be registered which when purchased is not yet equipped for work or service, may move such vehicle from the point of original manufacture or sale to a body shop or other place where the vehicle is to be equipped for work or service and from such point to the owner's place of business without first registering each such vehicle upon condition that any such vehicle display thereon a special plate or plates issued to such person as provided in this Article. Upon completion of such movement, any such vehicle subject to registration must be properly registered.

(g) Special plates issued under this Article must be displayed in the manner provided for in Section 3-413.

(h) Any such vehicle bearing such special plate or plates may be operated without registration for any purpose, except that no such special plate or plates shall be used on any vehicle which is rented by the manufacturer or dealer to another person or which is used to transport passengers or property for hire, nor, except as provided in paragraph (i) of this Section, shall any such special plate or plates be used on a second division vehicle which is carrying cargo or merchandise except in demonstrating such second division vehicle for the purposes of sale, or for the purpose of testing engine and driveline components.

(i) The provisions of this Article authorizing special plates shall not apply to work or service vehicles owned by a

manufacturer, transporter or dealer except a truck up to 8,000 pounds gross weight owned by a dealer and used for hauling parts incidental to the operation of the dealer's business.

(j) The Secretary of State may limit the number of special plates issued to any applicant.

(Source: P.A. 78-753; 78-1297.)

(625 ILCS 5/3-602) (from Ch. 95 1/2, par. 3-602)

Sec. 3-602. Certificate and special plates for dealers, manufacturers, and transporters.

(a) Any dealer, manufacturer, or transporter may make application to the Secretary of State upon the appropriate form for a certificate containing a general distinguishing number and for one or more sets of special plates as appropriate to various types of vehicles subject to registration hereunder. The applicant shall submit such proof of his or her status as a bona fide dealer, manufacturer, or transporter as may be reasonably required by the Secretary of State.

(b) The Secretary of State, upon granting any such application, shall issue to the applicant a certificate containing the applicant's name and address and special plates as applied for. Both the certificates and special plates shall display the general distinguishing number assigned to the applicant.

(c) The Secretary of State shall issue special plates to dealers and manufacturers in accordance with the following

formula:

number vehicles sold in previous calendar year	maximum number sets of special plates issued at fee set by Sec. 3-810	maximum number additional sets issued at fee set by Sec. 3-806
0	0	0
1-10	1	1
11-25	2	2
26-100	8	8
101-250	12	12
251-500	20	20
501-750	30	30
751-1000	40	40
1001-1500	50	50
1501-2000	60	60
2001-2500	70	70
2501+	90	90

For those Dealers with annual sales over 2501, special plates will be allocated based on 10 sets of plates under each section for each additional 500 vehicles sold.

The limit on the maximum number of additional sets issued to manufacturers at the fee set by Section 3-806 may be lifted at the discretion of the Secretary of State.

The Secretary shall issue to a new dealer or manufacturer not more than 8 sets of special plates at each fee. If the new dealer or manufacturer has acquired his or her business from a

previous dealer or manufacturer, he or she may be issued a number of sets based upon the number of vehicles sold in the previous calendar year by the previous dealer or manufacturer. If the new dealer or manufacturer was in business for only a part of the previous calendar year, the number of special plates to which he or she is entitled may be extrapolated from the number of vehicles he or she sold during that part of the year.

(c-5) The Secretary may limit the number of special plates authorized under this Section that are issued to dealers, manufacturers, or transporters based on factors including, but not limited to, sales of vehicles, revenue, or number of employees.

(d) Any manufacturer of engine and driveline components may apply to the Secretary of State for a license to operate vehicles in which such components are installed on the public highways of the State for the purpose of testing such components. The application shall describe the components and the vehicles in which they are installed, and shall contain such additional information as the Secretary shall prescribe. Upon receipt of an application and an accompanying fee of \$1000, the Secretary shall issue to the applicant a license for the entire test period of the components described in the application.

Every licensee shall keep a record of each vehicle operated under such license which shall be open to inspection by the

Secretary or his authorized representative for inspection at any reasonable time during the day or night.

The license of a manufacturer of engine and driveline components may be denied, revoked or suspended if the Secretary finds that the manufacturer has:

(1) violated this Code;

(2) made any material misrepresentation to the Secretary of State in connection with an application for a license; or

(3) failed to produce for the Secretary of State any record required to be produced by this Code.

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

(Source: P.A. 91-357, eff. 7-29-99.)

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

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

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

1. The name and address of the applicant.

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

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

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

5. A statement that the applicant has not committed in the past 3 years any violation as determined in any civil, criminal, or administrative proceedings under the Retailers' Occupation Tax Act or under Article I or VII of Chapter 3 of this Code.

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

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

(c) The application under subsection (a) shall be accompanied by a copy of the certification from the prelicensing education program required by Section 3-904.5.

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

(625 ILCS 5/3-904.2 new)

Sec. 3-904.2. Remittance agent background check. Each

applicant for a remittance license shall have his or her fingerprints submitted to the Department of State Police in an electronic format that complies with the form and manner for requesting and furnishing criminal history record information as prescribed by the Department of State Police. These fingerprints shall be checked against the Department of State Police and Federal Bureau of Investigation criminal history record databases now and hereafter filed, including, but not limited to, civil, criminal, and latent fingerprint databases. The Department of State Police shall charge applicants a fee for conducting the criminal history records check, which shall be deposited in the State Police Services Fund and shall not exceed the actual cost of the records check. The Department of State Police shall furnish, pursuant to positive identification, records of Illinois convictions to the Secretary of State.

(625 ILCS 5/3-904.5 new)

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

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

(b) To meet the requirements of this Section, at least one person who is associated with the remittance agent as an owner,

principal, corporate officer, director, or member or partner of a limited liability company or limited liability partnership shall complete the education program courses.

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

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

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

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

(2) national motor vehicle auction companies;

(3) wholesale dealer-only auction companies;

(4) used vehicle dealerships owned by a franchise motor vehicle dealer; and

(5) banks, credit unions, and savings and loan

associations.

(625 ILCS 5/5-101) (from Ch. 95 1/2, par. 5-101)

Sec. 5-101. New vehicle dealers must be licensed.

(a) No person shall engage in this State in the business of selling or dealing in, on consignment or otherwise, new vehicles of any make, or act as an intermediary or agent or broker for any licensed dealer or vehicle purchaser other than as a salesperson, or represent or advertise that he is so engaged or intends to so engage in such business unless licensed to do so in writing by the Secretary of State under the provisions of this Section.

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

1. The name and type of business organization of the applicant and his established and additional places of business, if any, in this State.

2. If the applicant is a corporation, a list of its officers, directors, and shareholders having a ten percent or greater ownership interest in the corporation, setting forth the residence address of each; if the 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. A 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.

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

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

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, a "permitted user" is a person 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 the new vehicle dealer which the person is considering to purchase or lease, in order to evaluate the performance, reliability, or condition of the vehicle. The term "permitted user" also includes a person who, with the permission of the new vehicle dealer, drives a vehicle owned or held for sale or lease by the new vehicle dealer for loaner purposes while the user's vehicle is being repaired or evaluated.

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, in order to evaluate the performance, reliability, or condition of the vehicle.

As used in this paragraph 6, "loaner purposes" means when a person who, with the permission of the new vehicle dealer, drives a vehicle owned or held for sale or lease by the new vehicle dealer while the user's vehicle is being repaired or evaluated.

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

(i) \$1,000 for applicant's established place of business, and \$100 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 \$500 for applicant's established place of business plus \$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. All moneys received by the Secretary of State as license fees under this subparagraph (i) prior to applications for the 2004 licensing year 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. Of the money received by the Secretary of State as license fees under this subparagraph (i) for the 2004 licensing year and thereafter, 10% 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 and 90% shall be deposited into the General Revenue Fund.

(ii) Except for dealers selling 25 or fewer automobiles or as provided in subsection (h) of Section 5-102.7 of this Code, an Annual Dealer Recovery Fund Fee in the amount of \$500 for the 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 fee shall be \$250 for the applicant's established place of business plus \$25 for each additional place of business, if any, to which the application pertains. For a license renewal application, the fee shall be based on the amount of automobiles sold in the past year according to the following formula:

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

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

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

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

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

(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:

(i) \$1,000 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 \$500 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. Of the money received by the Secretary of State as license fees under this subparagraph (i) for the 2004 licensing year and thereafter, 95% shall be deposited into the General Revenue Fund.

