



Rep. Sonya M. Harper

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1 AMENDMENT TO SENATE BILL 1792

2 AMENDMENT NO. _____. Amend Senate Bill 1792 by replacing
3 everything after the enacting clause with the following:

4 "Article 1.

5 Section 1-5. The Farmer Equity Act is amended by adding
6 Section 25 as follows:

7 (505 ILCS 72/25 new)

8 Sec. 25. Disparity study; report.

9 (a) The Department shall conduct a study and use the data
10 collected to determine economic and other disparities
11 associated with farm ownership and farm operations in this
12 State. The study shall focus primarily on identifying and
13 comparing economic, land ownership, education, and other
14 related differences between African American farmers and white
15 farmers, but may include data collected in regards to farmers

1 from other socially disadvantaged groups. The study shall
2 collect, compare, and analyze data relating to disparities or
3 differences in farm operations for the following areas:

4 (1) Farm ownership and the size or acreage of the
5 farmland owned compared to the number of farmers who are
6 farm tenants.

7 (2) The distribution of farm-related generated income
8 and wealth.

9 (3) The accessibility and availability to grants,
10 loans, commodity subsidies, and other financial
11 assistance.

12 (4) Access to technical assistance programs and
13 mechanization.

14 (5) Participation in continuing education, outreach,
15 or other agriculturally related services or programs.

16 (6) Interest in farming by young or beginning farmers.

17 (b) The Department shall submit a report of study to the
18 Governor and General Assembly on or before January 1, 2022. The
19 report shall be made available on the Department's Internet
20 website.

21 Article 5.

22 Section 5-5. The Cannabis Regulation and Tax Act is amended
23 by adding Section 10-45 as follows:

1 (410 ILCS 705/10-45 new)

2 Sec. 10-45. Cannabis Equity Commission.

3 (a) The Cannabis Equity Commission is created and shall
4 reflect the diversity of the State of Illinois, including
5 geographic, racial, and ethnic diversity. The Cannabis Equity
6 Commission shall be responsible for the following:

7 (1) Ensuring that equity goals in the Illinois cannabis
8 industry, as stated in Section 10-40, are met.

9 (2) Tracking and analyzing minorities in the
10 marketplace.

11 (3) Ensuring that revenue is being invested properly
12 into R3 areas under Section 10-40.

13 (4) Recommending changes to make the law more equitable
14 to communities harmed the most by the war on drugs.

15 (5) Create standards to protect true social equity
16 applicants from predatory businesses.

17 (b) The Cannabis Equity Commission's ex officio members
18 shall, within 4 months after the effective date of this
19 amendatory Act of the 101st General Assembly, convene the
20 Commission to appoint a full Cannabis Equity Commission and
21 oversee, provide guidance to, and develop an administrative
22 structure for the Cannabis Equity Commission. The ex officio
23 members are:

24 (1) The Governor, or his or her designee, who shall
25 serve as chair.

26 (2) The Attorney General, or his or her designee.

1 (3) The Director of Commerce and Economic Opportunity,
2 or his or her designee.

3 (4) The Director of Public Health, or his or her
4 designee.

5 (5) The Director of Corrections, or his or her
6 designee.

7 (6) The Director of Financial and Professional
8 Regulation, or his or her designee.

9 (7) The Director of Agriculture, or his or her
10 designee.

11 (8) The Executive Director of the Illinois Criminal
12 Justice Information Authority, or his or her designee.

13 (9) The Secretary of Human Services, or his or her
14 designee.

15 (10) A member of the Senate, designated by the
16 President of the Senate.

17 (11) A member of the House of Representatives,
18 designated by the Speaker of the House of Representatives.

19 (12) A member of the Senate, designated by the Minority
20 Leader of the Senate.

21 (13) A member of the House of Representatives,
22 designated by the Minority Leader of the House of
23 Representatives.

24 (c) Within 90 days after the ex officio members convene,
25 the following members shall be appointed to the Commission by
26 the chair:

1 Lead Service Line Replacement and Notification Act. References
2 in this Article to "this Act" mean this Article.

3 Section 10-5. Purpose. The purpose of this Act is to: (1)
4 require the owners and operators of community water supplies to
5 develop, implement, and maintain a comprehensive water service
6 line material inventory and a comprehensive lead service line
7 replacement plan, provide notice to occupants of potentially
8 affected buildings before any construction or repair work on
9 water mains or lead service lines, and request access to
10 potentially affected buildings before replacing lead service
11 lines; (2) prohibit partial lead service line replacements; and
12 (3) establish a revenue source capable of paying for lead
13 service line replacement activities in Illinois.

14 Section 10-10. Definitions. As used in this Act, unless the
15 context otherwise clearly requires:

16 "Advisory Board" means the Lead Service Line Replacement
17 Advisory Board created under Section 10-45 of this Act.

18 "Agency" means the Illinois Environmental Protection
19 Agency.

20 "Board" means the Illinois Pollution Control Board.

21 "Community water supply" has the meaning ascribed to it in
22 Section 3.145 of the Environmental Protection Act.

23 "Department" means the Department of Public Health.

24 "Emergency repair" means any unscheduled water main, water

1 service, or water valve repair or replacement that results from
2 failure or accident.

3 "Fund" means the Lead Service Line Replacement Fund created
4 under Section 10-15 of this Act.

5 "Lead service line" means a service line made of lead or
6 service line connected to a lead pigtail, lead gooseneck, or
7 other lead fitting.

8 "Material inventory" means a water service line material
9 inventory developed by a community water supply pursuant to
10 this Act.

11 "Noncommunity water supply" has the meaning ascribed to it
12 in Section 3.145 of the Environmental Protection Act.

13 "NSF/ANSI Standard" means a water treatment standard
14 developed by NSF International.

15 "Partial lead service line replacement" means replacement
16 of only a portion of a lead service line.

17 "Potentially affected building" means any building that is
18 provided water service through a service line that is either a
19 lead service line or a suspected lead service line.

20 "Public water supply" has the meaning ascribed to it in
21 Section 3.365 of the Environmental Protection Act.

22 "Service line" means the piping, tubing, and necessary
23 appurtenances acting as a conduit from the water main or source
24 of potable water supply to the building plumbing at the first
25 shut-off valve or 18 inches inside the building, whichever is
26 shorter.

1 "Suspected lead service line" means a line that a community
2 water supply finds more likely than not to be made of lead
3 after completing the requirements under paragraphs (2) through
4 (5) of subsection (e) of Section 10-25.

5 "Small system" means a community water supply that
6 regularly serves water to 3,300 or fewer persons.

7 Section 10-15. Lead Service Line Replacement Fund.

8 (a) The Lead Service line Replacement Fund is created as a
9 special fund in the State treasury to be used by the Agency and
10 the Department of Commerce and Economic Opportunity for the
11 purposes provided under Section 10-5 of this Act. The Fund
12 shall be used exclusively to finance and administer programs
13 and activities specified under this Act and listed under
14 subsection (c).

15 (b) The objective of the Fund is to finance all activities
16 associated with identifying and replacing lead service lines,
17 build Agency capacity to oversee the provisions of this Act,
18 and provide related assistance for the activities listed under
19 subsection (c).

20 (c) The Agency shall be responsible for the administration
21 of the Fund and shall allocate moneys on the basis of
22 priorities established by the Agency. Each year, the Agency
23 shall determine the available amount of resources in the Fund
24 that can be allocated to the activities identified under this
25 Section and shall allocate the moneys accordingly. The moneys

1 shall be allocated from the Fund in the following percentages,
2 except as provided under subsection (d):

3 (1) for costs related to replacing lead service lines
4 as described under Section 10-40, 75% of the available
5 funding;

6 (2) for assistance to low-income communities in
7 identifying, inventorying, planning for replacement of,
8 and implementing plans for replacement of lead service
9 lines, 5% of the available funding;

10 (3) for personnel costs within the Agency associated
11 with administering the provisions of this Act, 3% of the
12 available funding;

13 (4) for transfer to the Department of Commerce and
14 Economic Opportunity for the low-income water assistance
15 policy and program described under Section 605-870 of the
16 Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois, 7% of the available
18 funding;

19 (5) for transfer to the Department of Commerce and
20 Economic Opportunity for deposit into the Water Workforce
21 Development Fund, 5% of the available funding; and

22 (6) for the Water Innovation Grants Program described
23 in Section 10-90, 5% of the available funding.

24 (d) The Agency may, subject to the following provisions,
25 adjust the percentages of available funding allocated to each
26 activity described under subsection (c). The purpose of this

1 subsection is to enable the Agency flexibility in managing
2 distributions from the Fund while ensuring that distributions
3 are apportioned in a manner consistent with the intent of
4 subsection (c):

5 (1) In the years preceding the completion of all final
6 inventories and plans described under Sections 10-25 and
7 10-30, the Agency may direct up to 10% of available funds
8 to the low-income technical assistance activities
9 described under paragraph 2 of subsection (c) of this
10 Section. If the Agency chooses to increase funding for
11 these technical assistance activities, it must decrease
12 the share of funding apportioned to lead service line
13 replacement activities by a commensurate amount for those
14 same years.

15 (2) For all other deviations from the funding
16 percentages described under subsection (c), the Agency
17 shall consult the Advisory Board.

18 (3) In no case shall the allocation percentages be
19 modified such that the Agency cannot substantially fulfill
20 this Section's primary purpose of funding the
21 identification, inventory, and replacement of all lead
22 service lines in Illinois.

23 (e) The Agency is granted all powers necessary for the
24 implementation of this Section.

25 Section 10-20. Lead in drinking water protection fee.

1 (a) The General Assembly finds and declares that:

2 (1) there is no safe level of exposure to heavy metal
3 lead, as found by the United States Environmental
4 Protection Agency and the Center for Disease Control;

5 (2) lead-based plumbing, including service lines, can
6 convey this harmful substance to the drinking water supply;

7 (3) according to the Illinois Environmental Protection
8 Agency's 2018 Service Line Material Inventory, the State of
9 Illinois is estimated to have over 680,000 lead-based
10 service lines still in operation;

11 (4) the true number of lead service lines is not fully
12 known because Illinois lacks an adequate inventory of lead
13 service lines;

14 (5) for the general health, safety and welfare of its
15 residents, all lead service lines in Illinois should be
16 disconnected from the drinking water supply; and

17 (6) all residents of the State of Illinois should share
18 the costs of lead service line replacement in order to
19 reduce the public health and social costs of lead in the
20 State's drinking water supply.

21 (b) Within one year after the effective date of this Act,
22 the Agency shall establish procedures for the collection of a
23 lead in drinking water protection fee. The fee shall be
24 collected in a manner determined by the Agency and the Advisory
25 Board.

26 (1) The annual amount of the fee assessed shall be

1 determined by the Agency in consultation with the Advisory
2 Board. In establishing this fee, the Agency and Advisory
3 Board shall consider at a minimum:

4 (A) variation in financial ability of different
5 ratepayers;

6 (B) differences in water usage among residential,
7 commercial, and industrial ratepayers;

8 (C) the ability of community water supplies to
9 assess and collect the fee; and

10 (D) total funds required to adequately fund the
11 activities described under subsection (c) of Section
12 10-15, including, but not limited to, the total
13 statewide cost of replacing all lead service lines.

14 (2) The lead in drinking water protection fee shall be
15 reviewed by the Agency and the Advisory Board every 5
16 years.

17 (3) No later than January 1, 2022, the Agency shall
18 notify each community water supply of the annual fees to be
19 assessed to ratepayers. Beginning January 1, 2022, the fee
20 shall be levied once per billing cycle. The amount of the
21 fee charged per billing cycle shall be equal to the annual
22 fee divided by the number of bills issued per year.

23 (4) The fee shall be remitted to the Department of
24 Revenue. All proceeds shall be deposited in the Lead
25 Service Line Replacement Fund.

1 Section 10-25. Material inventories.

2 (a) The owner or operator of each community water supply
3 shall:

4 (1) develop an initial material inventory and submit
5 the material inventory electronically to the Agency by
6 April 15, 2021;

7 (2) update its material inventory and submit the
8 updated material inventory electronically to the Agency by
9 April 15, 2022; and

10 (3) deliver a complete material inventory to the Agency
11 no later than April 15, 2025; the complete inventory shall
12 report the composition of all service lines in the
13 community water supply's distribution system.

14 (b) The Agency shall review each material inventory
15 submitted to it under this Section. If the Agency determines
16 that the community water supply is making substantial progress
17 toward characterizing the materials of all service lines
18 connected to its distribution system, with a priority on
19 identifying all lead service lines connected to its
20 distribution system, then the Agency shall approve the material
21 inventory.

22 (c) If a community water supply does not deliver a complete
23 inventory to the Agency by April 15, 2025, the community water
24 supply may apply to the Agency for an extension. The Agency
25 shall develop criteria for granting inventory extensions. When
26 considering requests for extension, the Agency shall at a

1 minimum consider:

2 (1) the number of service connections in a water
3 supply;

4 (2) the staff capacity and financial condition of the
5 community;

6 (3) the number of service lines of an unknown material
7 composition; and

8 (4) other criteria as determined by the Agency in
9 consultation with the Advisory Board.

10 (d) Each material inventory prepared for a community water
11 supply shall identify:

12 (1) the total number of service lines connected to the
13 community water supply's distribution system;

14 (2) the materials of construction of each service line
15 connected to the community water supply's distribution
16 system;

17 (3) the number of suspected lead service lines that
18 were newly identified in the material inventory for the
19 community water supply after the community water supply
20 last submitted a service line inventory to the Agency; and

21 (4) the number of suspected or known lead service lines
22 that were replaced after the community water supply last
23 submitted a service line inventory to the Agency and the
24 material of the service line that replaced each lead
25 service line.

26 When identifying the materials of construction under

1 paragraph (2) of this subsection, the owner or operator of the
2 community water supply shall identify the type of construction
3 material used on the customer's side of the curb box or meter
4 or other line of demarcation and the community water supply's
5 side of the curb box or meter or other line of demarcation.

6 (e) In completing its material inventory, the owner or
7 operator of each community water supply shall:

8 (1) prioritize inspections of high-risk areas
9 identified by the community water supply and inspections of
10 high-risk facilities, such as preschools, day care
11 centers, day care homes, group day care homes, parks,
12 playgrounds, hospitals, and clinics, and confirm service
13 line materials in those areas and at those facilities;

14 (2) review historical documentation, such as
15 construction logs or cards, as-built drawings, purchase
16 orders, and subdivision plans, to determine service line
17 material construction;

18 (3) when conducting distribution system maintenance,
19 visually inspect service lines and document materials of
20 construction;

21 (4) identify any time period when the service lines
22 being connected to its distribution system were primarily
23 lead service lines, if such a time period is known or
24 suspected; and

25 (5) discuss service line repair and installation with
26 its employees, contractors, plumbers, other workers who

1 worked on service lines connected to its distribution
2 system, or all of the above.

3 (f) The owner or operator of each community water supply
4 shall maintain records of persons who refuse to grant access to
5 the interior of a building for purposes of identifying the
6 materials of construction of a service line. If a community
7 water supply has been denied access to the interior of a
8 building for that reason, then the community water supply may
9 identify the service line as a suspected lead service line.

10 (g) If a community water supply identifies a lead service
11 line connected to a building, the owner or operator of the
12 community water supply shall notify the owner of the building
13 and all occupants of the building of the existence of the lead
14 service line within 7 days after identifying the lead service
15 line, or as soon as is reasonably possible thereafter.
16 Individual written notice shall be given according to the
17 provisions of subsections (c) through (e) of Section 10-60 of
18 this Act.

19 (h) An owner or operator of a community water supply has no
20 duty to include in the material inventory required under this
21 Section information about service lines that are physically
22 disconnected from a water main in its distribution system.

23 (i) When conducting engineering evaluations of community
24 water supplies, the Agency may conduct a separate audit to
25 identify progress that the community water supply has made
26 toward completing the material inventory required under this

1 Act.

2 (j) The owner or operator of each community water supply
3 shall post on its website a copy of the material inventory most
4 recently approved by the Agency or shall request that the
5 Agency post a copy of that material inventory on the Agency's
6 website.

7 Section 10-30. Lead service line replacement plans.

8 (a) Every owner or operator of a community water supply
9 that has known or suspected lead service lines shall:

10 (1) create a plan to:

11 (A) replace each lead service line connected to its
12 distribution system;

13 (B) replace each galvanized service line connected
14 to its distribution system, if the galvanized service
15 line is or was connected downstream to lead piping;

16 (C) determine the materials of construction of
17 suspected lead service lines and service lines of
18 unknown materials; and

19 (D) propose a timeline for review and regular
20 revisions of the lead service line replacement plan;
21 and

22 (2) electronically submit, by April 15, 2023, its
23 initial lead service line replacement plan to the Agency
24 for approval;

25 (3) electronically submit by April 15 of each

1 subsequent year an updated lead service line replacement
2 plan to the Agency for approval; the updated replacement
3 plan shall account for changes in the number of lead
4 service lines or unknown service lines in the material
5 inventory described in Section 10-25 of this Act;

6 (4) electronically submit by April 15, 2027 a complete
7 and final replacement plan to the Agency for approval; the
8 complete and final replacement plan shall account for all
9 lead service lines documented in the complete material
10 inventory described under paragraph (3) of subsection (a)
11 of Section 10-25; and

12 (5) post on its website a copy of the plan most
13 recently approved by the Agency or request that the Agency
14 post a copy of that plan on the Agency's website.

