

**102ND GENERAL ASSEMBLY****State of Illinois****2021 and 2022****SB3006**

Introduced 1/5/2022, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

225 ILCS 422/35
225 ILCS 422/45
225 ILCS 422/50
225 ILCS 422/75

Amends the Collateral Recovery Act. Provides that each individual, partner of a partnership, officer of a corporation, or member of a limited liability company shall submit with an application for licensure as a repossession agency a valid State or U.S. government-issued photo identification card (rather than one form of personal identification upon which must appear a photograph taken within one year immediately preceding the date of the filing of the application). Requires the Illinois Commerce Commission to notify the submitting person within 14 days (rather than 10 days) after receipt of a criminal history records check (rather than after receipt of the application) of its intent to issue (rather than issue or deny) the recovery permit or set the matter for an administrative hearing before an administrative law judge. Provides that a recovery employee may work under a recovery permit for multiple licensed repossession agencies. Permits the Commission to allow electronic payments for license and permit fees. Provides that certain fees must be paid at the time of filing and are nonrefundable. Provides that at least 90 days prior to the expiration of a license or recovery permit, the Commission shall send to the license or permit holder a renewal notice (rather than mail to the license or permit holder a renewal form in the form and manner prescribed by the Commission). Provides that applications for renewal of a license or permit shall be filed with the Commission no earlier than 90 days, and not later than 45 days, prior to the expiration of a license or permit. Provides that when a license holder or permit holder has made such timely and sufficient application for the renewal of a license or recovery permit, the existing license or recovery permit shall continue in full force and effect until the final agency decision on the application has been made, unless a later date is fixed by order of a reviewing court.

LRB102 21401 SPS 30517 b

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 Sections 35, 45, 50, and 75 as follows:

6 (225 ILCS 422/35)

7 (Section scheduled to be repealed on January 1, 2022)

8 Sec. 35. Application for repossession agency licensure.

9 (a) Application for original licensure as a repossession
10 agency shall be made to the Commission in writing on forms
11 prescribed by the Commission and shall be accompanied by the
12 appropriate documentation and the required fee, and the fee is
13 nonrefundable.

14 (b) Every application shall state, in addition to any
15 other requirements, (i) the name of the applicant, (ii) the
16 name under which the applicant shall do business, (iii) the
17 proposed location of the agency by number, street, and city,
18 and (iv) the proposed location of the agency's remote storage
19 location or locations by number, street, and city, (v) the
20 proposed location of the Agency's branch office or branch
21 offices by number, street, and city, and (vi) the usual
22 business hours that the agency shall maintain.

23 (c) No license may be issued (i) in any fictitious name

1 that may be confused with or is similar to any federal, state,
2 county, or municipal government function or agency, (ii) in
3 any name that may tend to describe any business function or
4 enterprise not actually engaged in by the applicant, (iii) in
5 any name that is the same as or similar to any existing
6 licensed company and that would tend to deceive the public,
7 (iv) in any name that would tend to be deceptive or misleading,
8 or (v) to any repossession agency applicant without that
9 agency's location or branch office location maintaining a
10 secured storage facility as defined in Section 10 of this Act.

11 (d) If the applicant for repossession agency licensure is
12 an individual, then his or her application shall include (i)
13 the full residential address of the applicant and (ii) either
14 the sworn statement of the applicant declaring that he or she
15 is the licensed recovery manager who shall be personally in
16 control of the agency for which the licensure is sought, or the
17 name and signed sworn statement of the licensed recovery
18 manager who shall be in control or management of the agency.

19 (e) If the applicant for repossession agency licensure is
20 a partnership, then the application shall include (i) a
21 statement of the names and full residential addresses of all
22 partners in the business and (ii) a sworn statement signed by
23 each partner verifying the name of the person who is a licensed
24 recovery manager and shall be in control or management of the
25 business. If a licensed recovery manager who is not a partner
26 shall be in control or management of the agency, then he or she

1 must also sign the sworn statement. The application shall also
2 state whether any of the partners has ever used an alias.

3 (f) If the applicant for licensure as a repossession
4 agency is a corporation, then the application shall include
5 (i) the names and full residential addresses of all
6 corporation officers and (ii) a sworn statement signed by a
7 duly authorized officer of the corporation verifying the name
8 of the person who is a licensed recovery manager and shall be
9 in control or management of the agency. If a licensed recovery
10 manager who is not an officer shall be in control or management
11 of the agency, then he or she must also sign the sworn
12 statement. The application shall also state whether any of the
13 officers has ever used an alias.