(ii) Except as provided in subsection (h) of

Section 5-102.7 of this Code, an Annual Dealer Recovery Fund Fee in the amount of \$500 for the 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 fee shall be \$250 for the 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. Moneys received under this subparagraph (ii) shall be deposited into the Dealer Recovery Trust Fund.

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 Code;

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

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

(F) The Retailers' Occupation Tax Act.

9. 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, criminal or administrative proceedings, of any one or more of the following Acts:

(A) The Consumer Finance Act;

(B) The Consumer Installment Loan Act;

(C) The Retail Installment Sales Act;

(D) The Motor Vehicle Retail Installment Sales Act;

(E) The Interest Act;

(F) The Illinois Wage Assignment Act;

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

(H) The Consumer Fraud Act.

9.5. A statement that, within 10 years of application, each officer, director, shareholder having a 10% or greater ownership interest therein, proprietor, partner, member, officer, director, trustee, manager, or other principal in the business of the applicant has not committed, as determined in any civil, criminal, or administrative proceeding, in any calendar year one or more forcible felonies under the Criminal Code of 1961 or the Criminal Code of 2012, or a violation of either or both Article 16 or 17 of the Criminal Code of 1961 or a violation of either or both Article 16 or 17 of the Criminal Code of 2012, Article 29B of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar out-of-state offense. For the purposes of this paragraph, "forcible felony" has the meaning provided in Section 2-8 of the Criminal Code of 2012.

10. A bond or certificate of deposit in the amount of \$50,000 for each location at which the applicant intends to act as a new vehicle dealer. The bond shall be for the term of the license, or its renewal, for which application is made, and shall expire not sooner than December 31 of the year for which the license was issued or renewed. The bond shall run to the People of the State of Illinois, with surety by a bonding or insurance company authorized to do business in this State. It shall be conditioned upon the proper transmittal of all 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.

12. A statement that the applicant understands Chapter 1 through Chapter 5 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.

(d) Anything in this Chapter 5 to the contrary notwithstanding no person shall be licensed as a new vehicle 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

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

(e) The Secretary of State shall, within a reasonable time after receipt, examine an application submitted to him under this Section and unless he makes a determination that the application submitted to him does not conform with the requirements of this Section or that grounds exist for a denial

of the application, under Section 5-501 of this Chapter, grant the applicant an original new vehicle dealer's license in writing for his established place of business and a supplemental license in writing for each additional place of business in such form as he may prescribe by rule or regulation which shall include the following:

1. The name of the person licensed;
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.

(f) The appropriate instrument evidencing the license or a certified copy thereof, provided by the Secretary of State, shall be kept posted conspicuously in the established place of business of the licensee and in each additional place of 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.

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

(i) All persons licensed as a new vehicle dealer are 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.

(j) Except at the time of sale or repossession of the vehicle, no person licensed as a new vehicle dealer may issue any other person a newly created key to a vehicle unless the new vehicle dealer makes a color photocopy or electronic scan of the driver's license or State identification card of the person requesting or obtaining the newly created key. The new vehicle dealer must retain the photocopy or scan 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.

(Source: P.A. 99-78, eff. 7-20-15; 100-450, eff. 1-1-18; 100-956, eff. 1-1-19.)

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

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

(a) No person, other than a licensed new vehicle dealer, shall engage in the business of selling or dealing in, on consignment or otherwise, 5 or more used vehicles of any make

during the year (except house trailers as authorized by paragraph (j) of this Section and rebuilt salvage vehicles sold by their rebuilders to persons licensed under this Chapter), or act as an intermediary, agent or broker for any licensed dealer or vehicle purchaser (other than as a 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 Section.

(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 regulation prescribe and shall contain:

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

2. If the applicant is a corporation, a list of its officers, directors, and shareholders having a ten percent or greater ownership interest in the corporation, setting forth the residence address of each; if the applicant is a sole proprietorship, a partnership, an 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, director, trustee or manager.

3. A statement that the applicant has been approved for registration under the Retailers' Occupation Tax Act by the

Department of Revenue. However, 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 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. A 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.

If the permitted user has a liability insurance policy that provides automobile liability insurance coverage of

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

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, a "permitted user" is a person 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 the used vehicle dealer which the person is considering to purchase or lease, in order to evaluate the performance, reliability, or condition of the vehicle. The term "permitted user" also includes a person who, with the permission of the used

vehicle dealer, drives a vehicle owned or held for sale or lease by the used vehicle dealer for loaner purposes while the user's vehicle is being repaired or evaluated.

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, in order to evaluate the performance, reliability, or condition of the vehicle.

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

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

(A) \$1,000 for applicant's established place of business, and \$50 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 license fee shall be \$500 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. Of the money received by the Secretary of State as license fees under this subparagraph (A) for the 2004 licensing year and thereafter, 95% shall be deposited into the General Revenue Fund.

(B) Except for dealers selling 25 or fewer automobiles or as provided in subsection (h) of Section 5-102.7 of this Code, an Annual Dealer Recovery Fund Fee in the amount of \$500 for the 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 fee shall be \$250 for the applicant's established place of business plus \$25 for each additional place of business, if any, to which the application pertains. For a license renewal application, the fee shall be based on the amount of automobiles sold in the past year according to the following formula:

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

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

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

(4) \$500 for dealers selling 300 or more

automobiles.

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

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 or the Criminal Code of 2012, 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;

(B) The Consumer Installment Loan Act;

(C) The Retail Installment Sales Act;

(D) The Motor Vehicle Retail Installment Sales Act;

(E) The Interest Act;

(F) The Illinois Wage Assignment Act;

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

(H) The Consumer Fraud and Deceptive Business Practices Act.

7.5. A statement that, within 10 years of application, each officer, director, shareholder having a 10% or greater ownership interest therein, proprietor, partner, member, officer, director, trustee, manager, or other principal in the business of the applicant has not committed, as determined in any civil, criminal, or administrative proceeding, in any calendar year one or more forcible

felonies under the Criminal Code of 1961 or the Criminal Code of 2012, or a violation of either or both Article 16 or 17 of the Criminal Code of 1961 or a violation of either or both Article 16 or 17 of the Criminal Code of 2012, Article 29B of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar out-of-state offense. For the purposes of this paragraph, "forcible felony" has the meaning provided in Section 2-8 of the Criminal Code of 2012.

8. A bond or Certificate of Deposit in the amount of \$50,000 for each location at which the applicant intends to act as a used vehicle dealer. The bond shall be for the term of the license, or its renewal, for which application is made, and shall expire not sooner than December 31 of the year for which the license was issued or renewed. The bond shall run to the People of the State of Illinois, with surety by a bonding or insurance company authorized to do business in this State. It shall be conditioned upon the proper transmittal of all title and registration fees and taxes (excluding taxes under the Retailers' Occupation Tax Act) accepted by the applicant as a used vehicle dealer.

9. Such other information concerning the business of the applicant as the Secretary of State may by rule or regulation prescribe.

10. A statement that the applicant understands Chapter 1 through Chapter 5 of this Code.

11. A copy of the certification from the prelicensing education program.

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

(d) Anything in this Chapter to the contrary notwithstanding, no person shall be licensed as a used vehicle dealer unless such person maintains an established place of business as defined in this Chapter.

(e) The Secretary of State shall, within a reasonable time after receipt, examine an application submitted to him under this Section. Unless the Secretary makes a determination that the application submitted to him does not conform to this Section or that grounds exist for a denial of the application under Section 5-501 of this Chapter, he must grant the applicant an original used vehicle dealer's license in writing for his established place of business and a supplemental license in writing for each additional place of business in such form as he may prescribe by rule or regulation which shall include the following:

1. The name of the person licensed;
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 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.

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

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

(h) A used vehicle dealer's license may be renewed upon application and payment of the fee required herein, and submission of proof of coverage by an approved bond under the "Retailers' Occupation Tax Act" or proof that applicant is not subject to such bonding requirements, as in the case of an original license, but in case an application for the renewal of

an effective license is made during the month of December, the effective license shall remain in force until the application for renewal is granted or denied by the Secretary of State.

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

1. A certificate of title 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;

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 of this Chapter;

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.

