



Sen. Jil Tracy

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1 AMENDMENT TO SENATE BILL 3096

2 AMENDMENT NO. _____. Amend Senate Bill 3096, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Tax Lien Registration Act is amended
6 by changing Section 1-5 as follows:

7 (35 ILCS 750/1-5)

8 Sec. 1-5. Purpose.

9 (a) The purpose of this Act is to provide a uniform
10 statewide system for filing notices of ~~tax~~ liens that are in
11 favor of or enforced by the Department or the Department of
12 Employment Security. The Department shall maintain the system.

13 (b) The scope of this Act is limited to ~~tax~~ liens in real
14 property and personal property, tangible and intangible, of
15 taxpayers or other persons or entities against whom the
16 Department or the Department of Employment Security has liens

1 pursuant to law for unpaid final ~~tax~~ liabilities ~~administered~~
2 ~~by the Department.~~

3 (c) Nothing in this Act shall be construed to invalidate
4 any lien filed by the Department with a county recorder of
5 deeds prior to January 1, 2018, or by the Department of
6 Employment Security prior to January 1, 2020 ~~the effective date~~
7 ~~of this Act.~~

8 (Source: P.A. 100-22, eff. 1-1-18.)

9 Section 10. The Unemployment Insurance Act is amended by
10 changing Sections 2401 and 2402 and by adding Sections 1502.4
11 and 2401.1 as follows:

12 (820 ILCS 405/1502.4 new)

13 Sec. 1502.4. Benefit charges; gubernatorial declared
14 disasters. Notwithstanding the provisions of Section 1502.1,
15 no employer located in an Illinois county that has been
16 declared a State disaster area by the Governor in accordance
17 with Section 7 of the Illinois Emergency Management Agency Act
18 shall be chargeable for any benefit charges that result from
19 the payment of benefits to an individual for any weeks of
20 unemployment during the period of the disaster, but only to the
21 extent that the employer can show that the individual's
22 unemployment was a direct result of the declared disaster.

23 (820 ILCS 405/2401) (from Ch. 48, par. 721)

1 Sec. 2401. Recording and release of lien.

2 A. The lien created by Section 2400 shall be invalid only
3 as to any innocent purchaser for value of stock in trade of any
4 employer in the usual course of such employer's business, and
5 shall be invalid as to any innocent purchaser for value of any
6 of the other assets to which such lien has attached, unless,
7 with respect to liens created prior to January 1, 2020, notice
8 thereof has been filed by the Director in the office of the
9 recorder of the county within which the property subject to the
10 lien is situated or, with respect to liens created on or after
11 January 1, 2020, notice has been filed in the Lien Registry as
12 provided by Section 2401.1. The Director may, in his
13 discretion, for good cause shown, issue a certificate of
14 withdrawal of notice of lien filed against any employer, which
15 certificate shall be recorded in the same manner as herein
16 provided for the recording of notice of liens. Such withdrawal
17 of notice of lien shall invalidate such lien as against any
18 person acquiring any of such employer's property or any
19 interest therein, subsequent to the recordation of the
20 withdrawal of notice of lien, but shall not otherwise affect
21 the validity of such lien, nor shall it prevent the Director
22 from re-recording notice of such lien. In the event notice of
23 such lien is re-recorded, such notice shall be effective as
24 against third persons only as of the date of such
25 re-recordation. Recording in the Lien Registry a lien that had
26 previously been recorded by the Director with a county recorder

1 of deeds does not constitute a re-recording of that lien and
2 does not change the original filing date of such lien.

3 B. The recorder of each county shall procure at the expense
4 of the county a file labeled "Unemployment Compensation
5 Contribution Lien Notice" and an index book labeled
6 "Unemployment Compensation Contribution Lien Index." When a
7 notice of any such lien is presented to him for filing, he
8 shall file it in numerical order in the file and shall enter it
9 alphabetically in the index. The entry shall show the name and
10 last known business address of the employer named in the
11 notice, the serial number of the notice, the date and hour of
12 filing, and the amount of contribution, interest and penalty
13 thereon due and unpaid. When a certificate of complete or
14 partial release of such lien issued by the Director is
15 presented for filing in the office of the recorder where a
16 notice of lien was filed, the recorder shall permanently attach
17 the certificate of release to the notice of lien and shall
18 enter the certificate of release and the date in the
19 Unemployment Compensation Contribution Lien Index on the line
20 where the notice of lien is entered. ~~In case title to land to~~
21 ~~be affected by the Notice of Lien is registered under the~~
22 ~~provisions of "An Act Concerning Land Titles", approved May 1,~~
23 ~~1897, as amended, such notice shall be filed in the office of~~
24 ~~the Registrar of Titles of the county within which the property~~
25 ~~subject to the lien is situated and shall be entered upon the~~
26 ~~register of titles as a memorial or charge upon each folium of~~

1 ~~the register of title affected by such notice, and the Director~~
2 ~~shall not have a preference over the rights of any bona fide~~
3 ~~purchaser, mortgagee, judgment creditor or other lien holder~~
4 ~~arising prior to the registration of such notice.~~

5 C. The Director shall have the power to issue a certificate
6 of partial release of any part of the property subject to the
7 lien if he shall find that the fair market value of that part
8 of such property remaining subject to the lien is at least
9 equal to the amount of all prior liens upon such property plus
10 double the amount of the liability for contributions, interest
11 and penalties thereon remaining unsatisfied.

