



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB2408

Introduced 2/4/2025, by Rep. Marcus C. Evans, Jr.

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Uniform Arbitration Act. Allows a party to serve upon another party a demand for arbitration or a notice of intention to arbitrate, specifying the agreement under which arbitration is sought and the name and address of the party serving the notice and stating that unless the party served applies to stay the arbitration within 20 days after service the party shall be precluded from objecting that a valid agreement was not made or has not been complied with and from asserting in court the bar of a limitation of time. Provides that in an arbitration brought by a consumer or employee that requires the drafting party to pay certain fees and costs before the arbitration can proceed, if the fees or costs to initiate an arbitration proceeding are not paid within 30 days after the due date, the drafting party is in material breach of the arbitration agreement, is in default of the arbitration, and waives its right to compel arbitration. Sets forth various actions a party may take if the drafting party materially breaches the arbitration agreement. Includes sanctions an arbitrator or court may impose for materially breaching the agreement. Provides that, if a party is represented by an attorney, papers to be served on the party shall be served upon the attorney for that party, and any agreement which discriminates against or penalizes a party for retaining the services of counsel in an arbitration is null and void. In a provision regarding venue, provides that: if the name of the county is not specified, the application shall be brought in the county where the party seeking arbitration resides or is doing business, and other proceedings affecting arbitration are to be brought in the county where at least one of the parties resides or is doing business or where the arbitration was held or is pending; if there are multiple parties seeking arbitration against the same party or parties, the proceeding may be brought in any court and county where any of the parties seeking arbitration resides or is doing business or where the arbitration was held or is pending; and if there is no county in which the proceeding may be brought, the proceeding may be brought in any county.

LRB104 09755 HLH 19821 b

1 AN ACT concerning civil law.

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

4 Section 5. The Uniform Arbitration Act is amended by  
5 changing Sections 6 and 17 and by adding Sections 1.1, 2.1,  
6 2.2, 2.3, and 2.4 as follows:

7 (710 ILCS 5/1.1 new)

8 Sec. 1.1. Definitions. As used in this Act:

9 "Consumer" means an individual who seeks, uses, or  
10 acquires, by purchase or lease, any goods or services for  
11 personal, family, or household purposes.

12 "Employee" means any current employee, former employee, or  
13 applicant for employment. "Employee" includes any person who  
14 is, was, or who claims to have misclassified as an independent  
15 contractor or otherwise improperly placed into a category  
16 other than employee or applicant for employment.

17 (710 ILCS 5/2.1 new)

18 Sec. 2.1. Notice of intention to arbitrate. A party may  
19 serve upon another party a demand for arbitration or a notice  
20 of intention to arbitrate, specifying the agreement under  
21 which arbitration is sought and the name and address of the  
22 party serving the notice, or of an officer or agent if the

1 party is an association or corporation, and stating that  
2 unless the party served applies to stay the arbitration within  
3 20 days after service the party shall be precluded from  
4 objecting that a valid agreement was not made or has not been  
5 complied with and from asserting in court the bar of a  
6 limitation of time. Notice or demand shall be served in the  
7 same manner as a summons or by registered or certified mail,  
8 return receipt requested. An application to stay arbitration  
9 must be made by the party served within 20 days after service  
10 upon the party of the notice or demand or the party shall be so  
11 precluded. Notice of such application shall be served in the  
12 same manner as a summons or by registered or certified mail,  
13 return receipt requested. Service of the application may be  
14 made upon the adverse party or upon the adverse party's  
15 attorney if the attorney's name appears on the demand for  
16 arbitration or the notice of intention to arbitrate. Service  
17 of the application by mail shall be timely if the application  
18 is posted within the prescribed period. Any provision in an  
19 arbitration agreement or arbitration rules which waives the  
20 right to apply for a stay of arbitration or proscribes a manner  
21 of notifying a party of an intention to commence arbitration  
22 that is more burdensome than that described in this Section is  
23 null and void.

24 (710 ILCS 5/2.2 new)

25 Sec. 2.2. Fees and costs of arbitration initiation;

1 invoice; breach of agreement; sanctions.

2 (a) In an arbitration brought by a consumer or employee  
3 that requires, either expressly or through application of  
4 State or federal law or the rules of the arbitrator, the  
5 drafting party to pay certain fees and costs before the  
6 arbitration can proceed, if the fees or costs to initiate an  
7 arbitration proceeding are not paid within 30 days after the  
8 due date, the drafting party is in material breach of the  
9 arbitration agreement, is in default of the arbitration, and  
10 waives its right to compel arbitration under Section 2.