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

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

(2) the date of sale,

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

(4) the Illinois certificate of title number.

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

(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 unless the used vehicle dealer makes a color photocopy or electronic scan of the driver's license or State identification card of the person requesting or obtaining the newly created key. The used vehicle dealer must retain the photocopy or scan for 30 days.

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

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

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

2. The vehicle's manufacturer's identification number or, if applicable, the Secretary of State or Illinois

Department of State Police identification number;

3. The date of acquisition of the vehicle;

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

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

6. The purchase price of the vehicle.

The register shall be submitted to the Secretary of State via written or electronic means within 10 calendar days from the date of the auction.

(Source: P.A. 99-78, eff. 7-20-15; 100-450, eff. 1-1-18; 100-956, eff. 1-1-19.)

(625 ILCS 5/5-102.5)

Sec. 5-102.5. Used vehicle dealer prelicensing education program courses.

(a) An applicant for a license as a Buy Here, Pay Here used vehicle dealer under Section 5-102.8 or a used vehicle dealer shall complete a minimum of 8 hours of prelicensing education program courses pursuant to this Section prior to submitting an application to the Secretary of State.

(b) To meet the requirements of this Section, at least one individual who is associated with the used vehicle dealer or

Buy Here, Pay Here used vehicle dealer as an owner, principal, corporate officer, director, or member or partner of a limited liability company or limited liability partnership shall complete the education program courses.

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

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

(e) The provisions of this Section apply to all Buy Here, Pay Here used vehicle dealers under Section 5-1028 or used vehicle dealers including, but not limited to, individuals, corporations, and partnerships, except for the following:

- (1) Motor vehicle rental companies having a national franchise;
- (2) National motor vehicle auction companies;
- (3) Wholesale dealer-only auction companies;
- (4) Used vehicle dealerships owned by a franchise motor

vehicle dealer; and

(5) Banks, credit unions, and savings and loan associations.

(Source: P.A. 96-678, eff. 8-25-09.)

(625 ILCS 5/5-102.7)

Sec. 5-102.7. Dealer Recovery Trust Fund.

(a) The General Assembly finds that motor vehicle dealers that go out of business without fulfilling agreements to pay off the balance of their customers' liens on traded-in vehicles cause financial harm to those customers by leaving those customers liable for multiple vehicle loans and cause harm to the integrity of the motor vehicle retailing industry. It is the intent of the General Assembly to protect vehicle purchasers by creating a Dealer Recovery Trust Fund to reimburse these consumers.

(b) The Dealer Recovery Trust Fund shall be used solely for the limited purpose of helping victims of dealership closings. Any interest accrued by moneys in the Fund shall be deposited and become part of the Dealer Recovery Trust Fund and its purpose. The sole beneficiaries of the Dealer Recovery Trust Fund are victims of dealership closings.

(c) Except where the context otherwise requires, the following words and phrases, when used in this Section, have the meanings ascribed to them in this subsection (c):

"Applicant" means a person who applies for reimbursement

from the Dealer Recovery Trust Fund Board.

"Board" means the Dealer Recovery Trust Fund Board created under this Section.

"Dealer" means a new vehicle dealer licensed under Section 5-101, ~~or~~ a used vehicle dealer licensed under Section 5-102, or a Buy Here, Pay Here used vehicle dealer licensed under 5-102.8, excepting a dealer who primarily sells mobile homes, recreational vehicles, or trailers.

"Fund" means the Dealer Recovery Trust Fund created under this Section.

"Fund Administrator" means the private entity, which shall be appointed by the Board, that administers the Dealer Recovery Trust Fund.

(d) Beginning October 1, 2011, each application or renewal for a new vehicle dealer's license and each application or renewal for a Buy Here, Pay Here used vehicle dealer licensed under 5-102.8 or a used vehicle dealer's license shall be accompanied by the applicable Annual Dealer Recovery Fund Fee under Section 5-101 or 5-102 of this Code. The fee shall be in addition to any other fees imposed under this Article, shall be submitted at the same time an application or renewal for a new vehicle dealer's license, ~~or~~ used vehicle dealer's license, or Buy Here, Pay Here used vehicle dealer is submitted, and shall be made payable to and remitted directly to the Dealer Recovery Trust Fund, a trust fund outside of the State Treasury which is hereby created. In addition, the Dealer Recovery Trust Fund may

accept any federal, State, or private moneys for deposit into the Fund.

(e) The Fund Administrator shall maintain a list of all dealers who have paid the fee under subsection (d) of this Section for the current year, which shall be available to the Secretary of State and the Board. The Secretary of State shall revoke the dealer license of any dealer who does not pay the fee imposed under subsection (d) of this Section. The Secretary of State and the Fund Administrator may enter into information sharing agreements as needed to implement this Section.

(f) The Fund shall be audited annually by an independent auditor who is a certified public accountant and who has been selected by the Board. The independent auditor shall compile an annual report, which shall be filed with the Board and shall be a public record. The auditor shall be paid by the Fund, pursuant to an order of the Board.

(g) The Fund shall be maintained by the Fund Administrator, who shall keep current records of the amounts deposited into the Fund and the amounts paid out of the Fund pursuant to an order of the Board. These records shall be made available to all members of the Board upon reasonable request during normal business hours. The Fund Administrator shall report the balance in the Fund to the Board monthly, by the 15th day of each month. For purposes of determining the amount available to pay claims under this Section at any meeting of the Board, the Board shall use the Fund Administrator's most recent monthly

report. The Fund Administrator shall purchase liability insurance to cover management of the Fund at a cost not to exceed 2% of the balance in the Fund as of January 15th of that year.

(h) In any year for which the balance in the Fund as of August 31st is greater than \$3,500,000, the Fund Administrator shall notify the Secretary of State and the Secretary of State shall suspend collection of the fee for the following year for any dealer who has not had a claim paid from the Fund, has not had his or her license suspended or revoked, and has not been assessed any civil penalties under this Code during the 3 previous years.

(i) Moneys in the Dealer Recovery Trust Fund may be paid from the Fund only as directed by a written order of the Board and used only for the following purposes:

(i) to pay claims under a written order of the Board as provided in this Section; or

(ii) to reimburse the Fund Administrator for its expenses related to the administration of the Fund, provided that the reimbursement to the Fund Administrator in any year shall not exceed 2% of the balance in the Fund as of January 15th of that year.

(j) The Dealer Recovery Trust Fund Board is hereby created. The Board shall consist of the Secretary of State, or his or her designee, who shall serve as chair, the Attorney General, or his or her designee, who shall serve as secretary, and one

person alternatively representing new and independent Illinois automobile dealers, selected collectively by the Attorney General, or his or her designee, and the Secretary of State, or his or her designee. The Secretary of State may propose procedures and employ personnel as necessary to implement this Section. The Board shall meet quarterly, and as needed, as directed by the chair. The Board may not pay out any claims before the balance deposited into the Fund exceeds \$500,000. Board meetings shall be open to the public. The Board has the authority to take any action by at least a two-thirds majority vote.

(k) The following persons may apply to the Board for reimbursement from the Dealer Recovery Trust Fund:

(i) A retail customer who, on or after October 1, 2011, purchases a vehicle from a dealer who subsequently files for bankruptcy or whose vehicle dealer's license is subsequently revoked by the Secretary of State or otherwise terminated and, as part of the purchase transaction, trades in a vehicle with an outstanding lien to the dealer if lien satisfaction was a condition of the purchase agreement and the retail customer determines that the lien has not been satisfied;

(ii) A retail customer who, on or after October 1, 2011, purchases a vehicle with an undisclosed lien from a dealer who subsequently files for bankruptcy or whose vehicle dealer's license is subsequently revoked by the

Secretary of State or otherwise terminated;

(iii) A dealer who, on or after October 1, 2011, purchases a vehicle with an undisclosed lien from another dealer who subsequently files for bankruptcy or whose vehicle dealer's license is subsequently revoked by the Secretary of State or otherwise terminated.

(l) To be considered by the Board, an applicant must submit his or her claim to the Board within 2 years after the date of the transaction that gave rise to the claim.

