

AN ACT concerning military personnel, which may be referred to as the Illinois Patriot Plan.

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

Section 1. Short title. This Act may be cited as the Military Personnel Cellular Phone Contract Termination Act.

Section 5. Definition. In this Act:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

Section 10. Termination of cellular phone contract without penalty. Any service member who is deployed on active duty, or the spouse of that service member, may terminate, without penalty, a cellular phone contract that meets both of the following requirements:

(1) The contract is entered into on or after the effective date of this Act.

(2) The contract is executed by or on behalf of the service member who is deployed on active duty.

Section 15. Effective date of termination. Termination of the cellular phone contract shall not be effective until:

(1) thirty days after the service member who is deployed on active duty or the service member's spouse gives notice by certified mail, return receipt requested, of the intention to terminate the cellular phone contract together with a copy of the military or gubernatorial orders calling the service member to active duty and of any

orders further extending the service member's period of active duty; and

(2) unless the service member who is deployed on active duty owns the cellular phone, the cellular phone is returned to the custody or control of the cellular telephone company, or the service member who is deployed on active duty or the service member's spouse agrees in writing to return the cellular phone as soon as practical after the deployment is completed.

Section 900. The Department of Central Management Services Law of the Civil Administrative Code of Illinois is amended by adding Section 405-272 as follows:

(20 ILCS 405/405-272 new)

Sec. 405-272. Bulk long distance telephone services for military personnel on active duty.

(a) In this Section:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Immediate family" means a service member's spouse residing in the service member's household, brothers and sisters of the whole or of the half blood, children, including adopted children and stepchildren, parents, and grandparents.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

(b) The Department may enter into a contract to purchase bulk long distance telephone services and make them available at cost, or may make bulk long distance telephone services available at cost under any existing contract the Department has entered into, to persons in the immediate family of service members deployed on active duty so that those persons in the service members' families can communicate with the service members so deployed. If the Department enters into a contract

under this Section, it shall do so in accordance with the Illinois Procurement Code and in a nondiscriminatory manner that does not place any potential vendor at a competitive disadvantage.

(c) In order to be eligible to use bulk long distance telephone services purchased by the Department under this Section, a service member or person in the service member's immediate family must provide the Department with a copy of the military or gubernatorial orders calling the service member to active duty and of any orders further extending the service member's period of active duty.

(d) If the Department enters into a contract under this Section, the Department shall adopt rules as necessary to implement this Section.

Section 902. The Illinois Municipal Code is amended by adding Section 11-117-12.2 as follows:

(65 ILCS 5/11-117-12.2 new)

Sec. 11-117-12.2. Military personnel on active duty; no stoppage of gas or electricity; arrearage.

(a) In this Section:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

(b) No municipality owning a public utility shall stop gas or electricity from entering the residential premises of which a service member was a primary occupant immediately before the service member was deployed on active duty for nonpayment for gas or electricity supplied to the residential premises.

(c) Upon the return from active duty of a residential consumer who is a service member, the municipality shall offer the residential consumer a period equal to at least the period

of the residential consumer's deployment on active duty to pay any arrearages incurred during the period of the residential consumer's deployment. The municipality shall inform the residential consumer that, if the period the municipality offers presents a hardship to the consumer, the consumer may request a longer period to pay the arrearages.

(d) In order to be eligible for the benefits granted to service members under this Section, a service member must provide the municipality with a copy of the military or gubernatorial orders calling the service member to active duty and of any orders further extending the service member's period of active duty.

Section 905. The Illinois Insurance Code is amended by adding Section 224.05 as follows:

(215 ILCS 5/224.05 new)

Sec. 224.05. Military personnel on active duty; no lapse of life insurance policy.

(a) Except as provided in subsection (b), this Section shall apply to any individual life insurance policy insuring the life of a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard who is on active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor, if the life insurance policy meets both of the following conditions:

(1) The policy has been in force for at least 180 days.