11 After an employee or consumer meets the filing  
12 requirements necessary to initiate an arbitration, the  
13 arbitrator shall immediately provide an invoice for any fees  
14 and costs required before the arbitration can proceed to all  
15 of the parties to the arbitration. The invoice shall be  
16 provided in its entirety, shall state the full amount owed and  
17 the date that payment is due, and shall be sent to all parties  
18 by the same means on the same day. To avoid delay, absent an  
19 express provision in the arbitration agreement stating the  
20 number of days in which the parties to the arbitration must pay  
21 any required fees or costs, the arbitrator shall issue all  
22 invoices to the parties as due upon receipt.

23 (b) If the drafting party materially breaches the  
24 arbitration agreement and is in default under subsection (a),  
25 the employee or consumer may:

26 (1) withdraw the claim from arbitration and proceed in

1 a court of appropriate jurisdiction; or

2 (2) compel arbitration in which the drafting party  
3 shall pay reasonable attorney's fees and costs related to  
4 the arbitration.

5 (c) If the employee or consumer withdraws the claim from  
6 arbitration and proceeds with an action in a court of  
7 appropriate jurisdiction under paragraph (1) of subsection  
8 (b), the statute of limitations with regard to all claims  
9 brought or that relate back to any claim brought in  
10 arbitration shall be tolled as of the date of the first filing  
11 of a claim in a court, arbitration forum, or other dispute  
12 resolution forum.

13 (d) If the employee or consumer proceeds with an action in  
14 a court of appropriate jurisdiction, the court shall impose  
15 sanctions on the drafting party in accordance with Section  
16 2.4.

17 (710 ILCS 5/2.3 new)

18 Sec. 2.3. Fees and costs of arbitration continuance;  
19 invoice; breach of agreement; sanctions.

20 (a) In an arbitration brought by a consumer or employee,  
21 either expressly or through application of State or federal  
22 law or the rules of the arbitrator, that the drafting party pay  
23 certain fees and costs during the pendency of an arbitration  
24 proceeding, if the fees or costs required to continue the  
25 arbitration proceeding are not paid within 30 days after the

1 due date, the drafting party is in material breach of the  
2 arbitration agreement, is in default of the arbitration, and  
3 waives its right to compel the employee or consumer to proceed  
4 with that arbitration as a result of the material breach.

5 The arbitrator shall provide an invoice for any fees and  
6 costs required for the arbitration proceeding to continue to  
7 all of the parties to the arbitration. The invoice shall be  
8 provided in its entirety, shall state the full amount owed and  
9 the date that payment is due, and shall be sent to all parties  
10 by the same means on the same day. To avoid delay, absent an  
11 express provision in the arbitration agreement stating the  
12 number of days in which the parties to the arbitration must pay  
13 any required fees or costs, the arbitrator shall issue all  
14 invoices to the parties as due upon receipt. Any extension of  
15 time for the due date shall be agreed upon by all parties.

16 (b) If the drafting party materially breaches the  
17 arbitration agreement and is in default under subsection (a),  
18 the employee or consumer may unilaterally elect to:

19 (1) withdraw the claim from arbitration and proceed in  
20 a court of appropriate jurisdiction. If the employee or  
21 consumer withdraws the claim from arbitration and proceeds  
22 with an action in a court of appropriate jurisdiction, the  
23 statute of limitations with regard to all claims brought  
24 or that relate back to any claim brought in arbitration  
25 shall be tolled as of the date of the first filing of a  
26 claim in any court, arbitration forum, or other dispute

1 resolution forum;

2 (2) continue the arbitration proceeding, if the  
3 arbitrator agrees to continue administering the  
4 proceeding, notwithstanding the drafting party's failure  
5 to pay fees or costs. The neutral arbitrator may institute  
6 a collection action at the conclusion of the arbitration  
7 proceeding against the drafting party that is in default  
8 of the arbitration for payment of all fees associated with  
9 the arbitration proceeding brought by a consumer or  
10 employee, including the cost of administering any  
11 proceedings after the default;

12 (3) petition the court for an order compelling the  
13 drafting party to pay all arbitration fees that the  
14 drafting party is obligated to pay under the arbitration  
15 agreement or the rules of the arbitrator;

16 (4) pay the drafting party's fees and proceed with the  
17 arbitration proceeding. As part of the award, the employee  
18 or consumer shall recover all arbitration fees paid on  
19 behalf of the drafting party without regard to any  
20 findings on the merits in the underlying arbitration; or

21 (5) if the employee or consumer withdraws the claim  
22 from arbitration and proceeds in a court of appropriate  
23 jurisdiction under paragraph (1), both of the following  
24 apply:

25 (A) The employee or consumer may bring a motion,  
26 or a separate action, to recover all attorney's fees

1           and all costs associated with the abandoned  
2           arbitration proceeding.