(m) At each meeting of the Board, it shall consider all claims that are properly submitted to it on forms prescribed by the Secretary of State at least 30 days before the date of the Board's meeting. Before the Board may consider a claim against a dealer, it must make a written determination that the dealer has filed for bankruptcy under the provisions of 11 U.S.C. Chapter 7; that the Secretary of State has revoked his or her dealer's license; or that the license has been otherwise terminated. Once the Board has made this determination, it may consider the applicant's claim against the dealer. If a two-thirds majority of the Board determines that the dealer has committed a violation under subsection (k), it shall grant the applicant's claim. Except as otherwise provided in this Section, the maximum amount of any award for a claim under paragraph (i) of subsection (k) of this Section shall be equal to the amount of the unpaid balance of the lien that the dealer agreed to pay off on behalf of the applicant as shown on the

bill of sale or the retail installment sales contract. The maximum amount of any claim under paragraph (ii) or (iii) of subsection (k) of this Section shall be equal to the amount of the undisclosed lien. However, no award for a claim under subsection (k) of this Section shall exceed \$35,000.

(n) If the balance in the Fund at the time of any Board meeting is less than the amount of the total amount of all claims awarded at that meeting, then all awards made at that meeting shall be reduced, pro rata, so that the amount of claims does not exceed the balance in the Fund. Before it reviews new claims, the Board shall issue written orders to pay the remaining portion of any claims that were so reduced, provided that the balance in the Fund is sufficient to pay those claims.

(o) Whenever the balance of the Fund falls below \$500,000, the Board may charge dealers an additional assessment of up to \$50 to bring the balance to at least \$500,000. Not more than one additional assessment may be made against a dealer in any 12-month period.

(p) If the total amount of claims awarded against any dealer exceeds 33% of the balance in the Fund, the Board may permanently reduce the amount of those claims, pro rata, so that those claims do not exceed 33% of the balance in the Fund.

(q) The Board shall issue a written order directing the Fund Administrator to pay an applicant's claim to a secured party where the Board has received a signed agreement between

the applicant and the secured party holding the lien. The agreement must (i) state that the applicant and the secured party agree to accept payment from the Fund to the secured party as settlement in full of all claims against the dealer; and (ii) release the lien and the title, if applicable, to the vehicle that was the subject of the claim. The written order shall state the amount of the claim and the name and address of the secured party to whom the claim shall be paid. The Fund Administrator shall pay the claim within 30 days after it receives the Board's order.

(r) No dealer or principal associated with a dealer's license is eligible for licensure, renewal or relicensure until the full amount of reimbursement for an unpaid claim, plus interest as determined by the Board, is paid to the Fund. Nothing in this Section shall limit the authority of the Secretary of State to suspend, revoke, or levy civil penalties against a dealer, nor shall full repayment of the amount owed to the Fund nullify or modify the effect of any action by the Secretary.

(s) Nothing in this Section shall limit the right of any person to seek relief through civil action against any other person as an alternative to seeking reimbursement from the Fund.

(Source: P.A. 97-480, eff. 10-1-11; 98-450, eff. 1-1-14.)

Sec. 5-102.8. Licensure of Buy Here, Pay Here used vehicle dealers.

(a) As used in this Section, "Buy Here, Pay Here used vehicle dealer" means any entity that engages in the business of selling or leasing of vehicles and finances the sale or purchase price of the vehicle to a customer without the customer using a third-party lender.

(b) No person shall engage in the business of selling or dealing in, on consignment or otherwise, 5 or more used vehicles of any make during the year (except rebuilt salvage vehicles sold by their rebuilders to persons licensed under this Chapter), or act as an intermediary, agent, or broker for any licensed dealer or vehicle purchaser (other than as a salesperson) or represent or advertise that he or she is so engaged or intends to so engage in such business of a Buy Here, Pay Here used vehicle dealer unless licensed to do so by the Secretary of State under the provisions of this Section.

(c) An application for a Buy Here, Pay Here 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 regulation prescribe and shall contain:

(1) The name and type of business organization established and additional places of business, if any, in this State.

(2) If the applicant is a corporation, a list of its officers, directors, and shareholders having a 10% or

greater ownership interest in the corporation, setting forth the residence address of each; if the applicant is a sole proprietorship, a partnership, an 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, director, trustee, or manager.

(3) A statement that the applicant has been approved for registration under the Retailers' Occupation Tax Act by the Department of Revenue. However, 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 or her 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. A 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 or she proposes to act as a Buy Here, Pay Here 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,

2 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.

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

When a permitted user is "test driving" a Buy Here, Pay Here used vehicle dealer's automobile, the Buy Here, Pay Here used vehicle dealer's insurance shall be primary and the permitted user's insurance shall be secondary.

As used in this paragraph, "permitted user" means a person who, with the permission of the Buy Here, Pay Here used vehicle dealer or an employee of the Buy Here, Pay Here used vehicle dealer, drives a vehicle owned and held for sale or lease by the Buy Here, Pay Here used vehicle dealer that the person is considering to purchase or lease, in order to evaluate the performance, reliability, or condition of the vehicle. "Permitted user" includes a person who, with the permission of the Buy Here, Pay Here used vehicle dealer, drives a vehicle owned or held for sale or lease by the Buy Here, Pay Here used vehicle dealer for loaner purposes while the user's vehicle is being repaired or evaluated.

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

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

(5) An application for a Buy Here, Pay Here used vehicle dealer's license shall be accompanied by the following license fees:

(A) \$1,000 for the applicant's established place of business, and \$50 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 license fee shall be \$500 for the 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 if the application is denied by the Secretary of State. Of the money received by the Secretary of State as license fees under this subparagraph, 95% shall be deposited into the General Revenue Fund.

(B) Except for dealers selling 25 or fewer automobiles or as provided in subsection (h) of Section 5-102.7 of this Code, an Annual Dealer Recovery Fund Fee in the amount of \$500 for the 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 fee shall be \$250 for the applicant's established place of business plus \$25 for each additional place of business, if any, to which the application pertains. For a license renewal

application, the fee shall be based on the amount of automobiles sold in the past year according to the following formula:

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

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

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

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

Fees shall be returnable only if the application is denied by the Secretary of State. Money received under this subparagraph shall be deposited into the Dealer Recovery Trust Fund. A Buy Here, Pay Here used vehicle dealer shall pay into the Dealer Recovery Trust Fund for every vehicle that is financed, sold, or otherwise transferred to an individual or entity other than the Buy Here, Pay Here used vehicle dealer even if the individual or entity to which the Buy Here, Pay Here used vehicle dealer transfers the vehicle is unable to continue to adhere to the terms of the transaction by the Buy Here, Pay Here used vehicle dealer.

(6) A statement that each officer, director, shareholder having a 10% or greater ownership interest therein, proprietor, partner, member, officer, director,

trustee, manager, or other principal in the business of the applicant has 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:

(A) the Anti-Theft Laws of this Code;

(B) the Certificate of Title Laws of this Code;

(C) the Offenses against Registration and Certificates of Title Laws of this Code;

(D) the Dealers, Transporters, Wreckers and Rebuilders Laws of this Code;

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

(F) the Retailers' Occupation Tax Act.

(7) A statement that each officer, director, shareholder having a 10% or greater ownership interest therein, proprietor, partner, member, officer, director, trustee, manager, or other principal in the business of the applicant has not committed in any calendar year 3 or more violations, as determined in any civil, criminal, or administrative proceedings, of any one or more of the following:

(A) the Consumer Finance Act;

(B) the Consumer Installment Loan Act;

(C) the Retail Installment Sales Act;

(D) the Motor Vehicle Retail Installment Sales

Act;

(E) the Interest Act;

(F) the Illinois Wage Assignment Act;

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

(H) the Consumer Fraud and Deceptive Business
Practices Act.

(8) A statement that, within 10 years of application,
each officer, director, shareholder having a 10% or greater
ownership interest therein, proprietor, partner, member,
officer, director, trustee, manager, or other principal in
the business of the applicant has not committed, as
determined in any civil, criminal, or administrative
proceeding, in any calendar year one or more forcible
felonies under the Criminal Code of 1961 or the Criminal
Code of 2012, or a violation of either or both Article 16
or 17 of the Criminal Code of 1961, or a violation of
either or both Article 16 or 17 of the Criminal Code of
2012, Article 29B of the Criminal Code of 1961 or the
Criminal Code of 2012, or a similar out-of-state offense.
For the purposes of this paragraph, "forcible felony" has
the meaning provided in Section 2-8 of the Criminal Code of
2012.

