



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2795

by Rep. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.826 new
30 ILCS 105/6z-98 new
815 ILCS 122/4-17 new

Amends the Payday Loan Reform Act. Imposes a surcharge upon each lender in an amount equal to \$1 for each payday loan made by that lender. Provides that the moneys collected from the surcharge shall be deposited into the Small Loan Community Reinvestment Fund, less 2% of those proceeds, which shall be paid into the Tax Compliance and Administration Fund. Amends the State Finance Act to create the Small Loan Community Reinvestment Fund. Provides that moneys in the Fund shall be used by the Department of Commerce and Economic Opportunity to make grants to not-for-profit organizations dedicated to educational tutoring and development, financial literacy, early childhood development, youth mentoring, and senior services.

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CORRECTIONAL
BUDGET AND
IMPACT NOTE ACT
MAY APPLY

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning finance.

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

4 Section 5. The State Finance Act is amended by adding
5 Sections 5.826 and 6z-98 as follows:

6 (30 ILCS 105/5.826 new)

7 Sec. 5.826. The Small Loan Community Reinvestment Fund.

8 (30 ILCS 105/6z-98 new)

9 Sec. 6z-98. The Small Loan Community Reinvestment Fund;
10 creation. The Small Loan Community Reinvestment Fund is hereby
11 created as a special fund in the State Treasury. Moneys in the
12 Fund shall be used by the Department of Commerce and Economic
13 Opportunity to make grants to not-for-profit organizations
14 dedicated to educational tutoring and development, financial
15 literacy, early childhood development, youth mentoring, and
16 senior services. Moneys in the Fund shall be used primarily in
17 geographic areas of the State with high concentrations of
18 payday loan facilities. For purposes of this Section, the term
19 "payday loan" has the meaning ascribed to that term in the
20 Payday Loan Reform Act.

21 Section 10. The Payday Loan Reform Act is amended by adding

1 Section 4-17 as follows:

2 (815 ILCS 122/4-17 new)

3 Sec. 4-17. Surcharge imposed.

4 (a) An surcharge is hereby imposed upon each lender in an
5 amount equal to \$1 for each payday loan made by that lender.
6 Each lender must file a return on a form provided by the
7 Department of Revenue, and must remit payment to the Department
8 of Revenue on a monthly basis no later than the 15th day of the
9 month immediately following the month in which the loan is
10 made. Each return must state the following:

11 (1) the name of the lender;

12 (2) the address of the lender;

13 (3) the total number of payday loans made by the lender
14 in the previous calendar month; and

15 (4) the total amount of the surcharge due for the
16 previous calendar month.

17 (b) The Department of Revenue shall pay all proceeds
18 collected from the surcharge imposed under this Section into
19 the Small Loan Community Reinvestment Fund, less 2% of those
20 proceeds, which shall be paid into the Tax Compliance and
21 Administration Fund in the State treasury from which it shall
22 be appropriated to the Department of Revenue to cover the costs
23 of the Department in administering and enforcing the provisions
24 of this Section.

25 (c) All the provisions of Sections 4, 5, 5a, 5b, 5c, 5d,

1 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, and 13 of
2 the Retailers' Occupation Tax Act that are not inconsistent
3 with this Act apply, as far as practicable, to the surcharge
4 imposed by this Section to the same extent as if those
5 provisions were included in this Section. References in the
6 incorporated Sections of the Retailers' Occupation Tax Act to
7 retailers, to sellers, or to persons engaged in the business of
8 selling tangible personal property mean lenders. All
9 provisions of the Uniform Penalty and Interest Act which are
10 not inconsistent with this Act shall apply.

11 (d) Any lender who fails to make a return or who makes a
12 fraudulent return is guilty of a Class 4 felony.