



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB5577

by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/2600

from Ch. 48, par. 750

Amends the Unemployment Insurance Act. Provides that for sales or transfers of business occurring on or after March 1, 2017, the purchaser or transferee is not personally liable for the contributions, interest, and penalties owed to the Department of Employment Security if upon petition to the Director of Employment Security within 2 years after the sale or transfer or notice of the amount due, whichever is later, the purchaser or transferee proves: (1) the purchaser or transferee lacked knowledge of the contributions, interest, and penalties owing to the Department of Employment Security at the time of the sale or transfer; or (2) pursuant to any sale or transfer agreement, the seller or transferor agreed to be liable for outstanding contributions, interest, and penalties owed to the Department of Employment Security. Effective immediately.

LRB100 20852 KTG 36346 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

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

4 Section 5. The Unemployment Insurance Act is amended by  
5 changing Section 2600 as follows:

6 (820 ILCS 405/2600) (from Ch. 48, par. 750)

7 Sec. 2600. Every assignee, receiver, trustee in  
8 bankruptcy, liquidator, administrator, executor, sheriff,  
9 mortgagee, conditional vendor, or any other person who shall  
10 sell substantially all of (A) the business, or (B) the stock of  
11 goods, or (C) the furniture or fixtures, or (D) the machinery  
12 and equipment, or (E) the goodwill of any employing unit shall,  
13 at least 7 days prior to the date of such sale, notify the  
14 Director of the name and address of the person conducting such  
15 sale, the date, the place and the terms of such sale and a  
16 description of the property to be sold. Any assignee, receiver,  
17 trustee in bankruptcy, liquidator, administrator, executor,  
18 sheriff, mortgagee, conditional vendor, or any other person who  
19 shall fail to observe the requirements of this section shall be  
20 personally responsible for all loss in contributions,  
21 penalties and interest attributable to such failure to notify  
22 the Director as herein provided.

23 Any employing unit which shall, outside the usual course of

1 its business, sell or transfer substantially all or any one of  
2 the classes of its assets hereinabove enumerated and shall  
3 cease to own said business, shall, within 10 days after such  
4 sale or transfer, file such reports as the Director shall  
5 prescribe and pay the contributions, interest and penalties  
6 required by this Act with respect to wages for employment up to  
7 the date of said sale or transfer. The purchaser or transferee  
8 shall withhold sufficient of the purchase money to cover the  
9 amount of all contributions, interest and penalties due and  
10 unpaid by the seller or transferor or, if the payment of money  
11 is not involved, shall withhold the performance of the  
12 condition that constitutes the consideration for the transfer,  
13 until such time as the seller shall produce a receipt from the  
14 Director showing that the contributions, interest and  
15 penalties have been paid or a certificate that no  
16 contributions, interest or penalties are due. If the seller or  
17 transferor shall fail to pay such contributions within the 10  
18 days specified, then the purchaser or transferee shall pay the  
19 money so withheld to the Director of Employment Security. If  
20 such seller or transferor shall fail to pay the aforementioned  
21 contributions, interest or penalties within the 10 days and  
22 said purchaser or transferee shall either fail to withhold such  
23 purchase money as above required or fail to pay the same to the  
24 Director immediately after the expiration of 10 days from the  
25 date of such sale as above required, or shall fail to withhold  
26 the performance of the condition that constitutes the

1 consideration for the transfer in cases where the payment of  
2 money is not involved or is not the sole consideration, such  
3 purchaser or transferee shall be personally liable to the  
4 Director for the payment to the Director of the contributions,  
5 interest and penalties incurred by the seller or transferor up  
6 to the amount of the reasonable value of the property acquired  
7 by him.

8 Any person who shall acquire any property or rights thereto  
9 which at the time of such acquisition is subject to a valid  
10 lien in favor of the Director shall be personally liable to the  
11 Director for a sum equal to the amount of contributions secured  
12 by such lien but not to exceed the reasonable value of such  
13 property acquired by him.

14 For a sale or transfer of a business occurring on or after  
15 March 1, 2017, the purchaser or transferee is not personally  
16 liable for the contributions, interest, and penalties owed to  
17 the Department if upon petition to the Director within 2 years  
18 after the sale or transfer or notice of the amount due,  
19 whichever is later, the purchaser or transferee proves:

20 (1) the purchaser or transferee lacked knowledge of the  
21 contributions, interest, and penalties owing to the  
22 Department at the time of the sale or transfer; or

23 (2) pursuant to any sale or transfer agreement, the  
24 seller or transferor agreed to be liable for outstanding  
25 contributions, interest, and penalties owed to the  
26 Department.

1 (Source: P.A. 83-1503.)

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