(9) A bond or Certificate of Deposit in the amount of
\$50,000 for each location at which the applicant intends to
act as a Buy Here, Pay Here used vehicle dealer. The bond

shall be for the term of the license. The bond shall run to the People of the State of Illinois, with surety by a bonding or insurance company authorized to do business in this State. It shall be conditioned upon the proper transmittal of all title and registration fees and taxes (excluding taxes under the Retailers' Occupation Tax Act) accepted by the applicant as a Buy Here, Pay Here used vehicle dealer.

(10) Such other information concerning the business of the applicant as the Secretary of State may by rule prescribe.

(11) A statement that the applicant understands Chapter 1 through Chapter 5 of this Code.

(12) A copy of the certification from the prelicensing education program.

(d) Any change that renders no longer accurate any information contained in any application for a Buy Here, Pay Here used vehicle dealer's license shall be amended within 30 days after the occurrence of each change on such form as the Secretary of State may prescribe by rule, accompanied by an amendatory fee of \$2.

(e) Anything in this Chapter to the contrary notwithstanding, no person shall be licensed as a Buy Here, Pay Here used vehicle dealer unless the person maintains an established place of business as defined in this Chapter.

(f) The Secretary of State shall, within a reasonable time

after receipt, examine an application submitted under this Section. Unless the Secretary makes a determination that the application does not conform to this Section or that grounds exist for a denial of the application under Section 5-501 of this Chapter, the Secretary must grant the applicant an original Buy Here, Pay Here used vehicle dealer's license in writing for his or her established place of business and a supplemental license in writing for each additional place of business in such form as the Secretary may prescribe by rule that shall include the following:

(1) The name of the person licensed.

(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 the supplemental license pertains.

(g) The appropriate instrument evidencing the license or a certified copy thereof, provided by the Secretary of State shall be kept posted, conspicuously, in the established place

of business of the licensee and in each additional place of business, if any, maintained by the licensee.

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

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

(j) Each person licensed as a Buy Here, Pay Here used vehicle dealer is required to furnish each purchaser of a motor vehicle:

(1) a certificate of title 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;

(3) a bill of sale properly executed on behalf of the

person;

(4) a copy of the Uniform Invoice-transaction reporting return referred to in Section 5-402;

(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.

(k) Except at the time of sale or repossession of the vehicle, no person licensed as a Buy Here, Pay Here used vehicle dealer may issue any other person a newly created key to a vehicle unless the Buy Here, Pay Here used vehicle dealer makes a color photocopy or electronic scan of the driver's license or State identification card of the person requesting or obtaining the newly created key. The Buy Here, Pay Here used vehicle dealer must retain the photocopy or scan for 30 days.

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

(l) A Buy Here, Pay Here used vehicle dealer licensed under this Section shall provide the Secretary of State a register for the sale at auction of each salvage or junk certificate vehicle. Each register shall include the following information:

(1) the year, make, model, style, and color of the vehicle;

(2) the vehicle's manufacturer's identification number or, if applicable, the Secretary of State or Illinois Department of State Police identification number;

(3) the date of acquisition of the vehicle;

(4) the name and address of the person from whom the vehicle was acquired;

(5) the name and address of the person to whom any vehicle was disposed, the person's Illinois license number or, if the person is an out-of-state salvage vehicle buyer, the license number from the state or jurisdiction where the buyer is licensed; and

(6) the purchase price of the vehicle.

The register shall be submitted to the Secretary of State via written or electronic means within 10 calendar days from the date of the auction.

(625 ILCS 5/5-102.9 new)

Sec. 5-102.9. Alternative vehicle sales and ownership.

(a) The Secretary may create special dealership licenses for entities that specialize in specific types of used motor vehicles that may be based on model, make, age, or any other factor that the Secretary deems appropriate.

(b) Any owner who is not a manufacturer of the vehicle and chooses to lease a used vehicle for a period of less than 12 months shall ensure that the lessee maintains valid registration and liability insurance as set forth in Chapter 7

of this Code. The owner of the vehicle shall not collect any fees in connection with the registration of the vehicle unless the owner is also a licensed remittance agent under this Code.

(c) The Secretary may adopt any rules necessary to implement this Section.

(625 ILCS 5/5-401.2) (from Ch. 95 1/2, par. 5-401.2)

Sec. 5-401.2. Licensees required to keep records and make inspections.

(a) Every person licensed or required to be licensed under Section 5-101, 5-101.1, 5-101.2, 5-102, 5-102.8, 5-301, or 5-302 of this Code, shall, with the exception of scrap processors, maintain for 3 years, in a form as the Secretary of State may by rule or regulation prescribe, at his established place of business, additional place of business, or principal place of business if licensed under Section 5-302, the following records relating to the acquisition or disposition of vehicles and their essential parts possessed in this State, brought into this State from another state, territory or country, or sold or transferred to another person in this State or in another state, territory, or country.

(1) The following records pertaining to new or used vehicles shall be kept:

(A) the year, make, model, style and color of the vehicle;

(B) the vehicle's manufacturer's identification

number or, if applicable, the Secretary of State or Illinois Department of State Police identification number;

(C) the date of acquisition of the vehicle;

(D) the name and address of the person from whom the vehicle was acquired and, if that person is a dealer, the Illinois or out-of-state dealer license number of such person;

(E) the signature of the person making the inspection of a used vehicle as required under subsection (d) of this Section, if applicable;

(F) the purchase price of the vehicle, if applicable;

(G) the date of the disposition of the vehicle;

(H) the name and address of the person to whom any vehicle was disposed, and if that person is a dealer, the Illinois or out-of-State dealer's license number of that dealer;

(I) the uniform invoice number reflecting the disposition of the vehicle, if applicable; and

(J) The sale price of the vehicle, if applicable.

(2) (A) The following records pertaining to used essential parts other than quarter panels and transmissions of vehicles of the first division shall be kept:

(i) the year, make, model, color and type of such

part;

(ii) the vehicle's manufacturer's identification number, derivative number, or, if applicable, the Secretary of State or Illinois Department of State Police identification number of such part;

(iii) the date of the acquisition of each part;

(iv) the name and address of the person from whom the part was acquired and, if that person is a dealer, the Illinois or out-of-state dealer license number of such person; if the essential part being acquired is from a person other than a dealer, the licensee shall verify and record that person's identity by recording the identification numbers from at least two sources of identification, one of which shall be a drivers license or State identification card;

(v) the uniform invoice number or out-of-state bill of sale number reflecting the acquisition of such part;

(vi) the stock number assigned to the essential part by the licensee, if applicable;

(vii) the date of the disposition of such part;

(viii) the name and address of the person to whom such part was disposed of and, if that person is a dealer, the Illinois or out-of-state dealer license number of that person;

(ix) the uniform invoice number reflecting the

disposition of such part.

(B) Inspections of all essential parts shall be conducted in accordance with Section 5-402.1.

(C) A separate entry containing all of the information required to be recorded in subparagraph (A) of paragraph (2) of subsection (a) of this Section shall be made for each separate essential part. Separate entries shall be made regardless of whether the part was a large purchase acquisition. In addition, a separate entry shall be made for each part acquired for immediate sale or transfer, or for placement into the overall inventory or stock to be disposed of at a later time, or for use on a vehicle to be materially altered by the licensee, or acquired for any other purpose or reason. Failure to make a separate entry for each essential part acquired or disposed of, or a failure to record any of the specific information required to be recorded concerning the acquisition or disposition of each essential part as set forth in subparagraph (A) of paragraph (2) of subsection (a) shall constitute a failure to keep records.

(D) The vehicle's manufacturer's identification number or Secretary of State or Illinois Department of State Police identification number for the essential part shall be ascertained and recorded even if such part is acquired from a person or dealer located in a State, territory, or country which does not require that such information be

recorded. If the vehicle's manufacturer's identification number or Secretary of State or Illinois Department of State Police identification number for an essential part cannot be obtained, that part shall not be acquired by the licensee or any of his agents or employees. If such part or parts were physically acquired by the licensee or any of his agents or employees while the licensee or agent or employee was outside this State, that licensee or agent or employee was outside the State, that licensee, agent or employee shall not bring such essential part into this State or cause it to be brought into this State. The acquisition or disposition of an essential part by a licensee without the recording of the vehicle identification number or Secretary of State identification number for such part or the transportation into the State by the licensee or his agent or employee of such part or parts shall constitute a failure to keep records.

