

# HB4746



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

**HB4746**

by Rep. Keith P. Sommer

#### SYNOPSIS AS INTRODUCED:

205 ILCS 670/8  
815 ILCS 122/3-5

from Ch. 17, par. 5408

Amends the Consumer Installment Loan Act. Provides that the date of renewal for a license is December 1st (rather than December 15th). Amends the Payday Loan Reform Act. Provides that the date of renewal for a license is December 1 (rather than December 31). Effective immediately.

LRB100 16050 SMS 31169 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Consumer Installment Loan Act is amended by  
5 changing Section 8 as follows:

6 (205 ILCS 670/8) (from Ch. 17, par. 5408)

7 Sec. 8. Annual license fee - Expenses. Before the 1st ~~15th~~  
8 day of each December, a licensee must pay to the Director, and  
9 the Department must receive, the annual license fee required by  
10 Section 2 for the next succeeding calendar year. The license  
11 shall expire on the first of January unless the license fee has  
12 been paid prior thereto.

13 In addition to such license fee, the reasonable expense of  
14 any examination, investigation or custody by the Director under  
15 any provisions of this Act shall be borne by the licensee.

16 If a licensee fails to renew his or her license by the 31st  
17 day of December, it shall automatically expire and the licensee  
18 is not entitled to a hearing; however, the Director, in his or  
19 her discretion, may reinstate an expired license upon payment  
20 of the annual renewal fee and proof of good cause for failure  
21 to renew.

22 (Source: P.A. 92-398, eff. 1-1-02.)

1           Section 10. The Payday Loan Reform Act is amended by  
2 changing Section 3-5 as follows:

3           (815 ILCS 122/3-5)

4           Sec. 3-5. Licensure.

5           (a) A license to make a payday loan shall state the  
6 address, including city and state, at which the business is to  
7 be conducted and shall state fully the name of the licensee.  
8 The license shall be conspicuously posted in the place of  
9 business of the licensee and shall not be transferable or  
10 assignable.

11           (b) An application for a license shall be in writing and in  
12 a form prescribed by the Secretary. The Secretary may not issue  
13 a payday loan license unless and until the following findings  
14 are made:

15           (1) that the financial responsibility, experience,  
16 character, and general fitness of the applicant are such as  
17 to command the confidence of the public and to warrant the  
18 belief that the business will be operated lawfully and  
19 fairly and within the provisions and purposes of this Act;  
20 and

21           (2) that the applicant has submitted such other  
22 information as the Secretary may deem necessary.

23           (c) A license shall be issued for no longer than one year,  
24 and no renewal of a license may be provided if a licensee has  
25 substantially violated this Act and has not cured the violation

1 to the satisfaction of the Department.

2 (d) A licensee shall appoint, in writing, the Secretary as  
3 attorney-in-fact upon whom all lawful process against the  
4 licensee may be served with the same legal force and validity  
5 as if served on the licensee. A copy of the written  
6 appointment, duly certified, shall be filed in the office of  
7 the Secretary, and a copy thereof certified by the Secretary  
8 shall be sufficient evidence to subject a licensee to  
9 jurisdiction in a court of law. This appointment shall remain  
10 in effect while any liability remains outstanding in this State  
11 against the licensee. When summons is served upon the Secretary  
12 as attorney-in-fact for a licensee, the Secretary shall  
13 immediately notify the licensee by registered mail, enclosing  
14 the summons and specifying the hour and day of service.

15 (e) A licensee must pay an annual fee of \$1,000. In  
16 addition to the license fee, the reasonable expense of any  
17 examination or hearing by the Secretary under any provisions of  
18 this Act shall be borne by the licensee. If a licensee fails to  
19 renew its license by December 1 ~~31~~, its license shall  
20 automatically expire; however, the Secretary, in his or her  
21 discretion, may reinstate an expired license upon:

22 (1) payment of the annual fee within 30 days of the  
23 date of expiration; and

24 (2) proof of good cause for failure to renew.

25 (f) Not more than one place of business shall be maintained  
26 under the same license, but the Secretary may issue more than

1 one license to the same licensee upon compliance with all the  
2 provisions of this Act governing issuance of a single license.  
3 The location, except those locations already in existence as of  
4 June 1, 2005, may not be within one mile of a horse race track  
5 subject to the Illinois Horse Racing Act of 1975, within one  
6 mile of a facility at which gambling is conducted under the  
7 Riverboat Gambling Act, within one mile of the location at  
8 which a riverboat subject to the Riverboat Gambling Act docks,  
9 or within one mile of any State of Illinois or United States  
10 military base or naval installation.

11 (g) No licensee shall conduct the business of making loans  
12 under this Act within any office, suite, room, or place of  
13 business in which (1) any loans are offered or made under the  
14 Consumer Installment Loan Act other than title secured loans as  
15 defined in subsection (a) of Section 15 of the Consumer  
16 Installment Loan Act and governed by Title 38, Section 110.330  
17 of the Illinois Administrative Code or (2) any other business  
18 is solicited or engaged in unless the other business is  
19 licensed by the Department or, in the opinion of the Secretary,  
20 the other business would not be contrary to the best interests  
21 of consumers and is authorized by the Secretary in writing.

22 (g-5) Notwithstanding subsection (g) of this Section, a  
23 licensee may obtain a license under the Consumer Installment  
24 Loan Act (CILA) for the exclusive purpose and use of making  
25 title secured loans, as defined in subsection (a) of Section 15  
26 of CILA and governed by Title 38, Section 110.300 of the

1 Illinois Administrative Code. A licensee may continue to  
2 service Consumer Installment Loan Act loans that were  
3 outstanding as of the effective date of this amendatory Act of  
4 the 96th General Assembly.

5 (h) The Secretary shall maintain a list of licensees that  
6 shall be available to interested consumers and lenders and the  
7 public. The Secretary shall maintain a toll-free number whereby  
8 consumers may obtain information about licensees. The  
9 Secretary shall also establish a complaint process under which  
10 an aggrieved consumer may file a complaint against a licensee  
11 or non-licensee who violates any provision of this Act.

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

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.