15 (b) Each plan required under subsection (a) shall include
16 the following:

17 (1) the name and identification number of the community
18 water supply;

19 (2) the total number of service lines connected to the
20 distribution system of the community water supply;

21 (3) the total number of suspected lead service lines
22 connected to the distribution system of the community water
23 supply;

24 (4) the total number of known lead service lines
25 connected to the distribution system of the community water
26 supply;

1 (5) the total number of lead service lines connected to
2 the distribution system of the community water supply that
3 have been replaced each year beginning in 2018;

4 (6) a proposed lead service line replacement schedule
5 that includes one-year, 5-year, 10-year, 15-year, 20-year,
6 and 25-year goals, as applicable under the timelines
7 described under Section 10-35;

8 (7) the estimated total number of remaining years until
9 all known lead service lines have been replaced or
10 suspected lead service lines have been determined to be
11 made of materials other than lead and the estimated year in
12 which lead service line replacement will be complete;

13 (8) an analysis of costs and financing options for
14 replacing the lead service lines connected to the community
15 water supply's distribution system, which shall include,
16 but shall not be limited to:

17 (A) a detailed accounting of costs associated with
18 replacing lead service lines and galvanized lines that
19 are or were connected downstream to lead piping;

20 (B) measures to address affordability and prevent
21 service shut-offs for customers or ratepayers; and

22 (C) an explanation of any costs that exceed the
23 funding provisions set forth under Section 10-40; and

24 (9) a feasibility and affordability plan that
25 includes, but is not limited to, information on how the
26 community water supply intends to fund or finance lead

1 service line replacement costs that exceed the State
2 funding provisions set forth under Section 10-40;

3 (10) a plan for prioritizing high-risk facilities,
4 such as preschools, day care centers, day care homes, group
5 day care homes, parks, playgrounds, hospitals, and
6 clinics, as well as high-risk areas identified by the
7 community water supply;

8 (11) a map of the areas where lead service lines are
9 expected to be found and the sequence with which those
10 areas will be inventoried and lead service lines replaced;

11 (12) measures for how the community water supply will
12 inform the public of the plan and provide opportunity for
13 public comment; and

14 (13) measures to encourage diversity in hiring in the
15 workforce required to implement the plan.

16 (c) The Agency shall review each plan submitted to it under
17 this Section. The Agency shall approve a plan if the plan
18 includes all of the elements set forth under subsection (b) and
19 the Agency determines that:

20 (1) the proposed lead service line replacement
21 schedule set forth in the plan aligns with the timeline
22 requirements set forth under Section 10-35;

23 (2) the plan prioritizes the replacement of lead
24 service lines that provide water service to high-risk
25 facilities, such as preschools, day care centers, day care
26 homes, group day care homes, parks, playgrounds,

1 hospitals, and clinics, and high-risk areas identified by
2 the community water supply;

3 (3) the plan includes an analysis of cost and financing
4 options; and

5 (4) the plan provides an opportunity for public review.

6 (d) An owner or operator of a community water supply has no
7 duty to include in the plans required under this Section
8 information about service lines that are physically
9 disconnected from a water main in its distribution system.

10 (e) If a community water supply does not deliver a complete
11 plan to the Agency by April 15, 2027, that community water
12 supply may apply for an extension to the Agency. The Agency
13 shall develop criteria for granting plan extensions. When
14 considering requests for extension, the Agency shall at a
15 minimum consider:

16 (1) the number of service connections in a water
17 supply;

18 (2) the staff capacity and financial condition of the
19 community;

20 (3) the number of service lines of an unknown material
21 composition; and

22 (4) other criteria as determined by the Agency in
23 consultation with the Lead Service Line Replacement
24 Advisory Board created under Section 10-45.

25 Section 10-35. Replacement timelines.

1 (a) Every owner or operator of a community water supply
2 shall replace all lead service lines, subject to the
3 requirements of Section 10-50, according to the following
4 replacement rates and timelines:

5 (1) Community water supplies reporting 249 or fewer
6 lead service lines in their final inventory and replacement
7 plans shall replace all lead service lines within 5 years
8 after the date of filing the replacement plan, at an annual
9 rate of no less than 20% of the amount described in the
10 final inventory.

11 (2) Community water supplies reporting more than 249
12 but fewer than 1,200 lead service lines in their final
13 inventory and replacement plans shall replace all lead
14 service lines within 10 years after the date of filing the
15 replacement plan, at an annual rate of no less than 10% of
16 the amount described in the final inventory.

17 (3) Community water supplies reporting more than 1,199
18 but fewer than 10,000 lead service lines in their final
19 inventory and replacement plans shall replace all lead
20 service lines within 15 years after the date of filing the
21 replacement plan, at an annual rate of no less than 6.7% of
22 the amount described in the final inventory.

23 (4) Community water supplies reporting more than 9,999
24 but fewer than 50,000 lead service lines in their final
25 inventory and replacement plans shall replace all lead
26 service lines within 20 years after the date of filing the

1 replacement plan, at an annual rate of no less than 5% of
2 the amount described in the final inventory.

3 (5) Community water supplies reporting more than
4 49,999 lead service lines in their final inventory and
5 replacement plans shall replace all lead service lines
6 within 25 years after the date of filing the replacement
7 plan, at an annual replacement rate of no less than 4% of
8 the amount described in the final inventory.

9 (b) A community water supply may apply to the Agency for an
10 extension to the replacement timelines described in paragraphs
11 1 through 5 of subsection (a). The Agency shall develop
12 criteria for granting replacement timeline extensions. When
13 considering requests for timeline extensions, the Agency shall
14 at a minimum consider:

15 (1) the number of service connections in a water
16 supply;

17 (2) the staff capacity and financial condition of the
18 community;

19 (3) unusual circumstances creating hardship for a
20 community; and

21 (4) other criteria as determined by the Agency in
22 consultation with the Lead Service Line Replacement
23 Advisory Board described in Section 10-45.

24 Replacement rates and timelines shall be calculated from
25 the date of submission of the final plan to the Agency.

1 Section 10-40. Lead service line replacement funding
2 amounts.

3 (a) Through financial resources provided by the Fund, the
4 Agency shall make available grants to community water supplies
5 for the purpose of the replacement of lead service lines. The
6 annual amount of grant funding available for this purpose shall
7 be determined by the Agency in consultation with the Advisory
8 Board.

9 (b) Within 120 days of the effective date of this Act, the
10 Agency shall design a program for the purpose of administration
11 of lead service line replacement grant funds. In designing the
12 grant program, the Agency shall consider at a minimum:

13 (1) the process by which community water supplies may
14 apply for grant funding; and

15 (2) eligible expenses for grant funding.

16 (c) Community water supplies shall be eligible for grant
17 funding for the replacement of lead service lines. Grants shall
18 be available at an amount described in subsection (f) of this
19 Section. Grant funding shall be available for the following
20 activities as they relate to lead service line replacement,
21 subject to Agency approval:

22 (1) costs associated with planning and inventory;

23 (2) material costs, including the cost of pipes and
24 fittings;

25 (3) labor and construction costs incidental to lead
26 service line replacement; and

1 (4) costs borne by the community water supply related
2 to administration of lead service line replacement.

3 (d) Grant funding shall not be used for the general
4 operating expenses of a municipality or community water supply.
5 Grant funding is intended only for costs directly associated
6 with lead service line replacement.

7 (e) Any lead service line replacement expense incurred by a
8 community water supply in excess of grant funding under this
9 Section or any other any foundation, State, or federal grant
10 funding shall be borne no more than 50% by the property owner
11 of that lead service line. The remaining costs shall be assumed
12 exclusively by the community water supply.

13 (f) Beginning January 1, 2022, the amount of grant funding
14 available shall not exceed \$8,000 per lead service line and
15 increased on January 1 of each subsequent year by an amount
16 equal to the percentage increase, if any, in the Consumer Price
17 Index for All Urban Consumers: All Items published by the
18 United States Department of Labor for the 12 months ending in
19 March of each year. The rate shall be rounded to the nearest
20 one-tenth of one cent.

21 Section 10-45. Lead Service Line Replacement Advisory
22 Board.

23 (a) The Lead Service Line Replacement Advisory Board is
24 created within the Agency. The Advisory Board shall convene
25 within 120 days after the effective date of this Act.

1 (b) The Advisory Board shall consist of at least 19 voting
2 members, as follows:

3 (1) the Director of the Agency, or his or her designee,
4 who shall serve as chairperson;

5 (2) the Director of Revenue, or his or her designee;

6 (3) the Director of Public Health, or his or her
7 designee;

8 (4) one member appointed by the Governor;

9 (5) fifteen members appointed by the Agency as follows:

10 (A) one member of a representative of a statewide
11 organization representing municipalities;

12 (B) one member representing a municipality with a
13 population of 2,000,000 or more inhabitants, nominated
14 by the mayor of the municipality;

15 (C) one member representing a municipality with a
16 population of less than 2,000,000 inhabitants located
17 in northern Illinois, nominated by the mayor of the
18 municipality;

19 (D) one member representing a municipality with a
20 population of less than 2,000,000 inhabitants located
21 in southern Illinois, nominated by the mayor of the
22 municipality

23 (E) two members who are representatives from
24 public health advocacy groups;

25 (F) two members who are representatives from
26 publicly-owned water utilities;

1 (G) one member who is a representative from an
2 investor-owned utility;

3 (H) one member who is a research professional
4 employed at an academic institution and specializing
5 in water infrastructure research;

6 (I) two members who are representatives from
7 nonprofit civic organizations;

8 (J) one member who is a representative from a
9 statewide organization representing environmental
10 organizations; and

11 (K) two members who are representatives from
12 organized labor.

13 No less than 10 of the 19 voting members shall be persons
14 of color, and no less than 3 shall represent communities
15 defined or self-identified as environmental justice
16 communities.

17 (c) Advisory Board members shall serve without
18 compensation, but may be reimbursed for necessary expenses
19 incurred in the performance of their duties from funds
20 appropriated for that purpose. The Agency shall provide
21 administrative support to the Advisory Board.

22 (d) The Advisory Board shall meet no less than once every 6
23 months.

24 (e) The Advisory Board shall have, at minimum, the
25 following duties:

26 (1) determining the structure and amount of the lead in

1 drinking water protection fee;

2 (2) determining variations in program funding
3 percentage allocation as described under subsection (c) of
4 Section 10-15;

5 (3) establishing criteria for granting extensions for
6 completion of the material inventory and final lead service
7 line replacement plan, as described under Sections 10-25
8 and 10-30;

9 (4) advising the Agency on best practices in lead
10 service line replacement;

11 (5) reviewing the performance of the Agency and
12 community water supplies in their progress toward lead
13 service line replacement goals;

14 (6) determining the amount of funding per service line
15 required under Section 10-40;

16 (7) advising the Agency on other matters related to the
17 administration of the provisions of this Act;

18 (8) within 10 years after the effective date of this
19 Act, and each year thereafter, preparing reports to the
20 Governor and General Assembly concerning the status of all
21 lead service line remediation sites within the State;

22 (9) proposing rules prescribing procedures and
23 standards for the administration of the provisions of this
24 Act;

25 (10) advising the Agency on the integration of existing
26 lead service line remediation or replacement plans with any

1 statewide plan; and

2 (11) providing technical support and practical
3 expertise in general.

4 Section 10-50. Lead service line replacement requirements.

5 (a) When replacing a lead service line, the owner or
6 operator of the community water supply shall replace the
7 service line in its entirety, including, but not limited to,
8 any portion of the service line (i) running on private property
9 and (ii) within the building plumbing at the first shut-off
10 valve. Partial lead service line replacements are expressly
11 prohibited. Exceptions shall be made for the following
12 circumstances:

13 (1) In the event of an emergency repair that affects a
14 lead service line or a suspected lead service line, a
15 community water supply must contact the building owner to
16 begin the process of replacing the entire service line. If
17 the building owner is not able to be contacted or the
18 building owner or occupant refuses to grant access and
19 permission to replace the entire service line at the time
20 of the emergency repair, then the community water supply
21 may perform a partial lead service line replacement. Where
22 an emergency repair on a service line constructed of lead
23 or galvanized steel pipe results in a partial service line
24 replacement, the water supply responsible for commencing
25 the repair shall perform the following:

1 (A) Inform the building's owner or operator and the
2 resident or residents served by the lead service line
3 that the community water supply will, at the community
4 water supply's expense, collect a sample from each
5 partially replaced lead service line that is
6 representative of the water in the lead service line
7 for analysis of lead content within 72 hours after the
8 completion of the partial replacement of the lead
9 service line. The community water supply shall collect
10 the sample and report the results of the analysis to
11 the owner or operator and the resident or residents
12 served by the lead service line within 3 business days
13 of receiving the results. Individual written
14 notification shall be delivered in the method and
15 according to the provisions of subsections (c), (d),
16 and (e) of Section 10-60. Mailed notices postmarked
17 within 3 business days of receiving the results are
18 satisfactory.

19 (B) Notify the building's owner or operator and the
20 resident or residents served by the lead service line
21 in writing that a repair has been completed. Such
22 notification shall include, at a minimum:

23 (i) a warning that the work may result in
24 sediment, possibly containing lead, in the
25 buildings water supply system;

26 (ii) information concerning practices for

1 preventing the consumption of any lead in drinking
2 water, including a recommendation to flush water
3 distribution pipe during and after the completion
4 of the repair or replacement work and to clean
5 faucet aerator screens; and

6 (iii) information regarding the dangers of
7 lead in young children and for pregnant women.

8 (C) Provide filters for at least one fixture
9 supplying potable water for consumption. The filter
10 must be compliant with NSF/ANSI Standards 53 and 42.
11 The filter must be provided until such time that the
12 remaining portions of the service line have been
13 replaced with a material approved by the Department or
14 a waiver has been issued under subsection (b) of
15 Section 10-55.

16 (D) Replace the remaining portion of the lead
17 service line within 30 days of the repair. If a
18 complete lead service line replacement cannot be made
19 within the required 30 day period, the person
20 responsible for commencing the repair shall notify the
21 Department in writing of, at a minimum, the following
22 within 24 hours of the repair:

23 (i) an explanation of why it is not feasible to
24 replace the remaining portion of the lead service
25 line within the allotted time; and

26 (ii) a timeline for when the remaining portion

1 of the lead service line will be replaced.

2 (E) If complete repair of a lead service line
3 cannot be completed within 30 days due to denial by the
4 property owner, the person commencing the repair shall
5 request the affected property owner to sign a waiver
6 developed by the Department. If a property owner of a
7 nonresidential building or residence operating as
8 rental properties denies a complete lead service line
9 replacement, the property owner shall be responsible
10 for installing and maintaining point-of-use filters
11 compliant with NSF/ANSI Standards 53 and 42 at all
12 fixtures intended to supply water for the purposes of
13 drinking, food preparation, or making baby formula.
14 The filters shall continue to be supplied until such
15 time that the property owner has affected the remaining
16 portions of the lead service line to be replaced.

17 (F) Document any remaining lead service line,
18 including a portion on the private side of the
19 property, in the community water supplies distribution
20 system materials inventory required under this Act.

21 For the purposes of this paragraph, written notice
22 shall be provided in the method and according to the
23 provisions of subsection (a) through (e) of Section 10-60.

24 (2) Lead service lines that are physically
25 disconnected from the distribution system are exempt from
26 this subsection.

1 (b) On and after January 1, 2022, when the owner or
2 operator of a community water supply replaces a water main, the
3 community water supply shall identify all lead service lines
4 connected to the water main and shall replace, in accordance
5 with its lead service line replacement plan, the lead service
6 lines by:

7 (1) identifying the material or materials of each lead
8 service line connected to the water main, including, but
9 not limited to, any portion of the service line (i) running
10 on private property and (ii) within the building plumbing
11 at the first shut-off valve or 18 inches inside the
12 building, whichever is shorter; and

13 (2) in conjunction with replacement of the water main,
14 replacing any and all portions of each lead service line
15 connected to that water main that are composed of lead.

16 (c) If an owner of a potentially affected building intends
17 to replace a portion of a lead service line or a galvanized
18 service line and the galvanized service line is or was
19 connected downstream to lead piping, then the owner of the
20 potentially affected building shall provide the owner or
21 operator of the community water supply with notice at least 45
22 days before commencing the work. In the case of an emergency
23 repair, if the owner of the potentially affected building
24 notifies the owner or operator of the community water supply of
25 the replacement of a portion of the lead service line after the
26 emergency repair is completed, then the owner or operator of

1 the community water supply must provide filters for each
2 kitchen area that are certified to meet the requirements of
3 NSF/ANSI Standards 42 and 53 and replace the remainder of the
4 lead service line within 30 days after completion of the
5 emergency repair. A community water supply may take up to 120
6 days if necessary due to weather conditions. If a replacement
7 takes longer than 30 days, provided filters must be replaced in
8 accordance with the manufacturer's recommendations. Partial
9 lead service line replacements by the owners of potentially
10 affected buildings are otherwise prohibited.

11 Section 10-55. Request for private property access.

12 (a) At least one month before conducting planned lead
13 service line replacement, the owner or operator of a community
14 water supply shall, by certified mail, attempt to contact the
15 owner of the potentially affected building serviced by the lead
16 service line to request access to the building and permission
17 to replace the lead service line in accordance with the lead
18 service line replacement plan. If the owner of the potentially
19 affected building does not respond to that request within 2
20 weeks after the request is sent, the owner or operator of the
21 community water supply shall attempt to post the request on the
22 entrance of the potentially affected building.

23 (b) If the owner or operator of a community water supply is
24 unable to obtain approval to access and replace the lead
25 service line, the owner or operator of the community water

1 supply shall request that the owner of the potentially affected
2 building sign a waiver. The waiver shall be developed by the
3 Department and should be made available in the owner's
4 language. If the owner of the potentially affected building
5 refuses to sign the waiver, or fails to respond to the
6 community water supply after the community water supply has
7 complied with subsection (a), the community water supply shall
8 notify the Department in writing within 15 working days.

9 Section 10-60. Construction notice.

10 (a) When replacing a lead service line or repairing or
11 replacing water mains with lead service lines or partial lead
12 service lines attached to them, the owner or operator of a
13 community water supply shall provide the owner of each
14 potentially affected building that is serviced by the affected
15 lead service lines or partial lead service lines, as well as
16 the occupants of those buildings, with an individual written
17 notice. The notice shall be delivered by mail or posted at the
18 primary entranceway of the building. The notice may, in
19 addition, be electronically mailed. Written notice shall
20 include, at a minimum, the following:

21 (1) a warning that the work may result in sediment,
22 possibly containing lead from the service line, in the
23 building's water;

24 (2) information concerning the best practices for
25 preventing exposure to or risk of consumption of lead in

1 drinking water, including a recommendation to flush water
2 lines during and after the completion of the repair or
3 replacement work and to clean faucet aerator screens; and

4 (3) information regarding the dangers of lead exposure
5 to young children and pregnant women.