(E) The records of essential parts required to be kept by this Section shall apply to all hulks, chassis, frames or cowls, regardless of the age of those essential parts. The records required to be kept by this Section for essential parts other than hulks, chassis, frames or cowls, shall apply only to those essential parts which are 6 model years of age or newer. In determining the model year of such an essential part it may be presumed that the identification number of the vehicle from which the

essential part came or the identification number affixed to the essential part itself acquired by the licensee denotes the model year of that essential part. This presumption, however, shall not apply if the gross appearance of the essential part does not correspond to the year, make or model of either the identification number of the vehicle from which the essential part is alleged to have come or the identification number which is affixed to the essential part itself. To determine whether an essential part is 6 years of age or newer within this paragraph, the model year of the essential part shall be subtracted from the calendar year in which the essential part is acquired or disposed of by the licensee. If the remainder is 6 or less, the record of the acquisition or disposition of that essential part shall be kept as required by this Section.

(F) The requirements of paragraph (2) of subsection (a) of this Section shall not apply to the disposition of an essential part other than a cowl which has been damaged or altered to a state in which it can no longer be returned to a usable condition and which is being sold or transferred to a scrap processor or for delivery to a scrap processor.

(3) the following records for vehicles on which junking certificates are obtained shall be kept:

(A) the year, make, model, style and color of the vehicle;

(B) the vehicle's manufacturer's identification number

or, if applicable, the Secretary of State or Illinois Department of State Police identification number;

(C) the date the vehicle was acquired;

(D) the name and address of the person from whom the vehicle was acquired and, if that person is a dealer, the Illinois or out-of-state dealer license number of that person;

(E) the certificate of title number or salvage certificate number for the vehicle, if applicable;

(F) the junking certificate number obtained by the licensee; this entry shall be recorded at the close of business of the fifth business day after receiving the junking certificate;

(G) the name and address of the person to whom the junking certificate has been assigned, if applicable, and if that person is a dealer, the Illinois or out-of-state dealer license number of that dealer;

(H) if the vehicle or any part of the vehicle is dismantled for its parts to be disposed of in any way, or if such parts are to be used by the licensee to materially alter a vehicle, those essential parts shall be recorded and the entries required by paragraph (2) of subsection (a) shall be made.

(4) The following records for rebuilt vehicles shall be kept:

(A) the year, make, model, style and color of the

vehicle;

(B) the vehicle's manufacturer's identification number of the vehicle or, if applicable, the Secretary of State or Illinois Department of State Police identification number;

(C) the date the vehicle was acquired;

(D) the name and address of the person from whom the vehicle was acquired, and if that person is a dealer, the Illinois or out-of-state dealer license number of that person;

(E) the salvage certificate number for the vehicle;

(F) the newly issued certificate of title number for the vehicle;

(G) the date of disposition of the vehicle;

(H) the name and address of the person to whom the vehicle was disposed, and if a dealer, the Illinois or out-of-state dealer license number of that dealer;

(I) The sale price of the vehicle.

(a-1) A person licensed or required to be licensed under Section 5-101 or Section 5-102 of this Code who issues temporary registration permits as permitted by this Code and by rule must electronically file the registration with the Secretary and must maintain records of the registration in the manner prescribed by the Secretary.

(b) A failure to make separate entries for each vehicle acquired, disposed of, or assigned, or a failure to record any of the specific information required to be recorded concerning

the acquisition or disposition of each vehicle as set forth in paragraphs (1), (3) and (4) of subsection (a) shall constitute a failure to keep records.

(c) All entries relating to the acquisition of a vehicle or essential part required by subsection (a) of this Section shall be recorded no later than the close of business on the seventh calendar day following such acquisition. All entries relating to the disposition of a vehicle or an essential part shall be made at the time of such disposition. If the vehicle or essential part was disposed of on the same day as its acquisition or the day thereafter, the entries relating to the acquisition of the vehicle or essential part shall be made at the time of the disposition of the vehicle or essential part. Failure to make the entries required in or at the times prescribed by this subsection following the acquisition or disposition of such vehicle or essential part shall constitute a failure to keep records.

(d) Every person licensed or required to be licensed shall, before accepting delivery of a used vehicle, inspect the vehicle to determine whether the manufacturer's public vehicle identification number has been defaced, destroyed, falsified, removed, altered, or tampered with in any way. If the person making the inspection determines that the manufacturer's public vehicle identification number has been altered, removed, defaced, destroyed, falsified or tampered with he shall not acquire that vehicle but instead shall promptly

notify law enforcement authorities of his finding.

(e) The information required to be kept in subsection (a) of this Section shall be kept in a manner prescribed by rule or regulation of the Secretary of State.

(f) Every person licensed or required to be licensed shall have in his possession a separate certificate of title, salvage certificate, junking certificate, certificate of purchase, uniform invoice, out-of-state bill of sale or other acceptable documentary evidence of his right to the possession of every vehicle or essential part.

(g) Every person licensed or required to be licensed as a transporter under Section 5-201 shall maintain for 3 years, in such form as the Secretary of State may by rule or regulation prescribe, at his principal place of business a record of every vehicle transported by him, including numbers of or other marks of identification thereof, the names and addresses of persons from whom and to whom the vehicle was delivered and the dates of delivery.

(h) No later than 15 days prior to going out of business, selling the business, or transferring the ownership of the business, the licensee shall notify the Secretary of State that he is going out of business or that he is transferring the ownership of the business. Failure to notify under this paragraph shall constitute a failure to keep records.

(i) (Blank).

(j) A person who knowingly fails to comply with the

provisions of this Section or knowingly fails to obey, observe, or comply with any order of the Secretary or any law enforcement agency issued in accordance with this Section is guilty of a Class B misdemeanor for the first violation and a Class A misdemeanor for the second and subsequent violations. Each violation constitutes a separate and distinct offense and a separate count may be brought in the same indictment or information for each vehicle or each essential part of a vehicle for which a record was not kept as required by this Section.

(k) Any person convicted of failing to keep the records required by this Section with intent to conceal the identity or origin of a vehicle or its essential parts or with intent to defraud the public in the transfer or sale of vehicles or their essential parts is guilty of a Class 2 felony. Each violation constitutes a separate and distinct offense and a separate count may be brought in the same indictment or information for each vehicle or essential part of a vehicle for which a record was not kept as required by this Section.

(l) A person may not be criminally charged with or convicted of both a knowing failure to comply with this Section and a knowing failure to comply with any order, if both offenses involve the same record keeping violation.

(m) The Secretary shall adopt rules necessary for implementation of this Section, which may include the imposition of administrative fines.

(Source: P.A. 99-593, eff. 7-22-16.)

(625 ILCS 5/5-402.1) (from Ch. 95 1/2, par. 5-402.1)

Sec. 5-402.1. Use of Secretary of State Uniform Invoice for Essential Parts.

(a) Except for scrap processors, every person licensed or required to be licensed under Section 5-101, 5-101.1, 5-102, 5-102.8, or 5-301 of this Code shall issue, in a form the Secretary of State may by rule or regulation prescribe, a Uniform Invoice, which may also act as a bill of sale, made out in triplicate with respect to each transaction in which he disposes of an essential part other than quarter panels and transmissions of vehicles of the first division. Such Invoice shall be made out at the time of the disposition of the essential part. If the licensee disposes of several essential parts in the same transaction, the licensee may issue one Uniform Invoice covering all essential parts disposed of in that transaction.

(b) The following information shall be contained on the Uniform Invoice:

(1) the business name, address and dealer license number of the person disposing of the essential part;

(2) the name and address of the person acquiring the essential part, and if that person is a dealer, the Illinois or out-of-state dealer license number of that dealer;

- (3) the date of the disposition of the essential part;
- (4) the year, make, model, color and description of each essential part disposed of by the person;
- (5) the manufacturer's vehicle identification number, Secretary of State identification number or Illinois Department of State Police identification number, for each essential part disposed of by the person;
- (6) the printed name and legible signature of the person or agent disposing of the essential part; and
- (7) if the person is a dealer the printed name and legible signature of the dealer or his agent or employee accepting delivery of the essential part.

