



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 2/5/2004, by Carol Ronen

SYNOPSIS AS INTRODUCED:

820 ILCS 405/2600

from Ch. 48, par. 750

Amends the Unemployment Insurance Act. Provides that whenever a corporation or a limited liability company fails to pay contributions or payments instead of contributions as prescribed in the Act, or fails to properly file the reports as are required by the Act, those employees, managers, or officers having control or supervision of or charged with the responsibility of filing the reports and remitting the contributions or payments instead of contributions and who willfully fail to do so are personally liable for the total amount of the contributions or payments instead of contributions, not paid, together with any interest and penalties that may be due.

LRB093 18303 WGH 44008 b

1 AN ACT concerning unemployment insurance.

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. A. 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 (1) ~~(A)~~ the business, or (2) ~~(B)~~ the
11 stock of goods, or (3) ~~(C)~~ the furniture or fixtures, or (4)
12 ~~(D)~~ the machinery and equipment, or (5) ~~(E)~~ the goodwill of any
13 employing unit shall, at least 7 days prior to the date of such
14 sale, notify the Director of the name and address of the person
15 conducting such sale, the date, the place and the terms of such
16 sale and a description of the property to be sold. Any
17 assignee, receiver, trustee in bankruptcy, liquidator,
18 administrator, executor, sheriff, mortgagee, conditional
19 vendor, or any other person who shall fail to observe the
20 requirements of this section shall be personally responsible
21 for all loss in contributions, penalties and interest
22 attributable to such failure to notify the Director as herein
23 provided.

24 Any employing unit which shall, outside the usual course of
25 its business, sell or transfer substantially all or any one of
26 the classes of its assets hereinabove enumerated and shall
27 cease to own said business, shall, within 10 days after such
28 sale or transfer, file such reports as the Director shall
29 prescribe and pay the contributions, interest and penalties
30 required by this Act with respect to wages for employment up to
31 the date of said sale or transfer. The purchaser or transferee
32 shall withhold sufficient of the purchase money to cover the

1 amount of all contributions, interest and penalties due and
2 unpaid by the seller or transferor or, if the payment of money
3 is not involved, shall withhold the performance of the
4 condition that constitutes the consideration for the transfer,
5 until such time as the seller shall produce a receipt from the
6 Director showing that the contributions, interest and
7 penalties have been paid or a certificate that no
8 contributions, interest or penalties are due. If the seller or
9 transferor shall fail to pay such contributions within the 10
10 days specified, then the purchaser or transferee shall pay the
11 money so withheld to the Director of Employment Security. If
12 such seller or transferor shall fail to pay the aforementioned
13 contributions, interest or penalties within the 10 days and
14 said purchaser or transferee shall either fail to withhold such
15 purchase money as above required or fail to pay the same to the
16 Director immediately after the expiration of 10 days from the
17 date of such sale as above required, or shall fail to withhold
18 the performance of the condition that constitutes the
19 consideration for the transfer in cases where the payment of
20 money is not involved or is not the sole consideration, such
21 purchaser or transferee shall be personally liable to the
22 Director for the payment to the Director of the contributions,
23 interest and penalties incurred by the seller or transferor up
24 to the amount of the reasonable value of the property acquired
25 by him.

26 Any person who shall acquire any property or rights thereto
27 which at the time of such acquisition is subject to a valid
28 lien in favor of the Director shall be personally liable to the
29 Director for a sum equal to the amount of contributions secured
30 by such lien but not to exceed the reasonable value of such
31 property acquired by him.

32 B. Whenever a corporation or a limited liability company
33 fails to pay contributions or payments instead of contributions
34 as prescribed in this Act, or fails to properly file the
35 reports as are required by this Act, those employees, managers,
36 or officers having control or supervision of or charged with

1 the responsibility of filing the reports and remitting the
2 contributions or payments instead of contributions and who
3 willfully fail to do so are personally liable for the total
4 amount of the contributions or payments instead of
5 contributions, not paid, together with any interest and
6 penalties that may be due. Collection of the total amount due
7 may be made from any one or combination of the employees,
8 managers, officers, or directors by use of any of the remedies
9 provided by law for the collection of the funds.

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