6 (b) When the individual written notice described in
7 subsection (a) is required as a result of planned work other
8 than the repair or replacement of a water meter, the owner or
9 operator of the community water supply shall provide the notice
10 not less than 14 days before work begins. When the individual
11 written notice described in subsection (a) is required as a
12 result of emergency repairs other than the repair or
13 replacement of a water meter, the owner or operator of the
14 community water supply shall provide the notice at the time the
15 work is initiated. When the individual written notice described
16 in subsection (a) is required as a result of the repair or
17 replacement of a water meter, the owner or operator of the
18 community water supply shall provide the notice at the time the
19 work is initiated.

20 (c) If a community water supply serves a significant
21 proportion of non-English speaking consumers, the
22 notifications required under this Section must contain
23 information in the appropriate language regarding the
24 importance of the notice and a telephone number or address
25 where a person may contact the owner or operator of the
26 community water supply to obtain a translated copy of the

1 notification or request assistance in the appropriate
2 language.

3 (d) An owner or operator of a community water supply that
4 is required under this Section to provide an individual written
5 notice to the owner and occupants of a potentially affected
6 building that is a multi-dwelling building may satisfy that
7 requirement and the requirements of subsection (c) by posting
8 the required notice on the primary entranceway of the building
9 and at the location where the occupant's mail is delivered as
10 reasonably as possible.

11 (e) When this Section would require the owner or operator
12 of a community water supply to provide an individual written
13 notice to the entire community served by the community water
14 supply or would require the owner or operator of a community
15 water supply to provide individual written notices as a result
16 of emergency repairs or when the community water supply that is
17 required to comply with this Section is a small system, the
18 owner or operator of the community water supply may provide the
19 required notice through local media outlets, social media, or
20 other similar means in lieu of providing the individual written
21 notices otherwise required under this Section.

22 (f) No notifications are required under this Section for
23 work performed on water mains that are used to transmit treated
24 water between community water supplies and that have no service
25 connections.

1 Section 10-65. Replacement program progress reports. The
2 owner or operator of each community water supply shall include
3 the following information in the annual consumer confidence
4 report required under the United States Environmental
5 Protection Agency's National Primary Drinking Water
6 Regulations:

7 (1) an estimate of the number of known or suspected
8 lead service lines connected to its distribution system;
9 and

10 (2) a statement describing progress that has been made
11 toward replacing lead service lines connected to its
12 distribution system.

13 Section 10-70. Sale to wholesale or retail consecutive
14 community water supply. No community water supply that sells
15 water to any wholesale or retail consecutive community water
16 supply may pass on any costs associated with compliance with
17 this Act to consecutive systems.

18 Section 10-75. Board review. Authority is hereby vested in
19 the Illinois Pollution Control Board to conduct hearings to
20 review final actions of the Agency under this Act.

21 Section 10-80. Community water supply liability. To the
22 extent allowed by law, when a community water supply enters
23 into an agreement with a private contractor for replacement or

1 installation of water service lines, the community water supply
2 shall be held harmless for damage to property when replacing or
3 installing water service lines. If dangers are encountered that
4 prevent the replacement of the lead service line, the community
5 water supply shall notify the Department within 15 working days
6 of why the replacement of the lead service line could not be
7 accomplished.

8 Section 10-85. Rules.

9 (a) The Agency may propose to the Board, and the Board may
10 adopt, any rules necessary to implement and administer this
11 Act.

12 (b) The Department may adopt rules necessary to address
13 lead service lines attached to noncommunity water supplies.

14 Section 10-90. Water Innovation Grants Program.

15 (a) The purpose of this Section is to create a statewide
16 program for making grants to local units of government for the
17 purposes of drinking water infrastructure improvement.

18 (b) No later than December 1, 2021, the Agency shall, in
19 coordination with the Advisory Board, create a Water Innovation
20 Grants Program.

21 (c) In creating and administering the Water Innovation
22 Grants Program, the Agency shall prioritize making grants for
23 infrastructure improvement that are not sufficiently funded
24 through the Drinking Water State Revolving Fund. Municipal

1 programs that address lead pipes and lead plumbing attached to
2 private wells shall be eligible for prioritization under this
3 subsection.

4 (d) Revenue for this program shall be provided under the
5 terms contained under Section 10-15.

6 Section 10-95. Federal law. Notwithstanding any other
7 provision in this Act, no requirement in this Act shall be
8 construed as being less stringent than existing applicable
9 federal requirements.

10 Section 10-100. The Department of Commerce and Economic
11 Opportunity Law of the Civil Administrative Code of Illinois is
12 amended by adding Section 605-870 as follows:

13 (20 ILCS 605/605-870 new)

14 Sec. 605-870. Low-income water assistance policy and
15 program.

16 (a) The Department shall by rule establish a comprehensive
17 low-income water assistance policy and program that
18 incorporates financial assistance and includes, but is not
19 limited to, water efficiency or water quality projects, such as
20 lead service line replacement, or other measures to ensure that
21 residents have access to affordable and clean water. The policy
22 and program shall not jeopardize the ability of public
23 utilities, community water supplies, or other entities to

1 receive just compensation for providing services. The
2 resources applied in achieving the policy and program shall be
3 coordinated and efficiently used through the integration of
4 public programs and through the targeting of assistance. The
5 Department shall use all appropriate and available means to
6 fund this program and, to the extent possible, identify and use
7 sources of funding that complement State tax revenues. The rule
8 or rules shall be finalized within 180 days after the effective
9 date of this amendatory Act of the 101st General Assembly, or
10 within 60 days after receiving an appropriation for the
11 program.

12 (b) Any person who is a resident of the State and whose
13 household income is not greater than an amount determined
14 annually by the Department may apply for assistance under this
15 Section in accordance with rules adopted by the Department. In
16 setting the annual eligibility level, the Department shall
17 consider the amount of available funding and may not set a
18 limit higher than 150% of the poverty guidelines updated
19 periodically in the Federal Register by the U.S. Department of
20 Health and Human Services under the authority of 42 U.S.C.
21 9902(2).

22 (c) Applicants who qualify for assistance under subsection
23 (b) shall, subject to appropriation from the General Assembly
24 and availability of funds by the Department, receive assistance
25 as provided under this Section. The Department, upon receipt of
26 moneys authorized under this Section for assistance, shall

1 commit funds for each qualified applicant in an amount
2 determined by the Department. In determining the amounts of
3 assistance to be provided to or on behalf of a qualified
4 applicant the Department shall ensure that the highest amounts
5 of assistance go to households with the greatest water costs in
6 relation to household income. The Department may consider
7 factors such as water costs, household size, household income,
8 and region of the State when determining individual household
9 benefits. In adopting rules for the administration of this
10 Section, the Department shall ensure that a minimum of
11 one-third of the funds for the program are available for
12 benefits to eligible households with the lowest incomes and
13 that elderly households, households with persons with
14 disabilities, and households with children under 6 years of age
15 are offered a priority application period.

16 (d) Application materials for the program shall be made
17 available in multiple languages.

18 (e) The Department may adopt any rules necessary to
19 implement this Section.

20 Section 10-105. The State Finance Act is amended by adding
21 Section 5.935 as follows:

22 (30 ILCS 105/5.935 new)

23 Sec. 5.935. The Lead Service Line Replacement Fund.

1 Section 10-110. The Public Utilities Act is amended by
2 changing Section 8-306 as follows:

3 (220 ILCS 5/8-306)

4 Sec. 8-306. Special provisions relating to water and sewer
5 utilities.

6 (a) No later than 120 days after the effective date of this
7 amendatory Act of the 94th General Assembly, the Commission
8 shall prepare, make available to customers upon request, and
9 post on its Internet web site information concerning the
10 service obligations of water and sewer utilities and remedies
11 that a customer may pursue for a violation of the customer's
12 rights. The information shall specifically address the rights
13 of a customer of a water or sewer utility in the following
14 situations:

15 (1) The customer's water meter is replaced.

16 (2) The customer's bill increases by more than 50%
17 within one billing period.

18 (3) The customer's water service is terminated.

19 (4) The customer wishes to complain after receiving a
20 termination of service notice.

21 (5) The customer is unable to make payment on a billing
22 statement.

23 (6) A rate is filed, including without limitation a
24 surcharge or annual reconciliation filing, that will
25 increase the amount billed to the customer.

1 (7) The customer is billed for services provided prior
2 to the date covered by the billing statement.

3 (8) The customer is due to receive a credit.

4 Each billing statement issued by a water or sewer utility
5 shall include an Internet web site address where the customer
6 can view the information required under this subsection (a) and
7 a telephone number that the customer may call to request a copy
8 of the information.

9 (b) A water or sewer utility may discontinue service only
10 after it has mailed or delivered by other means a written
11 notice of discontinuance substantially in the form of Appendix
12 A of 83 Ill. Adm. Code 280. The notice must include the
13 Internet web site address where the customer can view the
14 information required under subsection (a) and a telephone
15 number that the customer may call to request a copy of the
16 information. Any notice required to be delivered or mailed to a
17 customer prior to discontinuance of service shall be delivered
18 or mailed separately from any bill. Service shall not be
19 discontinued until at least 5 days after delivery or 8 days
20 after the mailing of this notice. Service shall not be
21 discontinued and shall be restored if discontinued for the
22 reason which is the subject of a dispute or complaint during
23 the pendency of informal or formal complaint procedures of the
24 Illinois Commerce Commission under 83 Ill. Adm. Code 280.160 or
25 280.170, where the customer has complied with those rules.
26 Service shall not be discontinued and shall be restored if

1 discontinued where a customer has established a deferred
2 payment agreement pursuant to 83 Ill. Adm. Code 280.110 and has
3 not defaulted on such agreement. Residential customers who are
4 indebted to a utility for past due utility service shall have
5 the opportunity to make arrangements with the utility to retire
6 the debt by periodic payments, referred to as a deferred
7 payment agreement, unless this customer has failed to make
8 payment under such a plan during the past 12 months. The terms
9 and conditions of a reasonable deferred payment agreement shall
10 be determined by the utility after consideration of the
11 following factors, based upon information available from
12 current utility records or provided by the customer or
13 applicant:

- 14 (1) size of the past due account;
- 15 (2) customer or applicant's ability to pay;
- 16 (3) customer or applicant's payment history;
- 17 (4) reason for the outstanding indebtedness; and
- 18 (5) any other relevant factors relating to the
19 circumstances of the customer or applicant's service.

20 A residential customer shall pay a maximum of one-fourth of the
21 amount past due and owing at the time of entering into the
22 deferred payment agreement, and the water or sewer utility
23 shall allow a minimum of 2 months from the date of the
24 agreement and a maximum of 12 months for payment to be made
25 under a deferred payment agreement. Late payment charges may be
26 assessed against the amount owing that is the subject of a

1 deferred payment agreement.

2 (c) A water or sewer utility shall provide notice as
3 required by subsection (a) of Section 9-201 after the filing of
4 each information sheet under a purchased water surcharge,
5 purchased sewage treatment surcharge, or qualifying
6 infrastructure plant surcharge. The utility also shall post
7 notice of the filing in accordance with the requirements of 83
8 Ill. Adm. Code 255. Unless filed as part of a general rate
9 increase, notice of the filing of a purchased water surcharge
10 rider, purchased sewage treatment surcharge rider, or
11 qualifying infrastructure plant surcharge rider also shall be
12 given in the manner required by this subsection (c) for the
13 filing of information sheets.

14 (d) Commission rules pertaining to formal and informal
15 complaints against public utilities shall apply with full and
16 equal force to water and sewer utilities and their customers,
17 including provisions of 83 Ill. Adm. Code 280.170, and the
18 Commission shall respond to each complaint by providing the
19 consumer with a copy of the utility's response to the complaint
20 and a copy of the Commission's review of the complaint and its
21 findings. The Commission shall also provide the consumer with
22 all available options for recourse.

23 (e) Any refund shown on the billing statement of a customer
24 of a water or sewer utility must be itemized and must state if
25 the refund is an adjustment or credit.

26 (f) Water service for building construction purposes. At

1 the request of any municipality or township within the service
2 area of a public utility that provides water service to
3 customers within the municipality or township, a public utility
4 must (1) require all water service used for building
5 construction purposes to be measured by meter and subject to
6 approved rates and charges for metered water service and (2)
7 prohibit the unauthorized use of water taken from hydrants or
8 service lines installed at construction sites.

9 (g) Water meters.

10 (1) Periodic testing. Unless otherwise approved by the
11 Commission, each service water meter shall be periodically
12 inspected and tested in accordance with the schedule
13 specified in 83 Ill. Adm. Code 600.340, or more frequently
14 as the results may warrant, to insure that the meter
15 accuracy is maintained within the limits set out in 83 Ill.
16 Adm. Code 600.310.

17 (2) Meter tests requested by customer.

18 (A) Each utility furnishing metered water service
19 shall, without charge, test the accuracy of any meter
20 upon request by the customer served by such meter,
21 provided that the meter in question has not been tested
22 by the utility or by the Commission within 2 years
23 previous to such request. The customer or his or her
24 representatives shall have the privilege of witnessing
25 the test at the option of the customer. A written
26 report, giving the results of the test, shall be made

1 to the customer.

2 (B) When a meter that has been in service less than
3 2 years since its last test is found to be accurate
4 within the limits specified in 83 Ill. Adm. Code
5 600.310, the customer shall pay a fee to the utility
6 not to exceed the amounts specified in 83 Ill. Adm.
7 Code 600.350(b). Fees for testing meters not included
8 in this Section or so located that the cost will be out
9 of proportion to the fee specified will be determined
10 by the Commission upon receipt of a complete
11 description of the case.

12 (3) Commission referee tests. Upon written application
13 to the Commission by any customer, a test will be made of
14 the customer's meter by a representative of the Commission.
15 For such a test, a fee as provided for in subsection (g) (2)
16 shall accompany the application. If the meter is found to
17 be registering more than 1.5% fast on the average when
18 tested as prescribed in 83 Ill. Adm. Code 600.310, the
19 utility shall refund to the customer the amount of the fee.
20 The utility shall in no way disturb the meter after a
21 customer has made an application for a referee test until
22 authority to do so is given by the Commission or the
23 customer in writing.

24 (h) Water and sewer utilities; low usage. Each public
25 utility that provides water and sewer service must establish a
26 unit sewer rate, subject to review by the Commission, that

1 applies only to those customers who use less than 1,000 gallons
2 of water in any billing period.

3 (i) Water and sewer utilities; separate meters. Each public
4 utility that provides water and sewer service must offer
5 separate rates for water and sewer service to any commercial or
6 residential customer who uses separate meters to measure each
7 of those services. In order for the separate rate to apply, a
8 combination of meters must be used to measure the amount of
9 water that reaches the sewer system and the amount of water
10 that does not reach the sewer system.

11 (j) Each water or sewer public utility must disclose on
12 each billing statement any amount billed that is for service
13 provided prior to the date covered by the billing statement.
14 The disclosure must include the dates for which the prior
15 service is being billed. Each billing statement that includes
16 an amount billed for service provided prior to the date covered
17 by the billing statement must disclose the dates for which that
18 amount is billed and must include a copy of the document
19 created under subsection (a) and a statement of current
20 Commission rules concerning unbilled or misbilled service.

21 (k) When the customer is due a refund resulting from
22 payment of an overcharge, the utility shall credit the customer
23 in the amount of overpayment with interest from the date of
24 overpayment by the customer. The rate for interest shall be at
25 the appropriate rate determined by the Commission under 83 Ill.
26 Adm. Code 280.70.

1 (1) Water and sewer public utilities; subcontractors. The
2 Commission shall adopt rules for water and sewer public
3 utilities to provide notice to the customers of the proper kind
4 of identification that a subcontractor must present to the
5 customer, to prohibit a subcontractor from soliciting or
6 receiving payment of any kind for any service provided by the
7 water or sewer public utility or the subcontractor, and to
8 establish sanctions for violations.

9 (m) Water and sewer public utilities; nonrevenue
10 ~~unaccounted for~~ water. ~~Each By December 31, 2006,~~ each water
11 public utility shall file tariffs with the Commission to
12 establish the maximum percentage of nonrevenue ~~unaccounted for~~
13 water that would be considered in the determination of any
14 rates or surcharges. The rates or surcharges approved for a
15 water public utility shall not include charges for nonrevenue
16 ~~unaccounted for~~ water in excess of this maximum percentage
17 without well-documented support and justification for the
18 Commission to consider in any request to recover charges in
19 excess of the tariffed maximum percentage.

20 (n) Rate increases; public forums. When any public utility
21 providing water or sewer service proposes a general rate
22 increase, in addition to other notice requirements, the water
23 or sewer public utility must notify its customers of their
24 right to request a public forum. A customer or group of
25 customers must make written request to the Commission for a
26 public forum and must also provide written notification of the

1 request to the customer's municipal or, for unincorporated
2 areas, township government. The Commission, at its discretion,
3 may schedule the public forum. If it is determined that public
4 forums are required for multiple municipalities or townships,
5 the Commission shall schedule these public forums, in locations
6 within approximately 45 minutes drive time of the
7 municipalities or townships for which the public forums have
8 been scheduled. The public utility must provide advance notice
9 of 30 days for each public forum to the governing bodies of
10 those units of local government affected by the increase. The
11 day of each public forum shall be selected so as to encourage
12 the greatest public participation. Each public forum will begin
13 at 7:00 p.m. Reports and comments made during or as a result of
14 each public forum must be made available to the hearing
15 officials and reviewed when drafting a recommended or tentative
16 decision, finding or order pursuant to Section 10-111 of this
17 Act.

18 (o) The Commission may allow or direct a water utility to
19 establish a customer assistance program that provides
20 financial relief to residential customers who qualify for
21 income-related assistance. A customer assistance program
22 established under this subsection that affects rates and
23 charges for service is not discriminatory for purposes of this
24 Act or any other law regulating rates and charges for service.
25 In considering whether to approve a water utility's proposed
26 customer assistance program, the Commission must determine

1 that a customer assistance program established under this
2 subsection is in the public interest. The Commission shall
3 adopt rules to implement this subsection. The rules shall
4 require customer assistance programs under this subsection to
5 coordinate with utility energy efficiency programs and the
6 Illinois Home Weatherization Assistance Program for the
7 purpose of informing eligible customers of additional
8 resources that may help the customer conserve water.