(2) The policy has been brought within the "Servicemembers Civil Relief Act," 117 Stat. 2835 (2003), 50 U.S.C. App. 541 and following.

(b) This Section does not apply to any policy that was cancelled or that had lapsed for the nonpayment of premiums prior to the commencement of the insured's period of military service.

(c) An individual life insurance policy described in this

Section shall not lapse or be forfeited for the nonpayment of premiums during the military service of a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard or during the 2-year period subsequent to the end of the member's period of military service.

(d) In order to be eligible for the benefits granted to service members under this Section, a service member must provide the life insurance company with a copy of the military or gubernatorial orders calling the service member to active duty and of any orders further extending the service member's period of active duty.

(e) This Section does not limit a life insurance company's enforcement of provisions in the insured's policy relating to naval or military service in time of war.

Section 910. The Public Utilities Act is amended by adding Section 8-201.5 as follows:

(220 ILCS 5/8-201.5 new)

Sec. 8-201.5. Military personnel on active duty; no stoppage of gas or electricity; arrearage.

(a) In this Section:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

(b) No company or electric cooperative shall stop gas or electricity from entering the residential premises of which a service member was a primary occupant immediately before the service member was deployed on active duty for nonpayment for gas or electricity supplied to the residential premises.

(c) In order to be eligible for the benefits granted to service members under this Section, a service member must

provide the company or electric cooperative with a copy of the military or gubernatorial orders calling the service member to active duty and of any orders further extending the service member's period of active duty.

(d) Upon the return from active duty of a residential consumer who is a service member, the company or electric cooperative shall offer the residential consumer a period equal to at least the period of deployment on active duty to pay any arrearages incurred during the period of the residential consumer's deployment. The company or electric cooperative shall inform the residential consumer that, if the period that the company or electric cooperative offers presents a hardship to the consumer, the consumer may request a longer period to pay the arrearages and, in the case of a company that is a public utility, may request the assistance of the Illinois Commerce Commission to obtain a longer period. No late payment fees or interest shall be charged to the residential consumer during the period of deployment or the repayment period.

Section 915. The Code of Civil Procedure is amended by adding Section 9-107.10 as follows:

(735 ILCS 5/9-107.10 new)

Sec. 9-107.10. Military personnel on active duty; action for possession.

(a) In this Section:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

(b) In an action for possession of residential premises of a tenant, including a tenant who is a resident of a mobile home park, who is a service member deployed on active duty, or of any member of the tenant's family who resides with the tenant,

if the tenant entered into the rental agreement on or after the effective date of this amendatory Act of the 94th General Assembly, the court may, on its own motion, and shall, upon motion made by or on behalf of the tenant, do either of the following if the tenant's ability to pay the agreed rent is materially affected by the tenant's deployment on active duty:

(1) Stay the proceedings for a period of 90 days, unless, in the opinion of the court, justice and equity require a longer or shorter period of time.

(2) Adjust the obligation under the rental agreement to preserve the interest of all parties to it.

(c) In order to be eligible for the benefits granted to service members under this Section, a service member or a member of the service member's family who resides with the service member must provide the landlord or mobile home park operator with a copy of the military or gubernatorial orders calling the service member to active duty and of any orders further extending the service member's period of active duty.

(d) If a stay is granted under this Section, the court may grant the landlord or mobile home park operator such relief as equity may require.

Section 920. The Interest Act is amended by changing Section 4 and by adding Section 4.05 as follows:

(815 ILCS 205/4) (from Ch. 17, par. 6404)

Sec. 4. General interest rate.

(1) Except as otherwise provided in this Section 4.05, in ~~In~~ all written contracts it shall be lawful for the parties to stipulate or agree that 9% per annum, or any less sum of interest, shall be taken and paid upon every \$100 of money loaned or in any manner due and owing from any person to any other person or corporation in this state, and after that rate for a greater or less sum, or for a longer or shorter time, except as herein provided.