14 (g) If the applicant for licensure as a repossession
15 agency is a limited liability company, then the application
16 shall include (i) the names and full residential addresses of
17 all members and (ii) a sworn statement signed by each member
18 verifying the name of the person who is a licensed recovery
19 manager and shall be in control or management of the agency. If
20 a licensed recovery manager who is not a member shall be in
21 control or management of the agency, then he or she must also
22 sign the sworn statement. The application shall also state
23 whether any of the members has ever used an alias.

24 (h) Each individual, partner of a partnership, officer of
25 a corporation, or member of a limited liability company shall
26 submit with the application a copy of a valid State or U.S.

1 ~~government-issued photo identification card one form of~~
2 ~~personal identification upon which must appear a photograph~~
3 ~~taken within one year immediately preceding the date of the~~
4 ~~filing of the application.~~ An applicant who is 21 years of age
5 or older seeking a religious exemption to the photograph
6 requirement of this subsection shall furnish with the
7 application an approved copy of United States Department of
8 the Treasury Internal Revenue Service Form 4029. Regardless of
9 age, an applicant seeking a religious exemption to this
10 photograph requirement shall submit fingerprints in a form and
11 manner prescribed by the Commission with his or her
12 application in lieu of a photograph.

13 (i) No examination shall be required for licensure as a
14 repossession agency by the Commission.

15 (j) The Commission may require any additional information
16 that, in the judgment of the Commission, shall enable the
17 Commission to determine the qualifications of the applicant
18 for licensure.

19 (k) Applicants have 90 days from the date of application
20 to complete the application process. If the application has
21 not been completed within 90 days, then the application shall
22 be denied, the fee shall be forfeited, and the applicant must
23 reapply and meet the requirements in effect at the time of
24 reapplication.

25 (l) Nothing in this Section precludes a domestic or
26 foreign limited liability company being licensed as a

1 repossession agency.

2 (m) A repossession agency license may be transferable upon
3 prior notice to the Commission and upon completion of all
4 requirements relative to the application process for
5 repossession agency licensure.

6 (n) Repossessions performed in this State must be
7 performed by repossession agencies, their employees, or agents
8 licensed by the Commission, with the exception of financial
9 institutions or the employees of a financial institution that
10 are exempt under subsection (d) of Section 30 of this Act.

11 (Source: P.A. 97-576, eff. 7-1-12; 98-848, eff. 1-1-15.)

12 (225 ILCS 422/45)

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

14 Sec. 45. Repossession agency employee requirements.

15 (a) All employees of a licensed repossession agency whose
16 duties include the actual repossession of collateral must
17 apply for a recovery permit. The holder of a repossession
18 agency license issued under this Act, known in this Section as
19 the "employer", may employ in the conduct of the business
20 under the following provisions:

21 (1) No person may be issued a recovery permit who
22 meets any of the following criteria:

23 (A) Is younger than 21 years of age.

24 (B) Has been convicted of a crime identified in
25 paragraph (3) of subsection (a) of Section 80 of this

1 Act and the Commission determines the ability of the
2 person to engage in the position for which a permit is
3 sought is impaired as a result of the conviction.

4 (C) Has had a license or recovery permit denied,
5 suspended, or revoked under this Act.

6 (D) Has not successfully completed a certification
7 program approved by the Commission.

8 (2) No person may be employed by a repossession agency
9 under this Section until he or she has executed and
10 furnished to the Commission, on forms furnished by the
11 Commission, a verified statement to be known as an
12 "Employee's Statement" setting forth all of the following:

13 (A) The person's full name, age, and residence
14 address.

15 (B) The business or occupation engaged in for the
16 5 years immediately before the date of the execution
17 of the statement, the place where the business or
18 occupation was engaged in, and the names of the
19 employers, if any.

20 (C) That the person has not had a license or
21 recovery permit denied, revoked, or suspended under
22 this Act.

23 (D) Any conviction of a felony, except as provided
24 for in Section 85.

25 (E) Any other information as may be required by
26 any rule of the Commission to show the good character,

1 competency, and integrity of the person executing the
2 statement.