9 (Source: P.A. 94-950, eff. 6-27-06.)

10 Section 10-115. The Environmental Protection Act is
11 amended by adding Section 17.12 as follows:

12 (415 ILCS 5/17.12 new)

13 Sec. 17.12. Water cost information.

14 (a) An entity subject to the federal Safe Drinking Water
15 Act that has over 3,500 meter connections shall provide to the
16 Agency by December 31, 2023, and again by December 31, 2025,
17 the following information as it relates to the cost of
18 providing water service:

19 (1) All revenue recovered from water bills or any other
20 revenue used for water service from the preceding year.

21 (2) Total operating expenses, including both principal
22 and interest debt service payments.

23 (3) The percentage of the revenue recovered from water
24 bills used or allocated for water capital infrastructure

1 investment.

2 (4) A narrative description of the capital
3 infrastructure investment made based on the information
4 provided under paragraph (3).

5 (b) The Agency shall publish the information provided under
6 subsection (a) on the Agency's website.

7 (c) The Agency may adopt rules setting forth the general
8 requirements for submittal of the information provided under
9 subsection (a).

10 (d) This Section is repealed on January 1, 2026.

11 (415 ILCS 5/17.11 rep.)

12 Section 10-200. The Environmental Protection Act is
13 amended by repealing Section 17.11.

14 Article 15.

15 Division 1. General Provisions

16 Section 15-1-1. Short title. This Act may be cited as the
17 Predatory Loan Prevention Act. References in this Article to
18 "this Act" mean this Article.

19 Section 15-1-5. Purpose and construction. Illinois
20 families pay over \$500,000,000 per year in consumer
21 installment, payday, and title loan fees. As reported by the

1 Department in 2020, nearly half of Illinois payday loan
2 borrowers earn less than \$30,000 per year, and the average
3 annual percentage rate of a payday loan is 297%. The purpose of
4 this Act is to protect consumers from predatory loans
5 consistent with federal law and the Military Lending Act which
6 protects active duty members of the military. This Act shall be
7 construed as a consumer protection law for all purposes. This
8 Act shall be liberally construed to effectuate its purpose.

9 Section 15-1-10. Definitions. As used in this Act:

10 "Consumer" means any natural person, including consumers
11 acting jointly.

12 "Department" means the Department of Financial and
13 Professional Regulation.

14 "Lender" means any person or entity, including any
15 affiliate or subsidiary of a lender, that offers or makes a
16 loan, buys a whole or partial interest in a loan, arranges a
17 loan for a third party, or acts as an agent for a third party in
18 making a loan, regardless of whether approval, acceptance, or
19 ratification by the third party is necessary to create a legal
20 obligation for the third party, and includes any other person
21 or entity if the Department determines that the person or
22 entity is engaged in a transaction that is in substance a
23 disguised loan or a subterfuge for the purpose of avoiding this
24 Act.

25 "Person" means any natural person.

1 "Secretary" means the Secretary of Financial and
2 Professional Regulation or a person authorized by the
3 Secretary.

4 "Loan" means money or credit provided to a consumer in
5 exchange for the consumer's agreement to a certain set of
6 terms, including, but not limited to, any finance charges,
7 interest, or other conditions. "Loan" includes closed-end and
8 open-end credit, retail installment sales contracts, motor
9 vehicle retail installment sales contracts, and any
10 transaction conducted via any medium whatsoever, including,
11 but not limited to, paper, facsimile, Internet, or telephone.
12 "Loan" does not include a commercial loan.

13 Section 15-1-15. Applicability.

14 (a) Except as otherwise provided in this Section, this Act
15 applies to any person or entity that offers or makes a loan to
16 a consumer in Illinois.

17 (b) The provisions of this Act apply to any person or
18 entity that seeks to evade its applicability by any device,
19 subterfuge, or pretense whatsoever.

20 (c) Banks, savings banks, savings and loan associations,
21 credit unions, and insurance companies organized, chartered,
22 or holding a certificate of authority to do business under the
23 laws of this State or any other state or under the laws of the
24 United States are exempt from the provisions of this Act.

1 Division 5. Predatory Loan Prevention

2 Section 15-5-5. Rate cap. Notwithstanding any other
3 provision of law, for loans made or renewed on and after the
4 effective date of this Act, a lender shall not contract for or
5 receive charges exceeding a 36% annual percentage rate on the
6 unpaid balance of the amount financed for a loan. For purposes
7 of this Section, the annual percentage rate shall be calculated
8 as such rate is calculated using the system for calculating a
9 military annual percentage rate under Section 232.4 of Title 32
10 of the Code of Federal Regulations as in effect on the
11 effective date of this Act. Nothing in this Act shall be
12 construed to permit a person or entity to contract for or
13 receive a charge exceeding that permitted by the Interest Act
14 or other law.

15 Section 15-5-10. Violation. Any loan made in violation of
16 this Act is null and void and no person or entity shall have
17 any right to collect, attempt to collect, receive, or retain
18 any principal, fee, interest, or charges related to the loan.

19 Section 15-5-15. No evasion.

20 (a) No person or entity may engage in any device,
21 subterfuge, or pretense to evade the requirements of this Act,
22 including, but not limited to, making loans disguised as a
23 personal property sale and leaseback transaction; disguising

1 loan proceeds as a cash rebate for the pretextual installment
2 sale of goods or services; or making, offering, assisting, or
3 arranging a debtor to obtain a loan with a greater rate or
4 interest, consideration, or charge than is permitted by this
5 Act through any method including mail, telephone, internet, or
6 any electronic means regardless of whether the person or entity
7 has a physical location in the State.

8 (b) A person or entity is a lender subject to the
9 requirements of this Act notwithstanding the fact that the
10 person or entity purports to act as an agent, service provider,
11 or in another capacity for another entity that is exempt from
12 this Act, if, among other things:

13 (1) the person or entity holds, acquires, or maintains,
14 directly or indirectly, the predominant economic interest
15 in the loan; or

16 (2) the person or entity markets, brokers, arranges, or
17 facilitates the loan and holds the right, requirement, or
18 first right of refusal to purchase loans, receivables, or
19 interests in the loans; or

20 (3) the totality of the circumstances indicate that the
21 person or entity is the lender and the transaction is
22 structured to evade the requirements of this Act.
23 Circumstances that weigh in favor of a person or entity
24 being a lender include, without limitation, where the
25 person or entity:

26 (i) indemnifies, insures, or protects an exempt

1 person or entity for any costs or risks related to the
2 loan;

3 (ii) predominantly designs, controls, or operates
4 the loan program; or

5 (iii) purports to act as an agent, service
6 provider, or in another capacity for an exempt entity
7 while acting directly as a lender in other states.

8 Section 15-5-20. Rules. The Secretary may adopt rules
9 consistent with this Act and rescind or amend rules that are
10 inconsistent. The adoption, amendment, or rescission of rules
11 shall be in conformity with the Illinois Administrative
12 Procedure Act.

13 Division 10. Administrative Provisions

14 Section 15-10-5. Enforcement and remedies.

15 (a) The remedies provided in this Act are cumulative and
16 apply to persons or entities subject to this Act.

17 (b) Any violation of this Act, including the commission of
18 an act prohibited under Article 5, constitutes a violation of
19 the Consumer Fraud and Deceptive Business Practices Act.

20 (c) Subject to the Illinois Administrative Procedure Act,
21 the Secretary may hold hearings, make findings of fact,
22 conclusions of law, issue cease and desist orders, have the
23 power to issue fines of up to \$10,000 per violation, and refer

1 the matter to the appropriate law enforcement agency for
2 prosecution under this Act. All proceedings shall be open to
3 the public.

4 (d) The Secretary may issue a cease and desist order to any
5 person or entity, when in the opinion of the Secretary the
6 person or entity is violating or is about to violate any
7 provision of this Act. The cease and desist order permitted by
8 this subsection (d) may be issued prior to a hearing.

9 The Secretary shall serve notice of the action, including,
10 but not limited to, a statement of the reasons for the action,
11 either personally or by certified mail. Service by certified
12 mail shall be deemed completed when the notice is deposited in
13 the U.S. Mail.

14 Within 10 days of service of the cease and desist order,
15 the person or entity may request a hearing in writing.

16 If it is determined that the Secretary had the authority to
17 issue the cease and desist order, the Secretary may issue such
18 orders as may be reasonably necessary to correct, eliminate, or
19 remedy the conduct.

20 The powers vested in the Secretary by this subsection (d)
21 are additional to any and all other powers and remedies vested
22 in the Secretary by law, and nothing in this subsection (d)
23 shall be construed as requiring that the Secretary shall employ
24 the power conferred in this subsection instead of or as a
25 condition precedent to the exercise of any other power or
26 remedy vested in the Secretary.

1 (e) After 10 days' notice by certified mail to the person
2 or entity stating the contemplated action and in general the
3 grounds therefor, the Secretary may fine the person or entity
4 an amount not exceeding \$10,000 per violation if the person or
5 entity has failed to comply with any provision of this Act or
6 any order, decision, finding, rule, regulation, or direction of
7 the Secretary lawfully made in accordance with the authority of
8 this Act. Service by certified mail shall be deemed completed
9 when the notice is deposited in the U.S. Mail.

10 (f) A violation of this Act by a person or entity licensed
11 under another Act including, but not limited to, the Consumer
12 Installment Loan Act, the Payday Loan Reform Act, and the Sales
13 Finance Agency Act shall subject the person or entity to
14 discipline in accordance with the Act or Acts under which the
15 person or entity is licensed.

16 Section 15-10-10. Preemption of administrative rules. Any
17 administrative rule regarding loans that is adopted by the
18 Department prior to the effective date of this Act and that is
19 inconsistent with the provisions of this Act is hereby
20 preempted to the extent of the inconsistency.

21 Section 15-10-15. Reporting of violations. The Department
22 shall report to the Attorney General all material violations of
23 this Act of which it becomes aware.

1 Section 15-10-20. Judicial review. All final
2 administrative decisions of the Department under this Act are
3 subject to judicial review under the Administrative Review Law
4 and any rules adopted under the Administrative Review Law.

5 Section 15-10-25. No waivers. There shall be no waiver of
6 any provision of this Act.

7 Section 15-10-30. Superiority of Act. To the extent this
8 Act conflicts with any other State laws, this Act is superior
9 and supersedes those laws, except that nothing in this Act
10 applies to any lender that is a bank, savings bank, savings and
11 loan association, or credit union chartered under laws of the
12 United States.

13 Section 15-10-35. Severability. The provisions of this Act
14 are severable under Section 1.31 of the Statute on Statutes.

15 Division 90. Amendatory Provisions

16 Section 15-90-5. The Financial Institutions Code is
17 amended by changing Section 6 as follows:

18 (20 ILCS 1205/6) (from Ch. 17, par. 106)

19 Sec. 6. In addition to the duties imposed elsewhere in this
20 Act, the Department has the following powers:

1 (1) To exercise the rights, powers and duties vested by law
2 in the Auditor of Public Accounts under "An Act to provide for
3 the incorporation, management and regulation of pawners'
4 societies and limiting the rate of compensation to be paid for
5 advances, storage and insurance on pawns and pledges and to
6 allow the loaning of money upon personal property", approved
7 March 29, 1899, as amended.

8 (2) To exercise the rights, powers and duties vested by law
9 in the Auditor of Public Accounts under "An Act in relation to
10 the definition, licensing and regulation of community currency
11 exchanges and ambulatory currency exchanges, and the operators
12 and employees thereof, and to make an appropriation therefor,
13 and to provide penalties and remedies for the violation
14 thereof", approved June 30, 1943, as amended.

15 (3) To exercise the rights, powers, and duties vested by
16 law in the Auditor of Public Accounts under "An Act in relation
17 to the buying and selling of foreign exchange and the
18 transmission or transfer of money to foreign countries",
19 approved June 28, 1923, as amended.

20 (4) To exercise the rights, powers, and duties vested by
21 law in the Auditor of Public Accounts under "An Act to provide
22 for and regulate the business of guaranteeing titles to real
23 estate by corporations", approved May 13, 1901, as amended.

24 (5) To exercise the rights, powers and duties vested by law
25 in the Department of Insurance under "An Act to define,
26 license, and regulate the business of making loans of eight

1 hundred dollars or less, permitting an interest charge thereon
2 greater than otherwise allowed by law, authorizing and
3 regulating the assignment of wages or salary when taken as
4 security for any such loan or as consideration for a payment of
5 eight hundred dollars or less, providing penalties, and to
6 repeal Acts therein named", approved July 11, 1935, as amended.

7 (6) To administer and enforce "An Act to license and
8 regulate the keeping and letting of safety deposit boxes,
9 safes, and vaults, and the opening thereof, and to repeal a
10 certain Act therein named", approved June 13, 1945, as amended.

11 (7) Whenever the Department is authorized or required by
12 law to consider some aspect of criminal history record
13 information for the purpose of carrying out its statutory
14 powers and responsibilities, then, upon request and payment of
15 fees in conformance with the requirements of Section 2605-400
16 of the Department of State Police Law (20 ILCS 2605/2605-400),
17 the Department of State Police is authorized to furnish,
18 pursuant to positive identification, such information
19 contained in State files as is necessary to fulfill the
20 request.

21 (8) To administer the Payday Loan Reform Act, the Consumer
22 Installment Loan Act, the Predatory Loan Prevention Act, the
23 Motor Vehicle Retail Installment Sales Act, and the Retail
24 Installment Sales Act.

25 (Source: P.A. 94-13, eff. 12-6-05.)

1 Section 15-90-10. The Consumer Installment Loan Act is
2 amended by changing Sections 1, 15, 15d, and 17.5 as follows:

3 (205 ILCS 670/1) (from Ch. 17, par. 5401)

4 Sec. 1. License required to engage in business. No person,
5 partnership, association, limited liability company, or
6 corporation shall engage in the business of making loans of
7 money ~~in a principal amount not exceeding \$40,000,~~ and charge,
8 contract for, or receive on any such loan a greater annual
9 percentage rate than 9% ~~rate of interest, discount, or~~
10 ~~consideration therefor than the lender would be permitted by~~
11 ~~law to charge if he were not a licensee hereunder,~~ except as
12 authorized by this Act after first obtaining a license from the
13 Director of Financial Institutions (hereinafter called the
14 Director). No licensee, or employee or affiliate thereof, that
15 is licensed under the Payday Loan Reform Act shall obtain a
16 license under this Act except that a licensee under the Payday
17 Loan Reform Act may obtain a license under this Act for the
18 exclusive purpose and use of making title-secured loans, as
19 defined in subsection (a) of Section 15 of this Act and
20 governed by Title 38, Section 110.300 of the Illinois
21 Administrative Code. For the purpose of this Section,
22 "affiliate" means any person or entity that directly or
23 indirectly controls, is controlled by, or shares control with
24 another person or entity. A person or entity has control over
25 another if the person or entity has an ownership interest of

1 25% or more in the other.

2 In this Act, "Director" means the Director of Financial
3 Institutions of the Department of Financial and Professional
4 Regulation.

5 (Source: P.A. 96-936, eff. 3-21-11; 97-420, eff. 1-1-12.)

6 (205 ILCS 670/15) (from Ch. 17, par. 5415)

7 Sec. 15. Charges permitted.

8 (a) Every licensee may lend a principal amount not
9 exceeding \$40,000 and, ~~except as to small consumer loans as~~
10 ~~defined in this Section,~~ may charge, contract for and receive
11 thereon interest at an annual percentage rate of no more than
12 36%, subject to the provisions of this Act; ~~provided, however,~~
13 ~~that the limitation on the annual percentage rate contained in~~
14 ~~this subsection (a) does not apply to title secured loans,~~
15 ~~which are loans upon which interest is charged at an annual~~
16 ~~percentage rate exceeding 36%, in which, at commencement, an~~
17 ~~obligor provides to the licensee, as security for the loan,~~
18 ~~physical possession of the obligor's title to a motor vehicle,~~
19 ~~and upon which a licensee may charge, contract for, and receive~~
20 ~~thereon interest at the rate agreed upon by the licensee and~~
21 ~~borrower.~~ For purposes of this Section, the annual percentage
22 rate shall be calculated as such rate is calculated using the
23 system for calculating a military annual percentage rate under
24 Section 232.4 of Title 32 of the Code of Federal Regulations as
25 in effect on the effective date of this amendatory Act of the

1 101st General Assembly ~~in accordance with the federal Truth in~~
2 ~~Lending Act.~~

3 (b) For purpose of this Section, the following terms shall
4 have the meanings ascribed herein.

5 "Applicable interest" for a precomputed loan contract
6 means the amount of interest attributable to each monthly
7 installment period. It is computed as if each installment
8 period were one month and any interest charged for extending
9 the first installment period beyond one month is ignored. The
10 applicable interest for any monthly installment period is, ~~for~~
11 ~~loans other than small consumer loans as defined in this~~
12 ~~Section,~~ that portion of the precomputed interest that bears
13 the same ratio to the total precomputed interest as the
14 balances scheduled to be outstanding during that month bear to
15 the sum of all scheduled monthly outstanding balances in the
16 original contract. ~~With respect to a small consumer loan, the~~
17 ~~applicable interest for any installment period is that portion~~
18 ~~of the precomputed monthly installment account handling charge~~
19 ~~attributable to the installment period calculated based on a~~
20 ~~method at least as favorable to the consumer as the actuarial~~
21 ~~method, as defined by the federal Truth in Lending Act.~~

22 "Interest-bearing loan" means a loan in which the debt is
23 expressed as a principal amount plus interest charged on actual
24 unpaid principal balances for the time actually outstanding.

25 "Precomputed loan" means a loan in which the debt is
26 expressed as the sum of the original principal amount plus

1 interest computed actuarially in advance, assuming all
2 payments will be made when scheduled.

3 ~~"Small consumer loan" means a loan upon which interest is~~
4 ~~charged at an annual percentage rate exceeding 36% and with an~~
5 ~~amount financed of \$4,000 or less. "Small consumer loan" does~~
6 ~~not include a title secured loan as defined by subsection (a)~~
7 ~~of this Section or a payday loan as defined by the Payday Loan~~
8 ~~Reform Act.~~

9 "Substantially equal installment" includes a last
10 regularly scheduled payment that may be less than, but not more
11 than 5% larger than, the previous scheduled payment according
12 to a disclosed payment schedule agreed to by the parties.