The maximum rate of interest that may lawfully be

contracted for is determined by the law applicable thereto at the time the contract is made. Any provision in any contract, whether made before or after July 1, 1969, which provides for or purports to authorize, contingent upon a change in the Illinois law after the contract is made, any rate of interest greater than the maximum lawful rate at the time the contract is made, is void.

It is lawful for a state bank or a branch of an out-of-state bank, as those terms are defined in Section 2 of the Illinois Banking Act, to receive or to contract to receive and collect interest and charges at any rate or rates agreed upon by the bank or branch and the borrower. It is lawful for a savings bank chartered under the Savings Bank Act or a savings association chartered under the Illinois Savings and Loan Act of 1985 to receive or contract to receive and collect interest and charges at any rate agreed upon by the savings bank or savings association and the borrower.

It is lawful to receive or to contract to receive and collect interest and charges as authorized by this Act and as authorized by the Consumer Installment Loan Act and by the "Consumer Finance Act", approved July 10, 1935, as now or hereafter amended. It is lawful to charge, contract for, and receive any rate or amount of interest or compensation with respect to the following transactions:

(a) Any loan made to a corporation;

(b) Advances of money, repayable on demand, to an amount not less than \$5,000, which are made upon warehouse receipts, bills of lading, certificates of stock, certificates of deposit, bills of exchange, bonds or other negotiable instruments pledged as collateral security for such repayment, if evidenced by a writing;

(c) Any credit transaction between a merchandise wholesaler and retailer; any business loan to a business association or copartnership or to a person owning and operating a business as sole proprietor or to any persons owning and operating a business as joint venturers, joint

tenants or tenants in common, or to any limited partnership, or to any trustee owning and operating a business or whose beneficiaries own and operate a business, except that any loan which is secured (1) by an assignment of an individual obligor's salary, wages, commissions or other compensation for services, or (2) by his household furniture or other goods used for his personal, family or household purposes shall be deemed not to be a loan within the meaning of this subsection; and provided further that a loan which otherwise qualifies as a business loan within the meaning of this subsection shall not be deemed as not so qualifying because of the inclusion, with other security consisting of business assets of any such obligor, of real estate occupied by an individual obligor solely as his residence. The term "business" shall be deemed to mean a commercial, agricultural or industrial enterprise which is carried on for the purpose of investment or profit, but shall not be deemed to mean the ownership or maintenance of real estate occupied by an individual obligor solely as his residence;

(d) Any loan made in accordance with the provisions of Subchapter I of Chapter 13 of Title 12 of the United States Code, which is designated as "Housing Renovation and Modernization";

(e) Any mortgage loan insured or upon which a commitment to insure has been issued under the provisions of the National Housing Act, Chapter 13 of Title 12 of the United States Code;

(f) Any mortgage loan guaranteed or upon which a commitment to guaranty has been issued under the provisions of the Veterans' Benefits Act, Subchapter II of Chapter 37 of Title 38 of the United States Code;

(g) Interest charged by a broker or dealer registered under the Securities Exchange Act of 1934, as amended, or registered under the Illinois Securities Law of 1953, approved July 13, 1953, as now or hereafter amended, on a

debit balance in an account for a customer if such debit balance is payable at will without penalty and is secured by securities as defined in Uniform Commercial Code-Investment Securities;

(h) Any loan made by a participating bank as part of any loan guarantee program which provides for loans and for the refinancing of such loans to medical students, interns and residents and which are guaranteed by the American Medical Association Education and Research Foundation;

(i) Any loan made, guaranteed, or insured in accordance with the provisions of the Housing Act of 1949, Subchapter III of Chapter 8A of Title 42 of the United States Code and the Consolidated Farm and Rural Development Act, Subchapters I, II, and III of Chapter 50 of Title 7 of the United States Code;