(c) Except for scrap processors, and except as set forth in subsection (d) of this Section, whenever a person licensed or required to be licensed by Section 5-101, 5-101.1, 5-102, or 5-301 accepts delivery of an essential part, other than quarter panels and transmissions of vehicles of the first division, that person shall, at the time of the acceptance or delivery, comply with the following procedures:

- (1) Before acquiring or accepting delivery of any essential part, the licensee or his authorized agent or employee shall inspect the part to determine whether the vehicle identification number, Secretary of State identification number, Illinois Department of State Police identification number, or identification plate or sticker attached to or stamped on any part being acquired or

delivered has been removed, falsified, altered, defaced, destroyed, or tampered with. If the licensee or his agent or employee determines that the vehicle identification number, Secretary of State identification number, Illinois Department of State Police identification number, identification plate or identification sticker containing an identification number, or Federal Certificate label of an essential part has been removed, falsified, altered, defaced, destroyed or tampered with, the licensee or agent shall not accept or receive that part.

If that part was physically acquired by or delivered to a licensee or his agent or employee while that licensee, agent or employee was outside this State, that licensee or agent or employee shall not bring that essential part into this State or cause it to be brought into this State.

(2) If the person disposing of or delivering the essential part to the licensee is a licensed in-state or out-of-state dealer, the licensee or his agent or employee, after inspecting the essential part as required by paragraph (1) of this subsection (c), shall examine the Uniform Invoice, or bill of sale, as the case may be, to ensure that it contains all the information required to be provided by persons disposing of essential parts as set forth in subsection (b) of this Section. If the Uniform Invoice or bill of sale does not contain all the information required to be listed by subsection (b) of this

Section, the dealer disposing of or delivering such part or his agent or employee shall record such additional information or other needed modifications on the Uniform Invoice or bill of sale or, if needed, an attachment thereto. The dealer or his agent or employee delivering the essential part shall initial all additions or modifications to the Uniform Invoice or bill of sale and legibly print his name at the bottom of each document containing his initials. If the transaction involves a bill of sale rather than a Uniform Invoice, the licensee or his agent or employee accepting delivery of or acquiring the essential part shall affix his printed name and legible signature on the space on the bill of sale provided for his signature or, if no space is provided, on the back of the bill of sale. If the dealer or his agent or employee disposing of or delivering the essential part cannot or does not provide all the information required by subsection (b) of this Section, the licensee or his agent or employee shall not accept or receive any essential part for which that required information is not provided. If such essential part for which the information required is not fully provided was physically acquired while the licensee or his agent or employee was outside this State, the licensee or his agent or employee shall not bring that essential part into this State or cause it to be brought into this State.

(3) If the person disposing of the essential part is not a licensed dealer, the licensee or his agent or employee shall, after inspecting the essential part as required by paragraph (1) of subsection (c) of this Section verify the identity of the person disposing of the essential part by examining 2 sources of identification, one of which shall be either a driver's license or state identification card. The licensee or his agent or employee shall then prepare a Uniform Invoice listing all the information required to be provided by subsection (b) of this Section. In the space on the Uniform Invoice provided for the dealer license number of the person disposing of the part, the licensee or his agent or employee shall list the numbers taken from the documents of identification provided by the person disposing of the part. The person disposing of the part shall affix his printed name and legible signature on the space on the Uniform Invoice provided for the person disposing of the essential part and the licensee or his agent or employee acquiring the part shall affix his printed name and legible signature on the space provided on the Uniform Invoice for the person acquiring the essential part. If the person disposing of the essential part cannot or does not provide all the information required to be provided by this paragraph, or does not present 2 satisfactory forms of identification, the licensee or his agent or employee shall not acquire

that essential part.

(d) If an essential part other than quarter panels and transmissions of vehicles of the first division was delivered by a licensed commercial delivery service delivering such part on behalf of a licensed dealer, the person required to comply with subsection (c) of this Section may conduct the inspection of that part required by paragraph (1) of subsection (c) and examination of the Uniform Invoice or bill of sale required by paragraph (2) of subsection (c) of this Section immediately after the acceptance of the part.

(1) If the inspection of the essential part pursuant to paragraph (1) of subsection (c) reveals that the vehicle identification number, Secretary of State identification number, Illinois Department of State Police identification number, identification plate or sticker containing an identification number, or Federal Certificate label of an essential part has been removed, falsified, altered, defaced, destroyed or tampered with, the licensee or his agent shall immediately record such fact on the Uniform Invoice or bill of sale, assign the part an inventory or stock number, place such inventory or stock number on both the essential part and the Uniform Invoice or bill of sale, and record the date of the inspection of the part on the Uniform Invoice or bill of sale. The licensee shall, within 7 days of such inspection, return such part to the dealer from whom it was acquired.

(2) If the examination of the Uniform Invoice or bill of sale pursuant to paragraph (2) of subsection (c) reveals that any of the information required to be listed by subsection (b) of this Section is missing, the licensee or person required to be licensed shall immediately assign a stock or inventory number to such part, place such stock or inventory number on both the essential part and the Uniform Invoice or bill of sale, and record the date of examination on the Uniform Invoice or bill of sale. The licensee or person required to be licensed shall acquire the information missing from the Uniform Invoice or bill of sale within 7 days of the examination of such Uniform Invoice or bill of sale. Such information may be received by telephone conversation with the dealer from whom the part was acquired. If the dealer provides the missing information the licensee shall record such information on the Uniform Invoice or bill of sale along with the name of the person providing the information. If the dealer does not provide the required information within the aforementioned 7 day period, the licensee shall return the part to that dealer.

(e) Except for scrap processors, all persons licensed or required to be licensed who acquire or dispose of essential parts other than quarter panels and transmissions of vehicles of the first division shall retain a copy of the Uniform Invoice required to be made by subsections (a), (b) and (c) of

this Section for a period of 3 years.

(f) Except for scrap processors, any person licensed or required to be licensed under Sections 5-101, 5-102 or 5-301 who knowingly fails to record on a Uniform Invoice any of the information or entries required to be recorded by subsections (a), (b) and (c) of this Section, or who knowingly places false entries or other misleading information on such Uniform Invoice, or who knowingly fails to retain for 3 years a copy of a Uniform Invoice reflecting transactions required to be recorded by subsections (a), (b) and (c) of this Section, or who knowingly acquires or disposes of essential parts without receiving, issuing, or executing a Uniform Invoice reflecting that transaction as required by subsections (a), (b) and (c) of this Section, or who brings or causes to be brought into this State essential parts for which the information required to be recorded on a Uniform Invoice is not recorded as prohibited by subsection (c) of this Section, or who knowingly fails to comply with the provisions of this Section in any other manner shall be guilty of a Class 2 felony. Each violation shall constitute a separate and distinct offense and a separate count may be brought in the same indictment or information for each essential part for which a record was not kept as required by this Section or for which the person failed to comply with other provisions of this Section.

(g) The records required to be kept by this Section may be examined by a person or persons making a lawful inspection of

the licensee's premises pursuant to Section 5-403.

(h) The records required to be kept by this Section shall be retained by the licensee at his principal place of business for a period of 7 years.

(i) The requirements of this Section shall not apply to the disposition of an essential part other than a cowl which has been damaged or altered to a state in which it can no longer be returned to a usable condition and which is being sold or transferred to a scrap processor or for delivery to a scrap processor.

(Source: P.A. 91-415, eff. 1-1-00.)

(625 ILCS 5/5-403.1) (from Ch. 95 1/2, par. 5-403.1)

Sec. 5-403.1. Inventory System.

(a) Every person licensed or required to be licensed under the provisions of Sections 5-101, 5-101.1, 5-102, 5-102.8, and 5-301 of this Code shall, under rule and regulation prescribed by the Secretary of State, maintain an inventory system of all vehicles or essential parts in such a manner that a person making an inspection pursuant to the provisions of Section 5-403 of this Code can readily ascertain the identity of such vehicles or essential parts and readily locate such parts on the licensee's premises.

(b) Failure to maintain an inventory system as required under this Section is a Class A misdemeanor.

(c) This Section does not apply to vehicles or essential

parts which have been acquired by a scrap processor for processing into a form other than a vehicle or essential part.

(Source: P.A. 91-415, eff. 1-1-00.)