13 (c) Loans may be interest-bearing or precomputed.

14 (d) To compute time for either interest-bearing or
15 precomputed loans for the calculation of interest and other
16 purposes, a month shall be a calendar month and a day shall be
17 considered 1/30th of a month when calculation is made for a
18 fraction of a month. A month shall be 1/12th of a year. A
19 calendar month is that period from a given date in one month to
20 the same numbered date in the following month, and if there is
21 no same numbered date, to the last day of the following month.
22 When a period of time includes a month and a fraction of a
23 month, the fraction of the month is considered to follow the
24 whole month. In the alternative, for interest-bearing loans,
25 the licensee may charge interest at the rate of 1/365th of the
26 agreed annual rate for each day actually elapsed.

1 (d-5) No licensee or other person may condition an
2 extension of credit to a consumer on the consumer's repayment
3 by preauthorized electronic fund transfers. Payment options,
4 including, but not limited to, electronic fund transfers and
5 Automatic Clearing House (ACH) transactions may be offered to
6 consumers as a choice and method of payment chosen by the
7 consumer.

8 (e) With respect to interest-bearing loans:

9 (1) Interest shall be computed on unpaid principal
10 balances outstanding from time to time, for the time
11 outstanding, until fully paid. Each payment shall be
12 applied first to the accumulated interest and the remainder
13 of the payment applied to the unpaid principal balance;
14 provided however, that if the amount of the payment is
15 insufficient to pay the accumulated interest, the unpaid
16 interest continues to accumulate to be paid from the
17 proceeds of subsequent payments and is not added to the
18 principal balance.

19 (2) Interest shall not be payable in advance or
20 compounded. However, if part or all of the consideration
21 for a new loan contract is the unpaid principal balance of
22 a prior loan, then the principal amount payable under the
23 new loan contract may include any unpaid interest which has
24 accrued. The unpaid principal balance of a precomputed loan
25 is the balance due after refund or credit of unearned
26 interest as provided in paragraph (f), clause (3). The

1 resulting loan contract shall be deemed a new and separate
2 loan transaction for all purposes.

3 (3) Loans must be fully amortizing and be repayable in
4 substantially equal and consecutive weekly, biweekly,
5 semimonthly, or monthly installments. Notwithstanding this
6 requirement, rates may vary according to an index that is
7 independently verifiable and beyond the control of the
8 licensee.

9 (4) The lender or creditor may, if the contract
10 provides, collect a delinquency or collection charge on
11 each installment in default for a period of not less than
12 10 days in an amount not exceeding 5% of the installment on
13 installments in excess of \$200, or \$10 on installments of
14 \$200 or less, but only one delinquency and collection
15 charge may be collected on any installment regardless of
16 the period during which it remains in default.

17 (f) With respect to precomputed loans:

18 (1) Loans shall be repayable in substantially equal and
19 consecutive weekly, biweekly, semimonthly, or monthly
20 installments of principal and interest combined, except
21 that the first installment period may be longer than one
22 month by not more than 15 days, and the first installment
23 payment amount may be larger than the remaining payments by
24 the amount of interest charged for the extra days; and
25 provided further that monthly installment payment dates
26 may be omitted to accommodate borrowers with seasonal

1 income.

2 (2) Payments may be applied to the combined total of
3 principal and precomputed interest until the loan is fully
4 paid. Payments shall be applied in the order in which they
5 become due, except that any insurance proceeds received as
6 a result of any claim made on any insurance, unless
7 sufficient to prepay the contract in full, may be applied
8 to the unpaid installments of the total of payments in
9 inverse order.

10 (3) When any loan contract is paid in full by cash,
11 renewal or refinancing, or a new loan, one month or more
12 before the final installment due date, a licensee shall
13 refund or credit the obligor with the total of the
14 applicable interest for all fully unexpired installment
15 periods, as originally scheduled or as deferred, which
16 follow the day of prepayment; provided, if the prepayment
17 occurs prior to the first installment due date, the
18 licensee may retain 1/30 of the applicable interest for a
19 first installment period of one month for each day from the
20 date of the loan to the date of prepayment, and shall
21 refund or credit the obligor with the balance of the total
22 interest contracted for. If the maturity of the loan is
23 accelerated for any reason and judgment is entered, the
24 licensee shall credit the borrower with the same refund as
25 if prepayment in full had been made on the date the
26 judgement is entered.

1 (4) The lender or creditor may, if the contract
2 provides, collect a delinquency or collection charge on
3 each installment in default for a period of not less than
4 10 days in an amount not exceeding 5% of the installment on
5 installments in excess of \$200, or \$10 on installments of
6 \$200 or less, but only one delinquency or collection charge
7 may be collected on any installment regardless of the
8 period during which it remains in default.

9 (5) If the parties agree in writing, either in the loan
10 contract or in a subsequent agreement, to a deferment of
11 wholly unpaid installments, a licensee may grant a
12 deferment and may collect a deferment charge as provided in
13 this Section. A deferment postpones the scheduled due date
14 of the earliest unpaid installment and all subsequent
15 installments as originally scheduled, or as previously
16 deferred, for a period equal to the deferment period. The
17 deferment period is that period during which no installment
18 is scheduled to be paid by reason of the deferment. The
19 deferment charge for a one month period may not exceed the
20 applicable interest for the installment period immediately
21 following the due date of the last undeferred payment. A
22 proportionate charge may be made for deferment for periods
23 of more or less than one month. A deferment charge is
24 earned pro rata during the deferment period and is fully
25 earned on the last day of the deferment period. Should a
26 loan be prepaid in full during a deferment period, the

1 licensee shall credit to the obligor a refund of the
2 unearned deferment charge in addition to any other refund
3 or credit made for prepayment of the loan in full.

4 (6) If two or more installments are delinquent one full
5 month or more on any due date, and if the contract so
6 provides, the licensee may reduce the unpaid balance by the
7 refund credit which would be required for prepayment in
8 full on the due date of the most recent maturing
9 installment in default. Thereafter, and in lieu of any
10 other default or deferment charges, the agreed rate of
11 interest ~~or, in the case of small consumer loans, interest~~
12 ~~at the rate of 18% per annum,~~ may be charged on the unpaid
13 balance until fully paid.

14 (7) Fifteen days after the final installment as
15 originally scheduled or deferred, the licensee, for any
16 loan contract which has not previously been converted to
17 interest-bearing under paragraph (f), clause (6), may
18 compute and charge interest on any balance remaining
19 unpaid, including unpaid default or deferment charges, at
20 the agreed rate of interest ~~or, in the case of small~~
21 ~~consumer loans, interest at the rate of 18% per annum,~~
22 until fully paid. At the time of payment of said final
23 installment, the licensee shall give notice to the obligor
24 stating any amounts unpaid.

25 (Source: P.A. 101-563, eff. 8-23-19.)

1 (205 ILCS 670/15d) (from Ch. 17, par. 5419)

2 Sec. 15d. Extra charges prohibited; exceptions. No amount
3 in addition to the charges authorized by this Act shall be
4 directly or indirectly charged, contracted for, or received,
5 except (1) lawful fees paid to any public officer or agency to
6 record, file or release security; (2) (i) costs and
7 disbursements actually incurred in connection with a real
8 estate loan, for any title insurance, title examination,
9 abstract of title, survey, or appraisal, or paid to a trustee
10 in connection with a trust deed, and (ii) in connection with a
11 real estate loan those charges authorized by Section 4.1a of
12 the Interest Act, whether called "points" or otherwise, which
13 charges are imposed as a condition for making the loan and are
14 not refundable in the event of prepayment of the loan; (3)
15 costs and disbursements, including reasonable attorney's fees,
16 incurred in legal proceedings to collect a loan or to realize
17 on a security after default; and (4) an amount not exceeding
18 \$25, plus any actual expenses incurred in connection with a
19 check or draft that is not honored because of insufficient or
20 uncollected funds or because no such account exists; ~~and (5) a~~
21 ~~document preparation fee not to exceed \$25 for obtaining and~~
22 ~~reviewing credit reports and preparation of other documents.~~
23 This Section does not prohibit the receipt of a commission,
24 dividend, charge, or other benefit by the licensee or by an
25 employee, affiliate, or associate of the licensee from the
26 insurance permitted by Sections 15a and 15b of this Act or from

1 insurance in lieu of perfecting a security interest provided
2 that the premiums for such insurance do not exceed the fees
3 that otherwise could be contracted for by the licensee under
4 this Section. Obtaining any of the items referred to in clause
5 (i) of item (2) of this Section through the licensee or from
6 any person specified by the licensee shall not be a condition
7 precedent to the granting of the loan.

8 (Source: P.A. 89-400, eff. 8-20-95; 90-437, eff. 1-1-98.)

9 (205 ILCS 670/17.5)

10 Sec. 17.5. Consumer reporting service.

11 (a) For the purpose of this Section, "certified database"
12 means the consumer reporting service database established
13 pursuant to the Payday Loan Reform Act. "Title-secured loan"
14 means a loan in which, at commencement, a consumer provides to
15 the licensee, as security for the loan, physical possession of
16 the consumer's title to a motor vehicle.

17 (b) Licensees shall enter information regarding each loan
18 into the certified database and shall follow the Department's
19 related rules. ~~Within 90 days after making a small consumer~~
20 ~~loan, a licensee shall enter information about the loan into~~
21 ~~the certified database.~~

22 (c) For every title-secured loan ~~small consumer loan~~ made,
23 the licensee shall input information as provided in 38 Ill.
24 Adm. Code 110.420. ~~the following information into the certified~~
25 ~~database within 90 days after the loan is made:~~

1 ~~(i) the consumer's name and official identification~~
2 ~~number (for purposes of this Act, "official identification~~
3 ~~number" includes a Social Security Number, an Individual~~
4 ~~Taxpayer Identification Number, a Federal Employer~~
5 ~~Identification Number, an Alien Registration Number, or an~~
6 ~~identification number imprinted on a passport or consular~~
7 ~~identification document issued by a foreign government);~~

8 ~~(ii) the consumer's gross monthly income;~~

9 ~~(iii) the date of the loan;~~

10 ~~(iv) the amount financed;~~

11 ~~(v) the term of the loan;~~

12 ~~(vi) the acquisition charge;~~

13 ~~(vii) the monthly installment account handling charge;~~

14 ~~(viii) the verification fee;~~

15 ~~(ix) the number and amount of payments; and~~

16 ~~(x) whether the loan is a first or subsequent~~
17 ~~refinancing of a prior small consumer loan.~~

18 ~~(d) Once a loan is entered with the certified database, the~~
19 ~~certified database shall provide to the licensee a dated,~~
20 ~~time-stamped statement acknowledging the certified database's~~
21 ~~receipt of the information and assigning each loan a unique~~
22 ~~loan number.~~

23 ~~(e) The licensee shall update the certified database within~~
24 ~~90 days if any of the following events occur:~~

25 ~~(i) the loan is paid in full by cash;~~

26 ~~(ii) the loan is refinanced;~~

1 ~~(iii) the loan is renewed;~~

2 ~~(iv) the loan is satisfied in full or in part by~~
3 ~~collateral being sold after default;~~

4 ~~(v) the loan is cancelled or rescinded; or~~

5 ~~(vi) the consumer's obligation on the loan is otherwise~~
6 ~~discharged by the licensee.~~

7 ~~(f) To the extent a licensee sells a product or service to~~
8 ~~a consumer, other than a small consumer loan, and finances any~~
9 ~~portion of the cost of the product or service, the licensee~~
10 ~~shall, in addition to and at the same time as the information~~
11 ~~inputted under subsection (d) of this Section, enter into the~~
12 ~~certified database:~~

13 ~~(i) a description of the product or service sold;~~

14 ~~(ii) the charge for the product or service; and~~

15 ~~(iii) the portion of the charge for the product or~~
16 ~~service, if any, that is included in the amount financed by~~
17 ~~a small consumer loan.~~

18 ~~(g) The certified database provider shall indemnify the~~
19 ~~licensee against all claims and actions arising from illegal or~~
20 ~~willful or wanton acts on the part of the certified database~~
21 ~~provider. The certified database provider may charge a fee not~~
22 ~~to exceed \$1 for each loan entered into the certified database~~
23 ~~under subsection (d) of this Section. The database provider~~
24 ~~shall not charge any additional fees or charges to the~~
25 ~~licensee.~~

26 ~~(h) All personally identifiable information regarding any~~

1 ~~consumer obtained by way of the certified database and~~
2 ~~maintained by the Department is strictly confidential and shall~~
3 ~~be exempt from disclosure under subsection (c) of Section 7 of~~
4 ~~the Freedom of Information Act.~~

5 ~~(i) A licensee who submits information to a certified~~
6 ~~database provider in accordance with this Section shall not be~~
7 ~~liable to any person for any subsequent release or disclosure~~
8 ~~of that information by the certified database provider, the~~
9 ~~Department, or any other person acquiring possession of the~~
10 ~~information, regardless of whether such subsequent release or~~
11 ~~disclosure was lawful, authorized, or intentional.~~

12 ~~(j) To the extent the certified database becomes~~
13 ~~unavailable to a licensee as a result of some event or events~~
14 ~~outside the control of the licensee or the certified database~~
15 ~~is decertified, the requirements of this Section and Section~~
16 ~~17.4 of this Act are suspended until such time as the certified~~
17 ~~database becomes available.~~

18 (Source: P.A. 96-936, eff. 3-21-11; 97-813, eff. 7-13-12.)

19 (205 ILCS 670/17.1 rep.)

20 (205 ILCS 670/17.2 rep.)

21 (205 ILCS 670/17.3 rep.)

22 (205 ILCS 670/17.4 rep.)

23 Section 15-90-15. The Consumer Installment Loan Act is
24 amended by repealing Sections 17.1, 17.2, 17.3, and 17.4.

1 Section 15-90-20. The Payday Loan Reform Act is amended by
2 changing Sections 1-10, 2-5, 2-10, 2-15, 2-20, 2-30, 2-40,
3 2-45, and 4-5 as follows:

4 (815 ILCS 122/1-10)

5 Sec. 1-10. Definitions. As used in this Act:

6 "Check" means a "negotiable instrument", as defined in
7 Article 3 of the Uniform Commercial Code, that is drawn on a
8 financial institution.

9 "Commercially reasonable method of verification" or
10 "certified database" means a consumer reporting service
11 database certified by the Department as effective in verifying
12 that a proposed loan agreement is permissible under this Act,
13 or, in the absence of the Department's certification, any
14 reasonably reliable written verification by the consumer
15 concerning (i) whether the consumer has any outstanding payday
16 loans, (ii) the principal amount of those outstanding payday
17 loans, and (iii) whether any payday loans have been paid in
18 full by the consumer in the preceding 7 days.

19 "Consumer" means any natural person who, singly or jointly
20 with another consumer, enters into a loan.

21 "Consumer reporting service" means an entity that provides
22 a database certified by the Department.

23 "Department" means the Department of Financial and
24 Professional Regulation.

25 "Secretary" means the Secretary of Financial and

1 Professional Regulation.

2 "Gross monthly income" means monthly income as
3 demonstrated by official documentation of the income,
4 including, but not limited to, a pay stub or a receipt
5 reflecting payment of government benefits, for the period 30
6 days prior to the date on which the loan is made.

7 "Lender" and "licensee" mean any person or entity,
8 including any affiliate or subsidiary of a lender or licensee,
9 that offers or makes a payday loan, buys a whole or partial
10 interest in a payday loan, arranges a payday loan for a third
11 party, or acts as an agent for a third party in making a payday
12 loan, regardless of whether approval, acceptance, or
13 ratification by the third party is necessary to create a legal
14 obligation for the third party, and includes any other person
15 or entity if the Department determines that the person or
16 entity is engaged in a transaction that is in substance a
17 disguised payday loan or a subterfuge for the purpose of
18 avoiding this Act.

19 "Loan agreement" means a written agreement between a lender
20 and consumer to make a loan to the consumer, regardless of
21 whether any loan proceeds are actually paid to the consumer on
22 the date on which the loan agreement is made.

23 "Member of the military" means a person serving in the
24 armed forces of the United States, the Illinois National Guard,
25 or any reserve component of the armed forces of the United
26 States. "Member of the military" includes those persons engaged

1 in (i) active duty, (ii) training or education under the
2 supervision of the United States preliminary to induction into
3 military service, or (iii) a period of active duty with the
4 State of Illinois under Title 10 or Title 32 of the United
5 States Code pursuant to order of the President or the Governor
6 of the State of Illinois.

7 "Outstanding balance" means the total amount owed by the
8 consumer on a loan to a lender, including all principal,
9 finance charges, fees, and charges of every kind.

10 "Payday loan" or "loan" means a loan ~~with a finance charge~~
11 ~~exceeding an annual percentage rate of 36% and~~ with a term that
12 does not exceed 120 days, including any transaction conducted
13 via any medium whatsoever, including, but not limited to,
14 paper, facsimile, Internet, or telephone, in which:

15 (1) A lender accepts one or more checks dated on the
16 date written and agrees to hold them for a period of days
17 before deposit or presentment, or accepts one or more
18 checks dated subsequent to the date written and agrees to
19 hold them for deposit; or

20 (2) A lender accepts one or more authorizations to
21 debit a consumer's bank account; or

22 (3) A lender accepts an interest in a consumer's wages,
23 including, but not limited to, a wage assignment.

24 ~~The term "payday loan" includes "installment payday loan",~~
25 ~~unless otherwise specified in this Act.~~

26 "Principal amount" means the amount received by the

1 consumer from the lender due and owing on a loan, excluding any
2 finance charges, interest, fees, or other loan-related
3 charges.

4 "Rollover" means to refinance, renew, amend, or extend a
5 loan beyond its original term.

6 (Source: P.A. 96-936, eff. 3-21-11.)

7 (815 ILCS 122/2-5)

8 Sec. 2-5. Loan terms.

9 (a) Without affecting the right of a consumer to prepay at
10 any time without cost or penalty, no payday loan may have a
11 minimum term of less than 13 days.