12 D. Where the amount of or the liability for the payment of
13 any contribution, interest or penalty is contested by any
14 employing unit against whose property a lien has attached, and
15 the determination of the Director with reference to such
16 contribution has not become final, the Director may issue a
17 certificate of release of lien upon the furnishing of bond by
18 such employing unit in 125% the amount of the sum of such
19 contribution, interest and penalty, for which lien is claimed,
20 with good and sufficient surety to be approved by the Director
21 conditioned upon the prompt payment of such contribution,
22 together with interest and penalty thereon, by such employing
23 unit to the Director immediately upon the decision of the
24 Director in respect to the liability for such contribution,
25 interest and penalty becoming final.

26 E. When a lien filed by the Director before January 1, 2020

1 ~~obtained pursuant to this Act~~ has been satisfied, the
2 Department shall issue a release to the person, or his or her
3 agent, against whom the lien was obtained and such release
4 shall contain in legible letters a statement as follows:

5 FOR THE PROTECTION OF THE OWNER, THIS RELEASE SHALL
6 BE FILED WITH THE RECORDER OR THE REGISTRAR
7 OF TITLES, IN WHOSE OFFICE, THE LIEN WAS FILED.

8 E-1. When a lien filed by the Director in the Lien Registry
9 has been satisfied, the Department shall permanently attach a
10 certificate of complete or partial release, as the case may be,
11 in the Lien Registry, and provide notice of the release to the
12 person, or his or her agent, against whom the lien was
13 obtained.

14 F. The Director may, by rule, require, as a condition of
15 withdrawing, releasing, or partially releasing a lien recorded
16 pursuant to this Section, that the employer reimburse the
17 Department for any recording fees paid with respect to the
18 lien.

19 (Source: P.A. 98-107, eff. 7-1-14; 98-1133, eff. 12-23-14.)

20 (820 ILCS 405/2401.1 new)

21 Sec. 2401.1. Lien Registry.

22 A. As used in this Section:

23 "Debtor" means an employer or individual against whom
24 there is an unpaid determination and assessment
25 collectible by the Director.

1 "Lien Registry" means the public database maintained
2 by the Department of Revenue as provided by the State Tax
3 Lien Registration Act.

4 B. A notice of lien filed by the Director in the Lien
5 Registry shall include:

6 1. the name and last known address of the debtor;

7 2. the name and address of the Department;

8 3. the lien number assigned to the lien by the
9 Department;

10 4. the basis for the lien including, but not limited
11 to, the amount of contribution, interest, and penalty due
12 and unpaid as of the date of filing in the Lien Registry;
13 and

14 5. the county or counties where the real property of
15 the debtor to which the lien will attach is located.

16 C. When a notice of lien is filed by the Director in the
17 Lien Registry, the lien is perfected and shall be attached to
18 all existing and after-acquired: (1) personal property of the
19 debtor, both tangible and intangible, that is located in any
20 and all counties within the State of Illinois; and (2) real
21 property of the debtor located in the county or counties as
22 specified in the notice of lien.

23 D. The amount of the lien shall be a debt due the Director
24 and shall remain a lien upon all property and rights to: (1)
25 personal property belonging to the debtor, both tangible and
26 intangible, that is located in any and all counties within the

1 State of Illinois; and (2) real property of the debtor located
2 in the county or counties as specified in the notice of lien.
3 Interest and penalty shall accrue on the lien as provided by
4 this Act.

5 E. A notice of release, partial release, or withdrawal of
6 lien filed in the Lien Registry shall constitute a release,
7 partial release, or withdrawal, as the case may be, of the lien
8 within the Department, the Lien Registry, and any county in
9 which the lien was previously filed. The information contained
10 on the Lien Registry shall be controlling, and the Lien
11 Registry shall supersede the records of any county.

12 F. Information contained in the Lien Registry shall be
13 maintained and made accessible as provided by Section 1-30 of
14 the State Tax Lien Registration Act.

15 G. Nothing in this Section shall be construed to invalidate
16 any lien filed by the Director with a county recorder of deeds
17 prior to the effective date of this amendatory Act of the 100th
18 General Assembly.

19 H. In the event of conflict between this Section and any
20 other law, this Section shall control.

21 (820 ILCS 405/2402) (from Ch. 48, par. 722)

22 Sec. 2402. Priority of lien. The lien created by Section
23 2400 shall be prior to all other liens, whether general or
24 specific, and shall be inferior only to any claim for wages
25 filed pursuant to "An Act to protect employees and laborers in

1 their claims for wages" approved June 15, 1887, as amended, in
2 an amount not exceeding \$250.00 for work performed within six
3 months from the date of filing such claim, and to such liens as
4 shall attach prior to the filing of Notice of Lien by the
5 Director ~~with the recorder~~ as provided in this Act; provided,
6 however, that in all cases where statutory provision is made
7 for the recordation or other public notice of a lien, the lien
8 of the Director shall be inferior only to such liens as shall
9 have been duly recorded, or of which public notice shall have
10 been duly given, in the manner provided by such statute, prior
11 to the filing of notice of lien by the Director ~~with the~~
12 ~~recorder~~ as in this Act provided.

13 (Source: P.A. 83-358.)

14 (820 ILCS 405/1900.2 rep.)

15 Section 15. The Unemployment Insurance Act is amended by
16 repealing Section 1900.2."