(j) Any loan by an employee pension benefit plan, as defined in Section 3 (2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an individual participating in such plan, provided that such loan satisfies the prohibited transaction exemption requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d) (1)) of the Employee Retirement Income Security Act of 1974;

(k) Written contracts, agreements or bonds for deed providing for installment purchase of real estate;

(1) Loans secured by a mortgage on real estate;

(m) Loans made by a sole proprietorship, partnership, or corporation to an employee or to a person who has been offered employment by such sole proprietorship, partnership, or corporation made for the sole purpose of transferring an employee or person who has been offered employment to another office maintained and operated by the same sole proprietorship, partnership, or corporation;

(n) Loans to or for the benefit of students made by an institution of higher education.

(2) Except for loans described in subparagraph (a), (c), (d), (e), (f) or (i) of subsection (1) of this Section, and except to the extent permitted by the applicable statute for loans made pursuant to Section 4a or pursuant to the Consumer Installment Loan Act:

(a) Whenever the rate of interest exceeds 8% per annum on any written contract, agreement or bond for deed providing for the installment purchase of residential real estate, or on any loan secured by a mortgage on residential real estate, it shall be unlawful to provide for a prepayment penalty or other charge for prepayment.

(b) No agreement, note or other instrument evidencing a loan secured by a mortgage on residential real estate, or written contract, agreement or bond for deed providing for the installment purchase of residential real estate, may provide for any change in the contract rate of interest during the term thereof. However, if the Congress of the United States or any federal agency authorizes any class of lender to enter, within limitations, into mortgage contracts or written contracts, agreements or bonds for deed in which the rate of interest may be changed during the term of the contract, any person, firm, corporation or other entity not otherwise prohibited from entering into mortgage contracts or written contracts, agreements or bonds for deed in Illinois may enter into mortgage contracts or written contracts, agreements or bonds for deed in which the rate of interest may be changed during the term of the contract, within the same limitations.

(3) In any contract or loan which is secured by a mortgage, deed of trust, or conveyance in the nature of a mortgage, on residential real estate, the interest which is computed, calculated, charged, or collected pursuant to such contract or loan, or pursuant to any regulation or rule promulgated pursuant to this Act, may not be computed, calculated, charged or collected for any period of time occurring after the date on which the total indebtedness, with the exception of late

payment penalties, is paid in full.

For purposes of this Section, a prepayment shall mean the payment of the total indebtedness, with the exception of late payment penalties if incurred or charged, on any date before the date specified in the contract or loan agreement on which the total indebtedness shall be paid in full, or before the date on which all payments, if timely made, shall have been made. In the event of a prepayment of the indebtedness which is made on a date after the date on which interest on the indebtedness was last computed, calculated, charged, or collected but before the next date on which interest on the indebtedness was to be calculated, computed, charged, or collected, the lender may calculate, charge and collect interest on the indebtedness for the period which elapsed between the date on which the prepayment is made and the date on which interest on the indebtedness was last computed, calculated, charged or collected at a rate equal to 1/360 of the annual rate for each day which so elapsed, which rate shall be applied to the indebtedness outstanding as of the date of prepayment. The lender shall refund to the borrower any interest charged or collected which exceeds that which the lender may charge or collect pursuant to the preceding sentence. The provisions of this amendatory Act of 1985 shall apply only to contracts or loans entered into on or after the effective date of this amendatory Act, but shall not apply to contracts or loans entered into on or after that date that are subject to Section 4a of this Act, the Consumer Installment Loan Act, or the Retail Installment Sales Act, or that provide for the refund of precomputed interest on prepayment in the manner provided by such Act.

(Source: P.A. 92-483, eff. 8-23-01.)

(815 ILCS 205/4.05 new)

Sec. 4.05. Military personnel on active duty; limitation on interest rate.