12 (b) ~~No Except for an installment payday loan as defined in~~
13 ~~this Section, no~~ payday loan may be made to a consumer if the
14 loan would result in the consumer being indebted to one or more
15 payday lenders for a period in excess of 45 consecutive days.
16 Except as provided under subsection (c) of this Section and
17 Section 2-40, if a consumer has or has had loans outstanding
18 for a period in excess of 45 consecutive days, no payday lender
19 may offer or make a loan to the consumer for at least 7
20 calendar days after the date on which the outstanding balance
21 of all payday loans made during the 45 consecutive day period
22 is paid in full. For purposes of this subsection, the term
23 "consecutive days" means a series of continuous calendar days
24 in which the consumer has an outstanding balance on one or more
25 payday loans; however, if a payday loan is made to a consumer

1 within 6 days or less after the outstanding balance of all
2 loans is paid in full, those days are counted as "consecutive
3 days" for purposes of this subsection.

4 (c) (Blank). ~~Notwithstanding anything in this Act to the~~
5 ~~contrary, a payday loan shall also include any installment loan~~
6 ~~otherwise meeting the definition of payday loan contained in~~
7 ~~Section 1-10, but that has a term agreed by the parties of not~~
8 ~~less than 112 days and not exceeding 180 days; hereinafter an~~
9 ~~"installment payday loan". The following provisions shall~~
10 ~~apply:~~

11 ~~(i) Any installment payday loan must be fully~~
12 ~~amortizing, with a finance charge calculated on the~~
13 ~~principal balances scheduled to be outstanding and be~~
14 ~~repayable in substantially equal and consecutive~~
15 ~~installments, according to a payment schedule agreed by the~~
16 ~~parties with not less than 13 days and not more than one~~
17 ~~month between payments; except that the first installment~~
18 ~~period may be longer than the remaining installment periods~~
19 ~~by not more than 15 days, and the first installment payment~~
20 ~~may be larger than the remaining installment payments by~~
21 ~~the amount of finance charges applicable to the extra days.~~
22 ~~In calculating finance charges under this subsection, when~~
23 ~~the first installment period is longer than the remaining~~
24 ~~installment periods, the amount of the finance charges~~
25 ~~applicable to the extra days shall not be greater than~~
26 ~~\$15.50 per \$100 of the original principal balance divided~~

1 ~~by the number of days in a regularly scheduled installment~~
2 ~~period and multiplied by the number of extra days~~
3 ~~determined by subtracting the number of days in a regularly~~
4 ~~scheduled installment period from the number of days in the~~
5 ~~first installment period.~~

6 ~~(ii) An installment payday loan may be refinanced by a~~
7 ~~new installment payday loan one time during the term of the~~
8 ~~initial loan; provided that the total duration of~~
9 ~~indebtedness on the initial installment payday loan~~
10 ~~combined with the total term of indebtedness of the new~~
11 ~~loan refinancing that initial loan, shall not exceed 180~~
12 ~~days. For purposes of this Act, a refinancing occurs when~~
13 ~~an existing installment payday loan is paid from the~~
14 ~~proceeds of a new installment payday loan.~~

15 ~~(iii) In the event an installment payday loan is paid~~
16 ~~in full prior to the date on which the last scheduled~~
17 ~~installment payment before maturity is due, other than~~
18 ~~through a refinancing, no licensee may offer or make a~~
19 ~~payday loan to the consumer for at least 2 calendar days~~
20 ~~thereafter.~~

21 ~~(iv) No installment payday loan may be made to a~~
22 ~~consumer if the loan would result in the consumer being~~
23 ~~indebted to one or more payday lenders for a period in~~
24 ~~excess of 180 consecutive days. The term "consecutive days"~~
25 ~~does not include the date on which a consumer makes the~~
26 ~~final installment payment.~~

1 (d) (Blank).

2 (e) No lender may make a payday loan to a consumer if the
3 total of all payday loan payments coming due within the first
4 calendar month of the loan, when combined with the payment
5 amount of all of the consumer's other outstanding payday loans
6 coming due within the same month, exceeds the lesser of:

7 (1) \$1,000; or

8 (2) in the case of one or more payday loans, 25% of the
9 consumer's gross monthly income. ~~or~~

10 ~~(3) in the case of one or more installment payday~~
11 ~~loans, 22.5% of the consumer's gross monthly income; or~~

12 ~~(4) in the case of a payday loan and an installment~~
13 ~~payday loan, 22.5% of the consumer's gross monthly income.~~

14 No loan shall be made to a consumer who has an outstanding
15 balance on 2 payday loans, except that, for a period of 12
16 months after March 21, 2011 (the effective date of Public Act
17 96-936), consumers with an existing CILA loan may be issued an
18 installment loan issued under this Act from the company from
19 which their CILA loan was issued.

20 (e-5) A lender shall not contract for or receive a charge
21 exceeding a 36% annual percentage rate on the unpaid balance of
22 the amount financed for a payday loan. For purposes of this
23 Section, the annual percentage rate shall be calculated as such
24 rate is calculated using the system for calculating a military
25 annual percentage rate under 32 CFR 232.4 as in effect on the
26 effective date of this amendatory Act of the 101st General

1 ~~Assembly. Except as provided in subsection (c) (i), no lender~~
2 ~~may charge more than \$15.50 per \$100 loaned on any payday loan,~~
3 ~~or more than \$15.50 per \$100 on the initial principal balance~~
4 ~~and on the principal balances scheduled to be outstanding~~
5 ~~during any installment period on any installment payday loan.~~
6 ~~Except for installment payday loans and except as provided in~~
7 ~~Section 2-25, this charge is considered fully earned as of the~~
8 ~~date on which the loan is made. For purposes of determining the~~
9 ~~finance charge earned on an installment payday loan, the~~
10 ~~disclosed annual percentage rate shall be applied to the~~
11 ~~principal balances outstanding from time to time until the loan~~
12 ~~is paid in full, or until the maturity date, whichever occurs~~
13 ~~first. No finance charge may be imposed after the final~~
14 ~~scheduled maturity date.~~

15 When any loan contract is paid in full, the licensee shall
16 refund any unearned finance charge. The unearned finance charge
17 that is refunded shall be calculated based on a method that is
18 at least as favorable to the consumer as the actuarial method,
19 as defined by the federal Truth in Lending Act. The sum of the
20 digits or rule of 78ths method of calculating prepaid interest
21 refunds is prohibited.

22 (f) A lender may not take or attempt to take an interest in
23 any of the consumer's personal property to secure a payday
24 loan.

25 (g) A consumer has the right to redeem a check or any other
26 item described in the definition of payday loan under Section

1 1-10 issued in connection with a payday loan from the lender
2 holding the check or other item at any time before the payday
3 loan becomes payable by paying the full amount of the check or
4 other item.

5 (h) (Blank). ~~For the purpose of this Section,~~
6 ~~"substantially equal installment" includes a last regularly~~
7 ~~scheduled payment that may be less than, but no more than 5%~~
8 ~~larger than, the previous scheduled payment according to a~~
9 ~~disclosed payment schedule agreed to by the parties.~~

10 (Source: P.A. 100-201, eff. 8-18-17; 101-563, eff. 8-23-19.)

11 (815 ILCS 122/2-10)

12 Sec. 2-10. Permitted fees.

13 (a) If there are insufficient funds to pay a check,
14 Automatic Clearing House (ACH) debit, or any other item
15 described in the definition of payday loan under Section 1-10
16 on the day of presentment and only after the lender has
17 incurred an expense, a lender may charge a fee not to exceed
18 \$25. Only one such fee may be collected by the lender with
19 respect to a particular check, ACH debit, or item even if it
20 has been deposited and returned more than once. A lender shall
21 present the check, ACH debit, or other item described in the
22 definition of payday loan under Section 1-10 for payment not
23 more than twice. A fee charged under this subsection (a) is a
24 lender's exclusive charge for late payment.

25 (a-5) A lender may charge a borrower a fee not to exceed \$1

1 for the verification required under Section 2-15 of this Act in
2 connection with a payday loan. ~~and, until July 1, 2020, in~~
3 ~~connection with an installment payday loan. Beginning July 1,~~
4 ~~2020, a lender may charge a borrower a fee not to exceed \$3 for~~
5 ~~the verification required under Section 2-15 of this Act in~~
6 ~~connection with an installment payday loan.~~ In no event may a
7 fee be greater than the amount charged by the certified
8 consumer reporting service. Only one such fee may be collected
9 by the lender with respect to a particular loan.

10 (b) Except for the finance charges described in Section 2-5
11 and as specifically allowed by this Section, a lender may not
12 impose on a consumer any additional finance charges, interest,
13 fees, or charges of any sort for any purpose.

14 (Source: P.A. 100-1168, eff. 6-1-19.)

15 (815 ILCS 122/2-15)

16 Sec. 2-15. Verification.

17 (a) Before entering into a loan agreement with a consumer,
18 a lender must use a commercially reasonable method of
19 verification to verify that the proposed loan agreement is
20 permissible under this Act.

21 (b) Within 6 months after the effective date of this Act,
22 the Department shall certify that one or more consumer
23 reporting service databases are commercially reasonable
24 methods of verification. Upon certifying that a consumer
25 reporting service database is a commercially reasonable method

1 of verification, the Department shall:

2 (1) provide reasonable notice to all licensees
3 identifying the commercially reasonable methods of
4 verification that are available; and

5 (2) immediately upon certification, require each
6 licensee to use a commercially reasonable method of
7 verification as a means of complying with subsection (a) of
8 this Section.

9 (c) Except as otherwise provided in this Section, all
10 personally identifiable information regarding any consumer
11 obtained by way of the certified database and maintained by the
12 Department is strictly confidential and shall be exempt from
13 disclosure under Section 7(1)(b)(i) of the Freedom of
14 Information Act.

15 (d) Notwithstanding any other provision of law to the
16 contrary, a consumer seeking a payday loan may make a direct
17 inquiry to the consumer reporting service to request a more
18 detailed explanation of the basis for a consumer reporting
19 service's determination that the consumer is ineligible for a
20 new payday loan.

21 (e) In certifying a commercially reasonable method of
22 verification, the Department shall ensure that the certified
23 database:

24 (1) provides real-time access through an Internet
25 connection or, if real-time access through an Internet
26 connection becomes unavailable to lenders due to a consumer

1 reporting service's technical problems incurred by the
2 consumer reporting service, through alternative
3 verification mechanisms, including, but not limited to,
4 verification by telephone;

5 (2) is accessible to the Department and to licensees in
6 order to ensure compliance with this Act and in order to
7 provide any other information that the Department deems
8 necessary;

9 (3) requires licensees to input whatever information
10 is required by the Department;

11 (4) maintains a real-time copy of the required
12 reporting information that is available to the Department
13 at all times and is the property of the Department;

14 (5) provides licensees only with a statement that a
15 consumer is eligible or ineligible for a new payday loan
16 and a description of the reason for the determination; and

17 (6) contains safeguards to ensure that all information
18 contained in the database regarding consumers is kept
19 strictly confidential.

20 (f) The licensee shall update the certified database by
21 inputting all information required under item (3) of subsection

22 (e):

23 (1) on the same day that a payday loan is made;

24 (2) on the same day that a consumer elects a repayment
25 plan, as provided in Section 2-40; and

26 (3) on the same day that a consumer's payday loan is

1 paid in full, ~~including the refinancing of an installment~~
2 ~~payday loan as permitted under subsection (c) of Section~~
3 ~~2-5.~~

4 (g) A licensee may rely on the information contained in the
5 certified database as accurate and is not subject to any
6 administrative penalty or liability as a result of relying on
7 inaccurate information contained in the database.

8 (h) The certified consumer reporting service shall
9 indemnify the licensee against all claims and actions arising
10 from illegal or willful or wanton acts on the part of the
11 certified consumer reporting service.

12 (i) The certified consumer reporting service may charge a
13 verification fee not to exceed \$1 upon a loan being made or
14 entered into ~~in~~ the database. ~~Beginning July 1, 2020, the~~
15 ~~certified consumer reporting service may charge a verification~~
16 ~~fee not to exceed \$3 for an installment payday loan being made~~
17 ~~or entered into the data base.~~ The certified consumer reporting
18 service shall not charge any additional fees or charges.

19 (Source: P.A. 100-1168, eff. 6-1-19.)

20 (815 ILCS 122/2-20)

21 Sec. 2-20. Required disclosures.

22 (a) Before a payday loan is made, a lender shall deliver to
23 the consumer a pamphlet prepared by the Secretary that:

24 (1) explains, in simple English and Spanish, all of the
25 consumer's rights and responsibilities in a payday loan

1 transaction;

2 (2) includes a toll-free number to the Secretary's
3 office to handle concerns or provide information about
4 whether a lender is licensed, whether complaints have been
5 filed with the Secretary, and the resolution of those
6 complaints; and

7 (3) provides information regarding the availability of
8 debt management services.

9 (b) Lenders shall provide consumers with a written
10 agreement that may be kept by the consumer. The written
11 agreement must include the following information in English and
12 in the language in which the loan was negotiated:

13 (1) the name and address of the lender making the
14 payday loan, and the name and title of the individual
15 employee who signs the agreement on behalf of the lender;

16 (2) disclosures required by the federal Truth in
17 Lending Act;

18 (3) a clear description of the consumer's payment
19 obligations under the loan;

20 (4) the following statement, in at least 14-point bold
21 type face: "You cannot be prosecuted in criminal court to
22 collect this loan." The information required to be
23 disclosed under this subdivision (4) must be conspicuously
24 disclosed in the loan document and shall be located
25 immediately preceding the signature of the consumer; and

26 (5) the following statement, in at least 14-point bold

1 type face:

2 "WARNING: This loan is not intended to meet long-term
3 financial needs. This loan should be used only to meet
4 short-term cash needs. The cost of your loan may be higher
5 than loans offered by other lending institutions. This loan
6 is regulated by the Department of Financial and
7 Professional Regulation."

8 (c) The following notices in English and Spanish must be
9 conspicuously posted by a lender in each location of a business
10 providing payday loans:

11 (1) A notice that informs consumers that the lender
12 cannot use the criminal process against a consumer to
13 collect any payday loan.

14 (2) The schedule of all finance charges to be charged
15 on loans with an example of the amounts that would be
16 charged on a \$100 loan payable in 13 days and a \$400 loan
17 payable in 30 days, ~~and an installment payday loan of \$400~~
18 ~~payable on a monthly basis over 180 days~~, giving the
19 corresponding annual percentage rate.

20 (3) In one-inch bold type, a notice to the public in
21 the lending area of each business location containing the
22 following statement:

23 "WARNING: This loan is not intended to meet long-term
24 financial needs. This loan should be used only to meet
25 short-term cash needs. The cost of your loan may be higher
26 than loans offered by other lending institutions. This loan

1 is regulated by the Department of Financial and
2 Professional Regulation."

3 (4) In one-inch bold type, a notice to the public in
4 the lending area of each business location containing the
5 following statement:

6 "INTEREST-FREE REPAYMENT PLAN: If you still owe on one
7 or more payday loans, ~~other than an installment payday~~
8 ~~loan,~~ after 35 days, you are entitled to enter into a
9 repayment plan. The repayment plan will give you at least
10 55 days to repay your loan in installments with no
11 additional finance charges, interest, fees, or other
12 charges of any kind."

13 (Source: P.A. 96-936, eff. 3-21-11.)

14 (815 ILCS 122/2-30)

15 Sec. 2-30. Rollovers prohibited. Rollover of a payday loan
16 by any lender is prohibited. ~~, except as provided in subsection~~
17 ~~(c) of Section 2-5.~~ This Section does not prohibit entering
18 into a repayment plan, as provided under Section 2-40.

19 (Source: P.A. 96-936, eff. 3-21-11.)

20 (815 ILCS 122/2-40)

21 Sec. 2-40. Repayment plan.

22 (a) At the time a payday loan is made, the lender must
23 provide the consumer with a separate written notice signed by
24 the consumer of the consumer's right to request a repayment

1 plan. The written notice must comply with the requirements of
2 subsection (c).

3 (b) The loan agreement must include the following language
4 in at least 14-point bold type: IF YOU STILL OWE ON ONE OR MORE
5 PAYDAY LOANS AFTER 35 DAYS, YOU ARE ENTITLED TO ENTER INTO A
6 REPAYMENT PLAN. THE REPAYMENT PLAN WILL GIVE YOU AT LEAST 55
7 DAYS TO REPAY YOUR LOAN IN INSTALLMENTS WITH NO ADDITIONAL
8 FINANCE CHARGES, INTEREST, FEES, OR OTHER CHARGES OF ANY KIND.

9 (c) At the time a payday loan is made, on the first page of
10 the loan agreement and in a separate document signed by the
11 consumer, the following shall be inserted in at least 14-point
12 bold type: I UNDERSTAND THAT IF I STILL OWE ON ONE OR MORE
13 PAYDAY LOANS AFTER 35 DAYS, I AM ENTITLED TO ENTER INTO A
14 REPAYMENT PLAN THAT WILL GIVE ME AT LEAST 55 DAYS TO REPAY THE
15 LOAN IN INSTALLMENTS WITH NO ADDITIONAL FINANCE CHARGES,
16 INTEREST, FEES, OR OTHER CHARGES OF ANY KIND.

17 (d) If the consumer has or has had one or more payday loans
18 outstanding for 35 consecutive days, any payday loan
19 outstanding on the 35th consecutive day shall be payable under
20 the terms of a repayment plan as provided for in this Section,
21 if the consumer requests the repayment plan. As to any loan
22 that becomes eligible for a repayment plan under this
23 subsection, the consumer has until 28 days after the default
24 date of the loan to request a repayment plan. Within 48 hours
25 after the request for a repayment plan is made, the lender must
26 prepare the repayment plan agreement and both parties must

1 execute the agreement. Execution of the repayment plan
2 agreement shall be made in the same manner in which the loan
3 was made and shall be evidenced in writing.

4 (e) The terms of the repayment plan for a payday loan must
5 include the following:

6 (1) The lender may not impose any charge on the
7 consumer for requesting or using a repayment plan.
8 Performance of the terms of the repayment plan extinguishes
9 the consumer's obligation on the loan.

