100TH GENERAL ASSEMBLY
State of Illinois
2017 and 2018
SB3083

Introduced 2/15/2018, by Sen. Chapin Rose

SYNOPSIS AS INTRODUCED:

205 ILCS 670/8 from Ch. 17, par. 5408
815 ILCS 122/3-5

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 16049 SMS 31168 b

FISCAL NOTE ACT
MAY APPLY
AN ACT concerning regulation.

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

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

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

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

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

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

(Source: P.A. 92-398, eff. 1-1-02.)
Section 10. The Payday Loan Reform Act is amended by changing Section 3-5 as follows:

(815 ILCS 122/3-5)

Sec. 3-5. Licensure.

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

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

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

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

(c) A license shall be issued for no longer than one year, and no renewal of a license may be provided if a licensee has substantially violated this Act and has not cured the violation
(d) A licensee shall appoint, in writing, the Secretary as attorney-in-fact upon whom all lawful process against the licensee may be served with the same legal force and validity as if served on the licensee. A copy of the written appointment, duly certified, shall be filed in the office of the Secretary, and a copy thereof certified by the Secretary shall be sufficient evidence to subject a licensee to jurisdiction in a court of law. This appointment shall remain in effect while any liability remains outstanding in this State against the licensee. When summons is served upon the Secretary as attorney-in-fact for a licensee, the Secretary shall immediately notify the licensee by registered mail, enclosing the summons and specifying the hour and day of service.

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

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

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

(f) Not more than one place of business shall be maintained under the same license, but the Secretary may issue more than
one license to the same licensee upon compliance with all the
provisions of this Act governing issuance of a single license.
The location, except those locations already in existence as of
June 1, 2005, may not be within one mile of a horse race track
subject to the Illinois Horse Racing Act of 1975, within one
mile of a facility at which gambling is conducted under the
Riverboat Gambling Act, within one mile of the location at
which a riverboat subject to the Riverboat Gambling Act docks,
or within one mile of any State of Illinois or United States
military base or naval installation.

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

(g-5) Notwithstanding subsection (g) of this Section, a
licensee may obtain a license under the Consumer Installment
Loan Act (CILA) for the exclusive purpose and use of making
title secured loans, as defined in subsection (a) of Section 15
of CILA and governed by Title 38, Section 110.300 of the
Illinois Administrative Code. A licensee may continue to service Consumer Installment Loan Act loans that were outstanding as of the effective date of this amendatory Act of the 96th General Assembly.

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

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

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