(a) In this Section:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Obligation" means any retail installment sales contract, other contract for the purchase of goods or services, or bond, bill, note, or other instrument of writing for the payment of money arising out of a contract or other transaction for the purchase of goods or services.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

(b) Notwithstanding any contrary provision of State law, but subject to the federal Servicemembers Civil Relief Act, no creditor in connection with an obligation entered into on or after the effective date of this amendatory Act of the 94th General Assembly, but prior to a service member's deployment on active duty, shall charge or collect from a service member who is deployed on active duty, or the spouse of that service member, interest or finance charges exceeding 6% per annum during the period that the service member is deployed on active duty.

(c) Notwithstanding any contrary provision of law, interest or finance charges in excess of 6% per annum that otherwise would be incurred but for the prohibition in subsection (b) are forgiven.

(d) The amount of any periodic payment due from a service member who is deployed on active duty, or the spouse of that service member, under the terms of the obligation shall be reduced by the amount of the interest and finance charges forgiven under subsection (c) that is allocable to the period for which the periodic payment is made.

(e) In order for an obligation to be subject to the interest and finance charges limitation of this Section, the service member deployed on active duty, or the spouse of that service member, shall provide the creditor with written notice of and a copy of the military or gubernatorial orders calling

the service member to active duty and of any orders further extending the service member's period of active duty, not later than 180 days after the date of the service member's termination of or release from active duty.

(f) Upon receipt of the written notice and a copy of the orders referred to in subsection (e), the creditor shall treat the obligation in accordance with subsection (b), effective as of the date on which the service member is deployed to active duty.

(g) A court may grant a creditor relief from the interest and finance charges limitation of this Section, if, in the opinion of the court, the ability of the service member deployed on active duty, or the spouse of that service member, to pay interest or finance charges with respect to the obligation at a rate in excess of 6% per annum is not materially affected by reason of the service member's deployment on active duty.

Section 925. The Motor Vehicle Leasing Act is amended by adding Section 37 as follows:

(815 ILCS 636/37 new)

Sec. 37. Military personnel on active duty; termination of lease.

(a) In this Act:

"Active duty" means active duty pursuant to an executive order of the President of the United States, an act of the Congress of the United States, or an order of the Governor.

"Motor vehicle" means any automobile, car minivan, passenger van, sport utility vehicle, pickup truck, or other self-propelled vehicle not operated or driven on fixed rails or track.

"Service member" means a member of the armed services or reserve forces of the United States or a member of the Illinois National Guard.

(b) Any service member who is deployed on active duty for a

period of not less than 180 days, or the spouse of that service member, may terminate any motor vehicle lease that meets both of the following requirements:

(1) The lease is entered into on or after the effective date of this amendatory Act of the 94th General Assembly.

(2) The lease is executed by or on behalf of the service member who is deployed on active duty.

(c) Termination of the motor vehicle lease shall not be effective until:

(1) the service member who is deployed on active duty, or the service member's spouse, gives the lessor by certified mail, return receipt requested, a notice of the intention to terminate the lease together with a copy of the military or gubernatorial orders calling the service member to active duty and of any orders further extending the service member's period of active duty; and

(2) the motor vehicle subject to the lease is returned to the custody or control of the lessor not later than 15 days after the delivery of the written notice.

(d) Lease amounts unpaid for the period preceding the effective date of the lease's termination shall be paid on a prorated basis. The lessor may not impose an early termination charge, but any taxes, costs of summons, and title or registration fees and any other obligation and liability of the lessee under the terms of the lease, including reasonable charges to the lessee for excess wear, use, and mileage, that are due and unpaid at the time of the lease's termination shall be paid by the lessee.

(e) The lessor shall refund to the lessee lease amounts paid in advance for a period after the effective date of the lease's termination within 30 days after the effective date of the lease's termination.

(f) Upon application by the lessor to a court before the effective date of the lease's termination, relief granted by this Section may be modified as justice and equity require.

Public Act 094-0635

SB2060 Enrolled

LRB094 10968 DRJ 42097 b

Section 999. Effective date. This Act takes effect upon becoming law.