10 (2) No lender shall charge the consumer any finance
11 charges, interest, fees, or other charges of any kind,
12 except a fee for insufficient funds, as provided under
13 Section 2-10.

14 (3) The consumer shall be allowed to repay the loan in
15 at least 4 equal installments with at least 13 days between
16 installments, provided that the term of the repayment plan
17 does not exceed 90 days. The first payment under the
18 repayment plan shall not be due before at least 13 days
19 after the repayment plan is signed by both parties. The
20 consumer may prepay the amount due under the repayment plan
21 at any time, without charge or penalty.

22 (4) The length of time between installments may be
23 extended by the parties so long as the total period of
24 repayment does not exceed 90 days. Any such modification
25 must be in writing and signed by both parties.

26 (f) Notwithstanding any provision of law to the contrary, a

1 lender is prohibited from making a payday loan to a consumer
2 who has a payday loan outstanding under a repayment plan and
3 for at least 14 days after the outstanding balance of the loan
4 under the repayment plan and the outstanding balance of all
5 other payday loans outstanding during the term of the repayment
6 plan are paid in full.

7 (g) A lender may not accept postdated checks for payments
8 under a repayment plan.

9 (h) Notwithstanding any provision of law to the contrary, a
10 lender may voluntarily agree to enter into a repayment plan
11 with a consumer at any time. If a consumer is eligible for a
12 repayment plan under subsection (d), any repayment agreement
13 constitutes a repayment plan under this Section and all
14 provisions of this Section apply to that agreement.

15 (i) (Blank). ~~The provisions of this Section 2-40 do not~~
16 ~~apply to an installment payday loan, except for subsection (f)~~
17 ~~of this Section.~~

18 (Source: P.A. 96-936, eff. 3-21-11.)

19 (815 ILCS 122/2-45)

20 Sec. 2-45. Default.

21 (a) No legal proceeding of any kind, including, but not
22 limited to, a lawsuit or arbitration, may be filed or initiated
23 against a consumer to collect on a payday loan until 28 days
24 after the default date of the loan, or, in the case of a payday
25 loan under a repayment plan, for 28 days after the default date

1 under the terms of the repayment plan. ~~, or in the case of an~~
2 ~~installment payday loan, for 28 days after default in making a~~
3 ~~scheduled payment.~~

4 (b) Upon and after default, a lender shall not charge the
5 consumer any finance charges, interest, fees, or charges of any
6 kind, other than the insufficient fund fee described in Section
7 2-10.

8 (c) Notwithstanding whether a loan is or has been in
9 default, once the loan becomes subject to a repayment plan, the
10 loan shall not be construed to be in default until the default
11 date provided under the terms of the repayment plan.

12 (Source: P.A. 96-936, eff. 3-21-11.)

13 (815 ILCS 122/4-5)

14 Sec. 4-5. Prohibited acts. A licensee or unlicensed person
15 or entity making payday loans may not commit, or have committed
16 on behalf of the licensee or unlicensed person or entity, any
17 of the following acts:

18 (1) Threatening to use or using the criminal process in
19 this or any other state to collect on the loan.

20 (2) Using any device or agreement that would have the
21 effect of charging or collecting more fees or charges than
22 allowed by this Act, including, but not limited to,
23 entering into a different type of transaction with the
24 consumer.

25 (3) Engaging in unfair, deceptive, or fraudulent

1 practices in the making or collecting of a payday loan.

2 (4) Using or attempting to use the check provided by
3 the consumer in a payday loan as collateral for a
4 transaction not related to a payday loan.

5 (5) Knowingly accepting payment in whole or in part of
6 a payday loan through the proceeds of another payday loan
7 provided by any licensee, except as provided in subsection
8 (c) of Section 2.5.

9 (6) Knowingly accepting any security, other than that
10 specified in the definition of payday loan in Section 1-10,
11 for a payday loan.

12 (7) Charging any fees or charges other than those
13 specifically authorized by this Act.

14 (8) Threatening to take any action against a consumer
15 that is prohibited by this Act or making any misleading or
16 deceptive statements regarding the payday loan or any
17 consequences thereof.

18 (9) Making a misrepresentation of a material fact by an
19 applicant for licensure in obtaining or attempting to
20 obtain a license.

21 (10) Including any of the following provisions in loan
22 documents required by subsection (b) of Section 2-20:

23 (A) a confession of judgment clause;

24 (B) a waiver of the right to a jury trial, if
25 applicable, in any action brought by or against a
26 consumer, unless the waiver is included in an

1 arbitration clause allowed under subparagraph (C) of
2 this paragraph (11);

3 (C) a mandatory arbitration clause that is
4 oppressive, unfair, unconscionable, or substantially
5 in derogation of the rights of consumers; or

6 (D) a provision in which the consumer agrees not to
7 assert any claim or defense arising out of the
8 contract.

9 (11) Selling any insurance of any kind whether or not
10 sold in connection with the making or collecting of a
11 payday loan.

12 (12) Taking any power of attorney.

13 (13) Taking any security interest in real estate.

14 (14) Collecting a delinquency or collection charge on
15 any installment regardless of the period in which it
16 remains in default.

17 (15) Collecting treble damages on an amount owing from
18 a payday loan.

19 (16) Refusing, or intentionally delaying or
20 inhibiting, the consumer's right to enter into a repayment
21 plan pursuant to this Act.

22 (17) Charging for, or attempting to collect,
23 attorney's fees, court costs, or arbitration costs
24 incurred in connection with the collection of a payday
25 loan.

26 (18) Making a loan in violation of this Act.

1 (19) Garnishing the wages or salaries of a consumer who
2 is a member of the military.

3 (20) Failing to suspend or defer collection activity
4 against a consumer who is a member of the military and who
5 has been deployed to a combat or combat-support posting.

6 (21) Contacting the military chain of command of a
7 consumer who is a member of the military in an effort to
8 collect on a payday loan.

9 (22) Making or offering to make any loan other than a
10 payday loan or a title-secured loan, provided however, that
11 to make or offer to make a title-secured loan, a licensee
12 must obtain a license under the Consumer Installment Loan
13 Act.

14 (23) Making or offering a loan in violation of the
15 Predatory Loan Prevention Act.

16 (Source: P.A. 96-936, eff. 3-21-11.)

17 Section 15-90-25. The Interest Act is amended by changing
18 Sections 4 and 4a as follows:

19 (815 ILCS 205/4) (from Ch. 17, par. 6404)

20 Sec. 4. General interest rate.

21 (1) Except as otherwise provided in Section 4.05, in all
22 written contracts it shall be lawful for the parties to
23 stipulate or agree that an annual percentage rate of 9% per
24 annum, or any less sum ~~of interest~~, shall be taken and paid

1 upon every \$100 of money loaned or in any manner due and owing
2 from any person to any other person or corporation in this
3 state, and after that rate for a greater or less sum, or for a
4 longer or shorter time, except as herein provided.

5 The maximum rate of interest that may lawfully be
6 contracted for is determined by the law applicable thereto at
7 the time the contract is made. Any provision in any contract,
8 whether made before or after July 1, 1969, which provides for
9 or purports to authorize, contingent upon a change in the
10 Illinois law after the contract is made, any rate of interest
11 greater than the maximum lawful rate at the time the contract
12 is made, is void.

13 It is lawful for a state bank or a branch of an
14 out-of-state bank, as those terms are defined in Section 2 of
15 the Illinois Banking Act, to receive or to contract to receive
16 and collect interest and charges at any rate or rates agreed
17 upon by the bank or branch and the borrower. It is lawful for a
18 savings bank chartered under the Savings Bank Act or a savings
19 association chartered under the Illinois Savings and Loan Act
20 of 1985 to receive or contract to receive and collect interest
21 and charges at any rate agreed upon by the savings bank or
22 savings association and the borrower.

23 It is lawful to receive or to contract to receive and
24 collect interest and charges as authorized by this Act and as
25 authorized by the Consumer Installment Loan Act, ~~and by the~~
26 ~~"Consumer Finance Act", approved July 10, 1935, as now or~~

1 ~~hereafter amended, or by~~ the Payday Loan Reform Act, the Retail
2 Installment Sales Act, the Illinois Financial Services
3 Development Act, or the Motor Vehicle Retail Installment Sales
4 Act. It is lawful to charge, contract for, and receive any rate
5 or amount of interest or compensation, except as otherwise
6 provided in the Predatory Loan Prevention Act, with respect to
7 the following transactions:

8 (a) Any loan made to a corporation;

9 (b) Advances of money, repayable on demand, to an
10 amount not less than \$5,000, which are made upon warehouse
11 receipts, bills of lading, certificates of stock,
12 certificates of deposit, bills of exchange, bonds or other
13 negotiable instruments pledged as collateral security for
14 such repayment, if evidenced by a writing;

15 (c) Any credit transaction between a merchandise
16 wholesaler and retailer; any business loan to a business
17 association or copartnership or to a person owning and
18 operating a business as sole proprietor or to any persons
19 owning and operating a business as joint venturers, joint
20 tenants or tenants in common, or to any limited
21 partnership, or to any trustee owning and operating a
22 business or whose beneficiaries own and operate a business,
23 except that any loan which is secured (1) by an assignment
24 of an individual obligor's salary, wages, commissions or
25 other compensation for services, or (2) by his household
26 furniture or other goods used for his personal, family or

1 household purposes shall be deemed not to be a loan within
2 the meaning of this subsection; and provided further that a
3 loan which otherwise qualifies as a business loan within
4 the meaning of this subsection shall not be deemed as not
5 so qualifying because of the inclusion, with other security
6 consisting of business assets of any such obligor, of real
7 estate occupied by an individual obligor solely as his
8 residence. The term "business" shall be deemed to mean a
9 commercial, agricultural or industrial enterprise which is
10 carried on for the purpose of investment or profit, but
11 shall not be deemed to mean the ownership or maintenance of
12 real estate occupied by an individual obligor solely as his
13 residence;

14 (d) Any loan made in accordance with the provisions of
15 Subchapter I of Chapter 13 of Title 12 of the United States
16 Code, which is designated as "Housing Renovation and
17 Modernization";

18 (e) Any mortgage loan insured or upon which a
19 commitment to insure has been issued under the provisions
20 of the National Housing Act, Chapter 13 of Title 12 of the
21 United States Code;

22 (f) Any mortgage loan guaranteed or upon which a
23 commitment to guaranty has been issued under the provisions
24 of the Veterans' Benefits Act, Subchapter II of Chapter 37
25 of Title 38 of the United States Code;

26 (g) Interest charged by a broker or dealer registered

1 under the Securities Exchange Act of 1934, as amended, or
2 registered under the Illinois Securities Law of 1953,
3 approved July 13, 1953, as now or hereafter amended, on a
4 debit balance in an account for a customer if such debit
5 balance is payable at will without penalty and is secured
6 by securities as defined in Uniform Commercial
7 Code-Investment Securities;

8 (h) Any loan made by a participating bank as part of
9 any loan guarantee program which provides for loans and for
10 the refinancing of such loans to medical students, interns
11 and residents and which are guaranteed by the American
12 Medical Association Education and Research Foundation;

13 (i) Any loan made, guaranteed, or insured in accordance
14 with the provisions of the Housing Act of 1949, Subchapter
15 III of Chapter 8A of Title 42 of the United States Code and
16 the Consolidated Farm and Rural Development Act,
17 Subchapters I, II, and III of Chapter 50 of Title 7 of the
18 United States Code;

19 (j) Any loan by an employee pension benefit plan, as
20 defined in Section 3 (2) of the Employee Retirement Income
21 Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an
22 individual participating in such plan, provided that such
23 loan satisfies the prohibited transaction exemption
24 requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108
25 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d)
26 (1)) of the Employee Retirement Income Security Act of

1 1974;

2 (k) Written contracts, agreements or bonds for deed
3 providing for installment purchase of real estate,
4 including a manufactured home as defined in subdivision
5 (53) of Section 9-102 of the Uniform Commercial Code that
6 is real property as defined in the Conveyance and
7 Encumbrance of Manufactured Homes as Real Property and
8 Severance Act;

9 (l) Loans secured by a mortgage on real estate,
10 including a manufactured home as defined in subdivision
11 (53) of Section 9-102 of the Uniform Commercial Code that
12 is real property as defined in the Conveyance and
13 Encumbrance of Manufactured Homes as Real Property and
14 Severance Act;

15 (m) Loans made by a sole proprietorship, partnership,
16 or corporation to an employee or to a person who has been
17 offered employment by such sole proprietorship,
18 partnership, or corporation made for the sole purpose of
19 transferring an employee or person who has been offered
20 employment to another office maintained and operated by the
21 same sole proprietorship, partnership, or corporation;

22 (n) Loans to or for the benefit of students made by an
23 institution of higher education.

24 (2) Except for loans described in subparagraph (a), (c),
25 (d), (e), (f) or (i) of subsection (1) of this Section, and
26 except to the extent permitted by the applicable statute for

1 loans made pursuant to Section 4a or pursuant to the Consumer
2 Installment Loan Act:

3 (a) Whenever the rate of interest exceeds an annual
4 percentage rate of 8% ~~per annum~~ on any written contract,
5 agreement or bond for deed providing for the installment
6 purchase of residential real estate, or on any loan secured
7 by a mortgage on residential real estate, it shall be
8 unlawful to provide for a prepayment penalty or other
9 charge for prepayment.

10 (b) No agreement, note or other instrument evidencing a
11 loan secured by a mortgage on residential real estate, or
12 written contract, agreement or bond for deed providing for
13 the installment purchase of residential real estate, may
14 provide for any change in the contract rate of interest
15 during the term thereof. However, if the Congress of the
16 United States or any federal agency authorizes any class of
17 lender to enter, within limitations, into mortgage
18 contracts or written contracts, agreements or bonds for
19 deed in which the rate of interest may be changed during
20 the term of the contract, any person, firm, corporation or
21 other entity not otherwise prohibited from entering into
22 mortgage contracts or written contracts, agreements or
23 bonds for deed in Illinois may enter into mortgage
24 contracts or written contracts, agreements or bonds for
25 deed in which the rate of interest may be changed during
26 the term of the contract, within the same limitations.

1 (3) In any contract or loan which is secured by a mortgage,
2 deed of trust, or conveyance in the nature of a mortgage, on
3 residential real estate, the interest which is computed,
4 calculated, charged, or collected pursuant to such contract or
5 loan, or pursuant to any regulation or rule promulgated
6 pursuant to this Act, may not be computed, calculated, charged
7 or collected for any period of time occurring after the date on
8 which the total indebtedness, with the exception of late
9 payment penalties, is paid in full.

10 (4) For purposes of this Section, a prepayment shall mean
11 the payment of the total indebtedness, with the exception of
12 late payment penalties if incurred or charged, on any date
13 before the date specified in the contract or loan agreement on
14 which the total indebtedness shall be paid in full, or before
15 the date on which all payments, if timely made, shall have been
16 made. In the event of a prepayment of the indebtedness which is
17 made on a date after the date on which interest on the
18 indebtedness was last computed, calculated, charged, or
19 collected but before the next date on which interest on the
20 indebtedness was to be calculated, computed, charged, or
21 collected, the lender may calculate, charge and collect
22 interest on the indebtedness for the period which elapsed
23 between the date on which the prepayment is made and the date
24 on which interest on the indebtedness was last computed,
25 calculated, charged or collected at a rate equal to 1/360 of
26 the annual rate for each day which so elapsed, which rate shall

1 be applied to the indebtedness outstanding as of the date of
2 prepayment. The lender shall refund to the borrower any
3 interest charged or collected which exceeds that which the
4 lender may charge or collect pursuant to the preceding
5 sentence. The provisions of this amendatory Act of 1985 shall
6 apply only to contracts or loans entered into on or after the
7 effective date of this amendatory Act, but shall not apply to
8 contracts or loans entered into on or after that date that are
9 subject to Section 4a of this Act, the Consumer Installment
10 Loan Act, the Payday Loan Reform Act, the Predatory Loan
11 Prevention Act, or the Retail Installment Sales Act, or that
12 provide for the refund of precomputed interest on prepayment in
13 the manner provided by such Act.

14 (5) For purposes of items (a) and (c) of subsection (1) of
15 this Section, a rate or amount of interest may be lawfully
16 computed when applying the ratio of the annual interest rate
17 over a year based on 360 days. The provisions of this
18 amendatory Act of the 96th General Assembly are declarative of
19 existing law.

20 (6) For purposes of this Section, "real estate" and "real
21 property" include a manufactured home, as defined in
22 subdivision (53) of Section 9-102 of the Uniform Commercial
23 Code that is real property as defined in the Conveyance and
24 Encumbrance of Manufactured Homes as Real Property and
25 Severance Act.

26 (Source: P.A. 98-749, eff. 7-16-14.)

1 (815 ILCS 205/4a) (from Ch. 17, par. 6410)

2 Sec. 4a. Installment loan rate.

3 (a) On money loaned to or in any manner owing from any
4 person, whether secured or unsecured, except where the money
5 loaned or in any manner owing is directly or indirectly for the
6 purchase price of real estate or an interest therein and is
7 secured by a lien on or retention of title to that real estate
8 or interest therein, to an amount not more than \$25,000
9 (excluding interest) which is evidenced by a written instrument
10 providing for the payment thereof in 2 or more periodic
11 installments over a period of not more than 181 months from the
12 date of the execution of the written instrument, it is lawful
13 to receive or to contract to receive and collect either of the
14 following:

15 (i) Interest ~~interest~~ in an amount equivalent to
16 interest computed at a rate not exceeding an annual
17 percentage rate of 9% per year on the entire principal
18 amount of the money loaned or in any manner owing for the
19 period from the date of the making of the loan or the
20 incurring of the obligation for the amount owing evidenced
21 by the written instrument until the date of the maturity of
22 the last installment thereof, and to add that amount to the
23 principal, except that there shall be no limit on the rate
24 of interest which may be received or contracted to be
25 received and collected by (1) any bank that has its main

1 office or, after May 31, 1997, a branch in this State; or
2 (2) a savings and loan association chartered under the
3 Illinois Savings and Loan Act of 1985, or a savings bank
4 chartered under the Savings Bank Act, or a federal savings
5 and loan association established under the laws of the
6 United States and having its main office in this State.