(625 ILCS 5/5-501) (from Ch. 95 1/2, par. 5-501)

Sec. 5-501. Denial, suspension or revocation or cancellation of a license.

(a) The license of a person issued under this Chapter may be denied, revoked or suspended if the Secretary of State finds that the applicant, or the officer, director, shareholder having a ten percent or greater ownership interest in the corporation, owner, partner, trustee, manager, employee or the licensee has:

1. Violated this Act;
2. Made any material misrepresentation to the Secretary of State in connection with an application for a license, junking certificate, salvage certificate, title or registration;
3. Committed a fraudulent act in connection with selling, bartering, exchanging, offering for sale or otherwise dealing in vehicles, chassis, essential parts, or vehicle shells;
4. As a new vehicle dealer has no contract with a manufacturer or enfranchised distributor to sell that new vehicle in this State;
5. Not maintained an established place of business as

defined in this Code;

6. Failed to file or produce for the Secretary of State any application, report, document or other pertinent books, records, documents, letters, contracts, required to be filed or produced under this Code or any rule or regulation made by the Secretary of State pursuant to this Code;

7. Previously had, within 3 years, such a license denied, suspended, revoked, or cancelled under the provisions of subsection (c) (2) of this Section;

8. Has committed in any calendar year 3 or more violations, as determined in any civil or criminal proceeding, of any one or more of the following Acts:

a. the "Consumer Finance Act";

b. the "Consumer Installment Loan Act";

c. the "Retail Installment Sales Act";

d. the "Motor Vehicle Retail Installment Sales Act";

e. "An Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money", approved May 24, 1879, as amended;

f. "An Act to promote the welfare of wage-earners by regulating the assignment of wages, and prescribing a penalty for the violation thereof", approved July 1, 1935, as amended;

g. Part 8 of Article XII of the Code of Civil Procedure; or

h. the "Consumer Fraud Act";

9. Failed to pay any fees or taxes due under this Act, or has failed to transmit any fees or taxes received by him for transmittal by him to the Secretary of State or the State of Illinois;

10. Converted an abandoned vehicle;

11. Used a vehicle identification plate or number assigned to a vehicle other than the one to which originally assigned;

12. Violated the provisions of Chapter 5 of this Act, as amended;

13. Violated the provisions of Chapter 4 of this Act, as amended;

14. Violated the provisions of Chapter 3 of this Act, as amended;

15. Violated Section 21-2 of the Criminal Code of 1961 or the Criminal Code of 2012, Criminal Trespass to Vehicles;

16. Made or concealed a material fact in connection with his application for a license;

17. Acted in the capacity of a person licensed or acted as a licensee under this Chapter without having a license therefor;

18. Failed to pay, within 90 days after a final

judgment, any fines assessed against the licensee pursuant to an action brought under Section 5-404;

19. Failed to pay the Dealer Recovery Trust Fund fee under Section 5-102.7 of this Code;

20. Failed to pay, within 90 days after notice has been given, any fine or fee owed as a result of an administrative citation issued by the Secretary under this Code;

21. Violated Article 16 or 17 of the Criminal Code of 2102;

22. Was convicted of a forcible felony under either the Criminal Code of 1961 or Criminal Code of 2012 or convicted of a similar out-of-state offense.

(b) In addition to other grounds specified in this Chapter, the Secretary of State, on complaint of the Department of Revenue, shall refuse the issuance or renewal of a license, or suspend or revoke such license, for any of the following violations of the "Retailers' Occupation Tax Act", the tax imposed on corporations under subsection (b) of Section 201 of the Illinois Income Tax Act, the Personal Property Tax Replacement Income Tax imposed under subsections (c) and (d) of Section 201 of the Illinois Income Tax Act, or the tax imposed under Section 704A of the Illinois Income Tax Act:

1. Failure to make a tax return;
2. The filing of a fraudulent return;
3. Failure to pay all or part of any tax or penalty

finally determined to be due;

4. Failure to comply with the bonding requirements of the "Retailers' Occupation Tax Act".

(b-1) In addition to other grounds specified in this Chapter, the Secretary of State, on complaint of the Motor Vehicle Review Board, shall refuse the issuance or renewal of a license, or suspend or revoke that license, if costs or fees assessed under Section 29 or Section 30 of the Motor Vehicle Franchise Act have remained unpaid for a period in excess of 90 days after the licensee received from the Motor Vehicle Board a second notice and demand for the costs or fees. The Motor Vehicle Review Board must send the licensee written notice and demand for payment of the fees or costs at least 2 times, and the second notice and demand must be sent by certified mail.

(c) Cancellation of a license.

1. The license of a person issued under this Chapter may be cancelled by the Secretary of State prior to its expiration in any of the following situations:

A. When a license is voluntarily surrendered, by the licensed person; or

B. If the business enterprise is a sole proprietorship, which is not a franchised dealership, when the sole proprietor dies or is imprisoned for any period of time exceeding 30 days; or

C. If the license was issued to the wrong person or corporation, or contains an error on its face. If any

person above whose license has been cancelled wishes to apply for another license, whether during the same license year or any other year, that person shall be treated as any other new applicant and the cancellation of the person's prior license shall not, in and of itself, be a bar to the issuance of a new license.

2. The license of a person issued under this Chapter may be cancelled without a hearing when the Secretary of State is notified that the applicant, or any officer, director, shareholder having a 10 per cent or greater ownership interest in the corporation, owner, partner, trustee, manager, employee or member of the applicant or the licensee has been convicted of any felony involving the selling, bartering, exchanging, offering for sale, or otherwise dealing in vehicles, chassis, essential parts, vehicle shells, or ownership documents relating to any of the above items.

(Source: P.A. 97-480, eff. 10-1-11; 97-838, eff. 7-20-12; 97-1150, eff. 1-25-13; 98-1080, eff. 8-26-14.)

(625 ILCS 5/5-503) (from Ch. 95 1/2, par. 5-503)

Sec. 5-503. Failure to obtain dealer's license, operation of a business with a suspended or revoked license.

(a) Any person operating a business for which he is required to be licensed under Section 5-101, 5-101.2, 5-102, 5-102.8, 5-201, or 5-301 who fails to apply for such a license

or licenses within 15 days after being informed in writing by the Secretary of State that he must obtain such a license or licenses is subject to a civil action brought by the Secretary of State for operating a business without a license in the circuit court in the county in which the business is located. If the person is found to be in violation of Section 5-101, 5-101.2, 5-102, 5-102.8, 5-201, or 5-301 by carrying on a business without being properly licensed, that person shall be fined \$300 for each business day he conducted his business without such a license after the expiration of the 15-day period specified in this subsection (a).

(b) Any person who, having had his license or licenses issued under Section 5-101, 5-101.2, 5-102, 5-201, or 5-301 suspended, revoked, nonrenewed, cancelled, or denied by the Secretary of State under Section 5-501 or 5-501.5 of this Code, continues to operate business after the effective date of such revocation, nonrenewal, suspension, cancellation, or denial may be sued in a civil action by the Secretary of State in the county in which the established or additional place of such business is located. Except as provided in subsection (e) of Section 5-501.5 of this Code, if such person is found by the court to have operated such a business after the license or licenses required for conducting such business have been suspended, revoked, nonrenewed, cancelled, or denied, that person shall be fined \$500 for each day he conducted business thereafter.

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LRB101 10800 TAE 55929 b

(Source: P.A. 100-409, eff. 8-25-17; 100-450, eff. 1-1-18;
100-863, eff. 8-14-18.)

INDEX

Statutes amended in order of appearance

415 ILCS 120/35

625 ILCS 5/3-601 from Ch. 95 1/2, par. 3-601

625 ILCS 5/3-602 from Ch. 95 1/2, par. 3-602

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

625 ILCS 5/3-904.2 new

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

625 ILCS 5/5-102.5

625 ILCS 5/5-102.7

625 ILCS 5/5-102.8 new

625 ILCS 5/5-102.9 new

625 ILCS 5/5-401.2 from Ch. 95 1/2, par. 5-401.2

625 ILCS 5/5-402.1 from Ch. 95 1/2, par. 5-402.1

625 ILCS 5/5-403.1 from Ch. 95 1/2, par. 5-403.1

625 ILCS 5/5-501 from Ch. 95 1/2, par. 5-501

625 ILCS 5/5-503 from Ch. 95 1/2, par. 5-503