

HB5624



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5624

by Rep. Barbara Hernandez

SYNOPSIS AS INTRODUCED:

225 ILCS 422/110

Amends the Collateral Recovery Act. Provides that a licensed repossession agency may charge a debtor a one-time administration fee of \$100 and a storage fee of \$35 per day for expenses reasonably incurred for inventory and storage of a debtor's personal property.

LRB101 18870 SPS 68328 b

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 Collateral Recovery Act is amended by
5 changing Section 110 as follows:

6 (225 ILCS 422/110)

7 (Section scheduled to be repealed on January 1, 2022)

8 Sec. 110. Repossession of vehicles.

9 (a) With regard to collateral subject to a security
10 agreement, repossession occurs when the licensed repossession
11 agency employee gains entry into the collateral, the collateral
12 becomes connected to a tow vehicle, or the licensed
13 repossession agency employee has physical control, custody, or
14 possession of the collateral.

15 (b) The licensed repossession agency shall confirm with the
16 legal owner of a recovered vehicle whether the legal owner
17 holds a security interest in the personal effects or other
18 property contained in or on the recovered vehicle.

19 (c) If personal effects or other property not covered by a
20 security agreement are contained in or on a recovered vehicle
21 at the time it is recovered, then the personal effects and
22 other property not covered by a security agreement must be
23 completely and accurately inventoried, and a record of the

1 inventory shall be maintained on file with the licensed
2 repossession agency for a period of 2 years following the date
3 of repossession. The licensed repossession agency shall hold
4 all personal effects and other property not covered by a
5 security agreement until the licensed repossession agency
6 either returns the personal effects and other property to the
7 debtor or disposes of the personal effects and other property
8 in accordance with this Section.

9 (d) Within 5 working days following the date of
10 repossession, the licensed repossession agency shall give
11 written notification to the debtor of the whereabouts of
12 personal effects or other property inventoried. At least 45
13 days prior to disposing of such personal effects or other
14 property, the licensed repossession agency shall, by United
15 States Postal Service certified mail, notify the debtor of the
16 intent to dispose of the property. Should the debtor, or his or
17 her lawful designee, appear to retrieve the personal property
18 prior to the date on which the licensed repossession agency is
19 allowed to dispose of the property, the licensed repossession
20 agency shall surrender the personal property to that individual
21 upon payment of any reasonably incurred expenses for inventory
22 and storage. The licensed repossession agency may charge the
23 debtor a one-time administration fee of \$100 and a storage fee
24 of \$35 per day.

25 (e) If personal property is not claimed within 45 days of
26 the notice of intent to dispose, then the licensed repossession

1 agency may dispose of the personal property at its discretion,
2 except that illegal items or contraband shall be surrendered to
3 a law enforcement agency, and the licensed repossession agency
4 shall retain a receipt or other proof of surrender as part of
5 the inventory and disposal records it maintains. The inventory
6 of the personal property and the records regarding any disposal
7 of personal property shall be maintained for a period of 2
8 years in the permanent records of the licensed repossession
9 agency and shall be made available upon request to the
10 Commission.

11 (Source: P.A. 97-576, eff. 7-1-12.)