7 It is lawful to receive or to contract to receive and
8 collect interest and charges as authorized by the Interest
9 Act, the Consumer Installment Loan Act, the Retail
10 Installment Sales Act, the Motor Vehicle Retail
11 Installment Sales Act, the Payday Loan Reform Act, and the
12 Illinois Financial Services Development Act.

13 In any case in which interest is received, contracted
14 for, or collected on the basis of paragraph (i) of
15 subsection (a) of Section 4a, the debtor may satisfy in
16 full at any time before maturity the debt evidenced by the
17 written instrument, and in so satisfying must receive a
18 refund credit against the total amount of interest added to
19 the principal computed in the manner provided under
20 paragraph (3) of subsection (f) of Section 15 of the
21 Consumer Installment Loan Act for refunds or credits of
22 applicable interest on payment in full of precomputed loans
23 before the final installment due date. ; ~~or (3) any lender~~
24 ~~licensed under either the Consumer Finance Act or the~~
25 ~~Consumer Installment Loan Act, but in any case in which~~
26 ~~interest is received, contracted for or collected on the~~

1 ~~basis of this clause (i), the debtor may satisfy in full at~~
2 ~~any time before maturity the debt evidenced by the written~~
3 ~~instrument, and in so satisfying must receive a refund~~
4 ~~credit against the total amount of interest added to the~~
5 ~~principal computed in the manner provided under Section~~
6 ~~15(f)(3) of the Consumer Installment Loan Act for refunds~~
7 ~~or credits of applicable interest on payment in full of~~
8 ~~precomputed loans before the final installment due date; or~~

9 (ii) Interest ~~interest~~ accrued on the principal
10 balance from time to time remaining unpaid, from the date
11 of making of the loan or the incurring of the obligation to
12 the date of the payment of the debt in full, at a rate not
13 exceeding the annual percentage rate equivalent of the rate
14 permitted to be charged under clause (i) above, but in any
15 such case the debtor may, provided that the debtor shall
16 have paid in full all interest and other charges accrued to
17 the date of such prepayment, prepay the principal balance
18 in full or in part at any time, and interest shall, upon
19 any such prepayment, cease to accrue on the principal
20 amount which has been prepaid.

21 (b) Whenever the principal amount of an installment loan is
22 \$300 or more and the repayment period is 6 months or more, a
23 minimum charge of \$15 may be collected instead of interest, but
24 only one minimum charge may be collected from the same person
25 during one year. When the principal amount of the loan
26 (excluding interest) is \$800 or less, the lender or creditor

1 may contract for and receive a service charge not to exceed \$5
2 in addition to interest; and that service charge may be
3 collected when the loan is made, but only one service charge
4 may be contracted for, received, or collected from the same
5 person during one year.

6 (c) Credit life insurance and credit accident and health
7 insurance, and any charge therefor which is deducted from the
8 loan or paid by the obligor, must comply with Article IX 1/2 of
9 the Illinois Insurance Code and all lawful requirements of the
10 Director of Insurance related thereto. When there are 2 or more
11 obligors on the loan contract, only one charge for credit life
12 insurance and credit accident and health insurance may be made
13 and only one of the obligors may be required to be insured.
14 Insurance obtained from, by or through the lender or creditor
15 must be in effect when the loan is transacted. The purchase of
16 that insurance from an agent, broker or insurer specified by
17 the lender or creditor may not be a condition precedent to the
18 granting of the loan.

19 (d) The lender or creditor may require the obligor to
20 provide property insurance on security other than household
21 goods, furniture and personal effects. The amount and term of
22 the insurance must be reasonable in relation to the amount and
23 term of the loan contract and the type and value of the
24 security, and the insurance must be procured in accordance with
25 the insurance laws of this State. The purchase of that
26 insurance from an agent, broker or insurer specified by the

1 lender or creditor may not be a condition precedent to the
2 granting of the loan.

3 (e) The lender or creditor may, if the contract provides,
4 collect a delinquency and collection charge on each installment
5 in default for a period of not less than 10 days in an amount
6 not exceeding 5% of the installment on installments in excess
7 of \$200 or \$10 on installments of \$200 or less, but only one
8 delinquency and collection charge may be collected on any
9 installment regardless of the period during which it remains in
10 default. In addition, the contract may provide for the payment
11 by the borrower or debtor of attorney's fees incurred by the
12 lender or creditor. The lender or creditor may enforce such a
13 provision to the extent of the reasonable attorney's fees
14 incurred by him in the collection or enforcement of the
15 contract or obligation. Whenever interest is contracted for or
16 received under this Section, no amount in addition to the
17 charges authorized by this Section may be directly or
18 indirectly charged, contracted for or received, except lawful
19 fees paid to a public officer or agency to record, file or
20 release security, and except costs and disbursements including
21 reasonable attorney's fees, incurred in legal proceedings to
22 collect a loan or to realize on a security after default. This
23 Section does not prohibit the receipt of any commission,
24 dividend or other benefit by the creditor or an employee,
25 affiliate or associate of the creditor from the insurance
26 authorized by this Section.

1 (f) When interest is contracted for or received under this
2 Section, the lender must disclose the following items to the
3 obligor in a written statement before the loan is consummated:

4 (1) the amount and date of the loan contract;

5 (2) the amount of loan credit using the term "amount
6 financed";

7 (3) every deduction from the amount financed or payment
8 made by the obligor for insurance and the type of insurance
9 for which each deduction or payment was made;

10 (4) every other deduction from the loan or payment made
11 by the obligor in connection with obtaining the loan;

12 (5) the date on which the finance charge begins to
13 accrue if different from the date of the transaction;

14 (6) the total amount of the loan charge for the
15 scheduled term of the loan contract with a description of
16 each amount included using the term "finance charge";

17 (7) the finance charge expressed as an annual
18 percentage rate using the term "annual percentage rate".
19 "Annual percentage rate" means the nominal annual
20 percentage rate of finance charge determined in accordance
21 with the actuarial method of computation with an accuracy
22 at least to the nearest 1/4 of 1%; or at the option of the
23 lender by application of the United States rule so that it
24 may be disclosed with an accuracy at least to the nearest
25 1/4 of 1%;

26 (8) the number, amount and due dates or periods of

1 payments scheduled to repay the loan and the sum of such
2 payments using the term "total of payments";

3 (9) the amount, or method of computing the amount of
4 any default, delinquency or similar charges payable in the
5 event of late payments;

6 (10) the right of the obligor to prepay the loan and
7 the fact that such prepayment will reduce the charge for
8 the loan;

9 (11) a description or identification of the type of any
10 security interest held or to be retained or acquired by the
11 lender in connection with the loan and a clear
12 identification of the property to which the security
13 interest relates. If after-acquired property will be
14 subject to the security interest, or if other or future
15 indebtedness is or may be secured by any such property,
16 this fact shall be clearly set forth in conjunction with
17 the description or identification of the type of security
18 interest held, retained or acquired;

19 (12) a description of any penalty charge that may be
20 imposed by the lender for prepayment of the principal of
21 the obligation with an explanation of the method of
22 computation of such penalty and the conditions under which
23 it may be imposed;

24 (13) unless the contract provides for the accrual and
25 payment of the finance charge on the balance of the amount
26 financed from time to time remaining unpaid, an

1 identification of the method of computing any unearned
2 portion of the finance charge in the event of prepayment of
3 the loan.

4 The terms "finance charge" and "annual percentage rate"
5 shall be printed more conspicuously than other terminology
6 required by this Section.

7 (g) At the time disclosures are made, the lender shall
8 deliver to the obligor a duplicate of the instrument or
9 statement by which the required disclosures are made and on
10 which the lender and obligor are identified and their addresses
11 stated. All of the disclosures shall be made clearly,
12 conspicuously and in meaningful sequence and made together on
13 either:

14 (i) the note or other instrument evidencing the
15 obligation on the same side of the page and above or
16 adjacent to the place for the obligor's signature; however,
17 where a creditor elects to combine disclosures with the
18 contract, security agreement, and evidence of a
19 transaction in a single document, the disclosures required
20 under this Section shall be made on the face of the
21 document, on the reverse side, or on both sides, provided
22 that the amount of the finance charge and the annual
23 percentage rate shall appear on the face of the document,
24 and, if the reverse side is used, the printing on both
25 sides of the document shall be equally clear and
26 conspicuous, both sides shall contain the statement,

1 "NOTICE: See other side for important information", and the
2 place for the customer's signature shall be provided
3 following the full content of the document; or

4 (ii) one side of a separate statement which identifies
5 the transaction.

6 The amount of the finance charge shall be determined as the
7 sum of all charges, payable directly or indirectly by the
8 obligor and imposed directly or indirectly by the lender as an
9 incident to or as a condition to the extension of credit,
10 whether paid or payable by the obligor, any other person on
11 behalf of the obligor, to the lender or to a third party,
12 including any of the following types of charges:

13 (1) Interest, time price differential, and any amount
14 payable under a discount or other system of additional
15 charges.

16 (2) Service, transaction, activity, or carrying
17 charge.

18 (3) Loan fee, points, finder's fee, or similar charge.

19 (4) Fee for an appraisal, investigation, or credit
20 report.

21 (5) Charges or premiums for credit life, accident,
22 health, or loss of income insurance, written in connection
23 with any credit transaction unless (a) the insurance
24 coverage is not required by the lender and this fact is
25 clearly and conspicuously disclosed in writing to the
26 obligor; and (b) any obligor desiring such insurance

1 coverage gives specific dated and separately signed
2 affirmative written indication of such desire after
3 receiving written disclosure to him of the cost of such
4 insurance.

5 (6) Charges or premiums for insurance, written in
6 connection with any credit transaction, against loss of or
7 damage to property or against liability arising out of the
8 ownership or use of property, unless a clear, conspicuous,
9 and specific statement in writing is furnished by the
10 lender to the obligor setting forth the cost of the
11 insurance if obtained from or through the lender and
12 stating that the obligor may choose the person through
13 which the insurance is to be obtained.

14 (7) Premium or other charges for any other guarantee or
15 insurance protecting the lender against the obligor's
16 default or other credit loss.

17 (8) Any charge imposed by a lender upon another lender
18 for purchasing or accepting an obligation of an obligor if
19 the obligor is required to pay any part of that charge in
20 cash, as an addition to the obligation, or as a deduction
21 from the proceeds of the obligation.

22 A late payment, delinquency, default, reinstatement or
23 other such charge is not a finance charge if imposed for actual
24 unanticipated late payment, delinquency, default or other
25 occurrence.

26 (h) Advertising for loans transacted under this Section may

1 not be false, misleading, or deceptive. That advertising, if it
2 states a rate or amount of interest, must state that rate as an
3 annual percentage rate of interest charged. In addition, if
4 charges other than for interest are made in connection with
5 those loans, those charges must be separately stated. No
6 advertising may indicate or imply that the rates or charges for
7 loans are in any way "recommended", "approved", "set" or
8 "established" by the State government or by this Act.

9 (i) A lender or creditor who complies with the federal
10 Truth in Lending Act, amendments thereto, and any regulations
11 issued or which may be issued thereunder, shall be deemed to be
12 in compliance with the provisions of subsections (f), (g) and
13 (h) of this Section.

14 (j) For purposes of this Section, "real estate" and "real
15 property" include a manufactured home as defined in subdivision
16 (53) of Section 9-102 of the Uniform Commercial Code that is
17 real property as defined in the Conveyance and Encumbrance of
18 Manufactured Homes as Real Property and Severance Act.

19 (Source: P.A. 98-749, eff. 7-16-14.)

20 Section 15-90-30. The Motor Vehicle Retail Installment
21 Sales Act is amended by changing Section 21 and by adding
22 Section 26.1 as follows:

23 (815 ILCS 375/21) (from Ch. 121 1/2, par. 581)

24 Sec. 21. The finance charge on any motor vehicle retail

1 installment contract shall be no more than the maximum rate
2 permissible under the Predatory Loan Prevention Act.
3 ~~Notwithstanding the provisions of any other statute, for motor~~
4 ~~vehicle retail installment contracts executed after September~~
5 ~~25, 1981, there shall be no limit on the finance charges which~~
6 ~~may be charged, collected, and received.~~

7 (Source: P.A. 90-437, eff. 1-1-98; 91-357, eff. 7-29-99.)

8 (815 ILCS 375/26.1 new)

9 Sec. 26.1. Rulemaking authority. The Secretary of
10 Financial and Professional Regulation and his or her designees
11 shall have authority to adopt and enforce reasonable rules,
12 directions, orders, decisions, and findings necessary to
13 execute and enforce this Act and protect consumers in this
14 State. The Secretary's authority to adopt rules shall include,
15 but not be limited to: licensing, examination, supervision, and
16 enforcement.

17 Section 15-90-35. The Retail Installment Sales Act is
18 amended by changing Sections 27 and 28 and by adding Section
19 33.1 as follows:

20 (815 ILCS 405/27) (from Ch. 121 1/2, par. 527)

21 Sec. 27. The finance charge on any retail installment
22 contract shall be no more than the maximum rate permissible
23 under the Predatory Loan Prevention Act. ~~Notwithstanding the~~

1 ~~provisions of any other statute, retail installment contracts~~
2 ~~executed after the effective date of this amendatory Act of~~
3 ~~1981, there shall be no limit on the finance charges which may~~
4 ~~be charged, collected and received.~~

5 (Source: P.A. 90-437, eff. 1-1-98.)

6 (815 ILCS 405/28) (from Ch. 121 1/2, par. 528)

7 Sec. 28. The finance charge on any retail charge agreement
8 shall be no more than the maximum rate permissible under the
9 Predatory Loan Prevention Act. Notwithstanding the provisions
10 ~~of any other statute, a retail charge agreement may provide for~~
11 ~~the charging, collection and receipt of finance charges at any~~
12 ~~specified rate on the unpaid balances incurred after the~~
13 ~~effective date of this amendatory Act of 1981. If a seller or~~
14 ~~holder under a retail charge agreement entered into on, prior~~
15 ~~to or after the effective date of this amendatory Act of 1981~~
16 ~~notifies the retail buyer at least 15 days in advance of any~~
17 ~~lawful increase in the finance charges to be charged under the~~
18 ~~agreement, and the retail buyer, after the effective date of~~
19 ~~such notice, makes a new or additional purchase or incurs~~
20 ~~additional debt pursuant to the agreement, the increased~~
21 ~~finance charges may be applied only to any such new or~~
22 ~~additional purchase or additional debt incurred regardless of~~
23 ~~any other terms of the agreement. For purposes of determining~~
24 ~~the balances to which the increased interest rate applies, all~~
25 ~~payments and other credits may be deemed to be applied to the~~

1 ~~balance existing prior to the change in rate until that balance~~
2 ~~is paid in full.~~

3 (Source: P.A. 90-437, eff. 1-1-98.)

4 (815 ILCS 405/33.1 new)

5 Sec. 33.1. Rulemaking authority. The Secretary of
6 Financial and Professional Regulation and his or her designees
7 shall have authority to adopt and enforce reasonable rules,
8 directions, orders, decisions, and findings necessary to
9 execute and enforce this Act and protect consumers in this
10 State. The Secretary's authority to adopt rules shall include,
11 but not be limited to: licensing, examination, supervision, and
12 enforcement.

13 Section 15-90-40. The Consumer Fraud and Deceptive
14 Business Practices Act is amended by changing Section 2Z as
15 follows:

16 (815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

17 Sec. 2Z. Violations of other Acts. Any person who knowingly
18 violates the Automotive Repair Act, the Automotive Collision
19 Repair Act, the Home Repair and Remodeling Act, the Dance
20 Studio Act, the Physical Fitness Services Act, the Hearing
21 Instrument Consumer Protection Act, the Illinois Union Label
22 Act, the Installment Sales Contract Act, the Job Referral and
23 Job Listing Services Consumer Protection Act, the Travel

1 Promotion Consumer Protection Act, the Credit Services
2 Organizations Act, the Automatic Telephone Dialers Act, the
3 Pay-Per-Call Services Consumer Protection Act, the Telephone
4 Solicitations Act, the Illinois Funeral or Burial Funds Act,
5 the Cemetery Oversight Act, the Cemetery Care Act, the Safe and
6 Hygienic Bed Act, the Illinois Pre-Need Cemetery Sales Act, the
7 High Risk Home Loan Act, the Payday Loan Reform Act, the
8 Predatory Loan Prevention Act, the Mortgage Rescue Fraud Act,
9 subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act,
10 subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax
11 Act, the Electronic Mail Act, the Internet Caller
12 Identification Act, paragraph (6) of subsection (k) of Section
13 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115,
14 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois
15 Vehicle Code, Article 3 of the Residential Real Property
16 Disclosure Act, the Automatic Contract Renewal Act, the Reverse
17 Mortgage Act, Section 25 of the Youth Mental Health Protection
18 Act, the Personal Information Protection Act, or the Student
19 Online Personal Protection Act commits an unlawful practice
20 within the meaning of this Act.

21 (Source: P.A. 99-331, eff. 1-1-16; 99-411, eff. 1-1-16; 99-642,
22 eff. 7-28-16; 100-315, eff. 8-24-17; 100-416, eff. 1-1-18;
23 100-863, eff. 8-14-18.)

1 Section 20-5. The Department of Commerce and Economic
2 Opportunity Law of the Civil Administrative Code of Illinois is
3 amended by adding Section 605-1055 as follows:

4 (20 ILCS 605/605-1055 new)

5 Sec. 605-1055. Beauty supply industry disparity study.

6 (a) The Department shall compile and publish a disparity
7 study by December 31, 2022 that: (1) evaluates whether there
8 exists discrimination in the State's beauty supply industry;
9 and (2) if so, evaluates the impact of such discrimination on
10 the State and includes recommendations for reducing or
11 eliminating any identified barriers to entry in the beauty
12 supply industry and discriminatory behavior. The Department
13 shall forward a copy of its findings and recommendations to the
14 General Assembly and the Governor.

15 (b) The Department may compile, collect, or otherwise
16 gather data necessary for the administration of this Section
17 and to carry out the Department's duty relating to the
18 recommendation of policy changes. The Department shall compile
19 all of the data into a single report, submit the report to the
20 Governor and the General Assembly, and publish the report on
21 its website.

22 (c) This Section is repealed on January 1, 2024.

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."