3 (b) Each applicant for a recovery permit shall have his or
4 her fingerprints submitted to the Commission by a Live Scan
5 fingerprint vendor certified by the Illinois State Police
6 under the Private Detective, Private Alarm, Private Security,
7 Fingerprint Vendor, and Locksmith Act of 2004 in an electronic
8 format that complies with the form and manner for requesting
9 and furnishing criminal history record information as
10 prescribed by the Illinois State Police. These fingerprints
11 shall be checked against the Illinois State Police and Federal
12 Bureau of Investigation criminal history record databases now
13 and hereafter filed. The Commission shall charge applicants a
14 fee for conducting the criminal history records check, which
15 shall not exceed the actual cost of the records check. The
16 Illinois Commerce Commission Police shall furnish, pursuant to
17 positive identification, records of Illinois convictions to
18 the Commission. The Commission, in its discretion, may allow
19 an applicant who does not have reasonable access to a
20 designated vendor to provide his or her fingerprints in an
21 alternative manner. The Commission, in its discretion, may
22 also use other procedures in performing or obtaining criminal
23 history records checks of applicants. Instead of submitting
24 his or her fingerprints, an individual may submit proof that
25 is satisfactory to the Commission that an equivalent security
26 clearance has been conducted.

1 (c) Qualified applicants shall purchase a recovery permit
2 from the Commission and in a form that the Commission
3 prescribes. The Commission shall notify the submitting person
4 within 14 ~~10~~ days after receipt of a criminal history records
5 check from the Illinois Commerce Commission Police conducted
6 pursuant to subsection (b) ~~the application~~ of its intent to
7 issue ~~or deny~~ the recovery permit ~~or set the matter for an~~
8 administrative hearing before an administrative law judge to
9 assist the Commission in determining whether the applicant is
10 fit pursuant to Section 80. The holder of a recovery permit
11 shall carry the recovery permit at all times while actually
12 engaged in the performance of the duties of his or her
13 employment. No recovery permit shall be effective unless
14 accompanied by a license issued by the Commission. Expiration
15 and requirements for renewal of recovery permits shall be
16 established by rule of the Commission. Possession of a
17 recovery permit does not in any way imply that the holder of
18 the recovery permit is employed by any agency unless the
19 recovery permit is accompanied by the employee identification
20 card required by subsection (e) of this Section.

21 (d) Each employer shall maintain a record of each employee
22 that is accessible to the duly authorized representatives of
23 the Commission. The record shall contain all of the following
24 information:

25 (1) A photograph taken within 10 days after the date
26 that the employee begins employment with the employer. The

1 photograph shall be replaced with a current photograph
2 every 3 calendar years.

3 (2) The Employee's Statement specified in paragraph
4 (2) of subsection (a) of this Section.

5 (3) All correspondence or documents relating to the
6 character and integrity of the employee received by the
7 employer from any official source or law enforcement
8 agency.

9 (4) In the case of former employees, the employee
10 identification card of that person issued under subsection
11 (e) of this Section.

12 (e) Every employer shall furnish an employee
13 identification card to each of his or her employees. This
14 subsection (e) shall not apply to office or clerical
15 personnel. This employee identification card shall contain a
16 recent photograph of the employee, the employee's name, the
17 name and agency license number of the employer, the employee's
18 personal description, the signature of the employer, the
19 signature of that employee, the date of issuance, and an
20 employee identification card number.

21 (f) No employer may issue an employee identification card
22 to any person who is not employed by the employer in accordance
23 with this Section or falsely state or represent that a person
24 is or has been in his or her employ. It is unlawful for an
25 applicant for registration to file with the Commission the
26 fingerprints of a person other than himself or herself or to

1 fail to exercise due diligence in resubmitting replacement
2 fingerprints for those employees who have had original
3 fingerprint submissions returned as unclassifiable. An agency
4 shall inform the Commission within 15 days after contracting
5 or employing a licensed repossession agency employee. The
6 Commission shall develop a registration process by rule.

7 (g) Every employer shall obtain the identification card of
8 every employee who terminates employment with the employer. An
9 employer shall immediately report an identification card that
10 is lost or stolen to the local police department having
11 jurisdiction over the repossession agency location.

12 (h) No agency may employ any person to perform any
13 activity under this Act unless the person possesses a valid
14 license or recovery permit under this Act.

15 (i) If information is discovered affecting the
16 registration of a person whose fingerprints were submitted
17 under this Section, then the Commission shall so notify the
18 agency that submitted the fingerprints on behalf of that
19 person.

20 (j) A person employed under this Section shall have 15
21 business days within which to notify the Commission of any
22 change in employer, ~~but may continue working under any other~~
23 ~~recovery permits granted as an employee or independent~~
24 ~~contractor.~~ A recovery employee may work under the recovery
25 permit for multiple licensed repossession agencies.

26 (k) This Section applies only to those employees of

1 licensed repossession agencies whose duties include actual
2 repossession of collateral.

3 (1) An applicant who is 21 years of age or older seeking a
4 religious exemption to the photograph requirement of this
5 Section shall furnish with his or her application an approved
6 copy of United States Department of the Treasury Internal
7 Revenue Service Form 4029. Regardless of age, an applicant
8 seeking a religious exemption to this photograph requirement
9 shall submit fingerprints in a form and manner prescribed by
10 the Commission with his or her application in lieu of a
11 photograph.

12 (Source: P.A. 100-286, eff. 1-1-18; 100-948, eff. 1-1-19.)

13 (225 ILCS 422/50)

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

15 Sec. 50. Fees.

16 (a) The license and permit fees required under this Act
17 are as follows:

18 (1) Class "R" license (recovery agency), \$825.

19 (2) Class "RR" license (branch office), \$425.

20 (3) Class "MR" license (recovery agency manager),
21 \$325.

22 (4) Class "E" recovery permit, \$75.

23 (5) Class "EE" recovery permit (recovery agent
24 intern), \$75.

25 An agency shall submit an application to register any

1 remote storage location or locations. The Commission shall
2 develop by rule the requirements for registering remote
3 storage locations. The fee for each registration shall not
4 exceed \$300 as set by the Commission.

5 (b) The Commission may establish by rule a fee for the
6 replacement or revision of a license or recovery permit.

7 (c) The fees set forth in this Act or by rule ~~Section~~ must
8 be paid by certified check or money order, or at the discretion
9 of the Commission, by agency check at the time of application.
10 The Commission, at its discretion, may also allow for the
11 submission of electronic payments. An applicant filing an
12 application, registration, or form that carries a fee, must
13 pay the associated fee at the time the application,
14 registration, or form is filed. Once paid, all fees are
15 non-refundable ~~An applicant for a Class "E", Class "EE", or~~
16 ~~Class "MR" license or permit must pay the license or permit fee~~
17 ~~at the time the application is made. If a license or permit is~~
18 ~~revoked or denied, or if an application is withdrawn, then the~~
19 ~~license or permit fee shall not be refunded.~~

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

21 (225 ILCS 422/75)

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

23 Sec. 75. Licenses and recovery permits; renewals;
24 restoration; person in military service.

25 (a) An original Class "R" license, Class "RR" license, and

1 Class "MR" license shall expire 2 years after the date of
2 issuance.

3 (b) An original Class "E" recovery permit and Class "EE"
4 recovery permit shall expire one year after the date of
5 issuance.

6 (c) A renewal Class "R" license, Class "RR" license and
7 Class "MR" license shall expire 2 years after the date of
8 renewal.

9 (d) A renewal Class "E" recovery permit and Class "EE"
10 recovery permit shall expire one year after the date of
11 renewal.

12 (e) The following are guidelines for the classes of
13 licensure and registration:

14 (1) Any person, firm, company, partnership, or
15 corporation that engages in business as a recovery agency
16 shall have a Class "R" license. A Class "R" license is
17 valid for only one location.

18 (2) Each branch office of a Class "R" agency shall
19 have a Class "RR" license.

20 (3) Any individual who performs the services of a
21 manager for a Class "R" recovery agency or a Class "RR"
22 branch office must have a Class "MR" license.

23 (4) Any individual who performs recovery services as a
24 repossession agency employee for a Class "R" recovery
25 agency or a Class "RR" branch office must have a Class "E"
26 recovery permit.

1 (5) Any individual who performs repossessions as an
2 intern under the direction and control of a designated,
3 sponsoring Class "E" recovery permit or a designated,
4 sponsoring Class "MR" license shall have a Class "EE"
5 recovery permit.

6 (6) An individual shall have a Class "MR" or Class "E"
7 recovery permit if he or she owns or is an employee of a
8 Class "R" agency or Class "RR" branch office.

9 (7) Class "MR", Class "E", and Class "EE" licenses and
10 recovery permits are not transferable.

11 (f) At least 90 days prior to the expiration of a license
12 or recovery permit, the Commission shall send mail to the
13 license or permit holder a renewal notice ~~form in the form and~~
14 ~~manner prescribed by the Commission~~. The license holder or
15 recovery permit holder must complete and submit a mail ~~the~~
16 renewal application ~~form~~ to the Commission, pay any fines
17 assessed, and pay any renewal fee required by the Commission.
18 Applications for renewal of a license or permit shall be filed
19 with the Commission no earlier than 90 days, and not later than
20 45 days, prior to the expiration of a license or permit. When a
21 license holder or permit holder has made such timely and
22 sufficient application for the renewal of a license or
23 recovery permit, the existing license or recovery permit shall
24 continue in full force and effect until the final agency
25 decision on the application has been made, unless a later date
26 is fixed by order of a reviewing court.

1 (g) Any person or entity that has permitted a license or
2 recovery permit to expire may have that license or recovery
3 permit restored by making an application to the Commission
4 within one year after the expiration of a repossession
5 agency's license or a qualified manager license or within 30
6 days after the expiration of a recovery permit, filing proof
7 acceptable to the Commission of fitness to have the license or
8 recovery permit restored, and paying the required restoration
9 fee. However, any person whose license or recovery permit
10 expired while (i) in federal service on active duty with the
11 Armed Forces of the United States or called into service or
12 training with the State militia or (ii) in training or
13 education under the supervision of the United States
14 preliminary to induction into military service may have his or
15 her license or recovery permit renewed or restored without
16 paying any lapsed renewal fees, if within 2 years after
17 honorable termination of the service, training, or education,
18 except under condition other than honorable, he or she
19 furnishes the Commission with satisfactory evidence to the
20 effect that he or she has been so engaged and that the service,
21 training, or education has been so terminated.

22 (h) A suspended repossession agency license, recovery
23 manager license, or recovery permit is subject to expiration
24 as set forth in this Section. Renewal of a certificate or
25 registration card does not entitle the license holder or
26 recovery permit holder, while the license or recovery permit

1 remains suspended and until it is reinstated, to engage in the
2 licensed or permitted activity.

3 (i) A revoked repossession agency license, recovery
4 manager license, or recovery permit is subject to expiration
5 as set forth in this Section; however, it may not be renewed.
6 If a revoked license or recovery permit is reinstated after
7 its expiration, then the license holder or recovery permit
8 holder, as a condition of reinstatement, shall pay a
9 reinstatement fee in an amount equal to the renewal fee in
10 effect on the last regular renewal date prior to the date on
11 which the license or recovery permit is reinstated and any
12 additional delinquency fee required by the Commission.

13 (j) Any person or entity that notifies the Commission, in
14 writing on forms prescribed by the Commission, may place a
15 license or recovery permit on inactive status and shall be
16 excused from the payment of renewal fees until the person or
17 entity notifies the Commission in writing of the intention to
18 resume active practice. Any person or entity requesting that a
19 license or recovery permit be changed from inactive to active
20 status shall be required to pay the current renewal fee.

21 (k) Any repossession agency license holder, recovery
22 manager license holder, or recovery permit holder whose
23 license or recovery permit is nonrenewed or on inactive status
24 shall not engage in the practice of recovery in this State or
25 use the title or advertise that he, she, or it performs the
26 services of a licensed repossession agency, licensed recovery

1 manager, or repossession agency employee.

2 (l) Any person violating subsection (k) of this Section
3 shall be considered to be operating a repossession agency
4 without a license, acting as a recovery manager without a
5 license, or acting as a repossession agency employee without a
6 recovery permit and is subject to the disciplinary provisions
7 of this Act.

8 (m) A repossession agency license, recovery manager
9 license, or recovery permit that is not renewed within 3 years
10 after its expiration may not be renewed, restored, reinstated,
11 or reissued thereafter. The holder of the license or recovery
12 permit may obtain a new license or recovery permit only upon
13 compliance with all of the provisions of this Act concerning
14 the issuance of original licenses or recovery permits.

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