3           (B) The recovery of arbitration fees, interest,  
4           and related attorney's fees shall be without regard to  
5           any findings on the merits in the underlying action or  
6           arbitration.

7           The court shall impose sanctions on the drafting party in  
8           accordance with Section 2.4.

9           (c) If the employee or consumer continues in arbitration  
10          under paragraphs (2) through (4) of subsection (b), the  
11          arbitrator shall impose appropriate sanctions on the drafting  
12          party, including monetary sanctions, issue sanctions, evidence  
13          sanctions, or terminating sanctions.

14           (710 ILCS 5/2.4 new)

15          Sec. 2.4. Breach of arbitration agreement; monetary  
16          sanctions; additional sanctions.

17          (a) The court shall impose a monetary sanction against a  
18          drafting party that materially breaches an arbitration  
19          agreement pursuant to subsection (a) of Section 2.2 or  
20          subsection (a) of Section 2.3, by ordering the drafting party  
21          to pay the reasonable expenses, including attorney's fees and  
22          costs, incurred by the employee or consumer as a result of the  
23          material breach.

24          (b) In addition to the monetary sanction described in  
25          subsection (a), the court may order any of the following

1 sanctions against a drafting party that materially breaches an  
2 arbitration agreement under subsection (a) of Section 2.2 or  
3 subsection (a) of Section 2.3, unless the court finds that the  
4 one subject to the sanction acted with substantial  
5 justification or that other circumstances make the imposition  
6 of the sanction unjust:

7 (1) an evidence sanction by an order prohibiting the  
8 drafting party from conducting discovery in the civil  
9 action;

10 (2) a terminating sanction by:

11 (A) an order striking out the pleadings or parts  
12 of the pleadings of the drafting party; or

13 (B) an order rendering a judgment by default  
14 against the drafting party; or

15 (3) a contempt sanction by an order treating the  
16 drafting party as in contempt of court.

17 (710 ILCS 5/6) (from Ch. 10, par. 106)

18 Sec. 6. Representation by attorney.

19 A party has the right to be represented by an attorney at  
20 any proceeding or hearing under this Act. A waiver thereof  
21 prior to the proceeding or hearing is ineffective. If a party  
22 is represented by an attorney, papers to be served on the party  
23 shall be served upon the attorney for that party. Any  
24 agreement which discriminates against or penalizes a party for  
25 retaining the services of counsel in an arbitration is null

1 and void.

2 (Source: Laws 1961, p. 3844.)

3 (710 ILCS 5/17) (from Ch. 10, par. 117)

4 Sec. 17. Venue.

5 (a) An initial application shall be made to the court of  
6 the county in which the agreement provides the arbitration  
7 hearing shall be held or, if the hearing has been held, in the  
8 county in which it was held. ~~Otherwise the application shall~~  
9 ~~be made in the county where the adverse party resides or has a~~  
10 ~~place of business or, if he has no residence or place of~~  
11 ~~business in this State, to the court of any county. All~~  
12 ~~subsequent applications shall be made to the court hearing the~~  
13 ~~initial application unless the court otherwise directs.~~

14 (b) If the name of the county is not specified, the  
15 application shall be brought in the county where the party  
16 seeking arbitration resides or is doing business, and other  
17 proceedings affecting arbitration are to be brought in the  
18 county where at least one of the parties resides or is doing  
19 business or where the arbitration was held or is pending.

20 (c) If there are multiple parties seeking arbitration  
21 against the same party or parties, the proceeding may be  
22 brought in any court and county where any of the parties  
23 seeking arbitration resides or is doing business or where the  
24 arbitration was held or is pending. All subsequent  
25 applications shall be made to the court hearing the initial

1 application unless the court otherwise directs.

2 (d) If there is no county in which the proceeding may be  
3 brought under this Section, the proceeding may be brought in  
4 any county.

5 (Source: Laws 1961, p. 3844.)

1 INDEX

2 Statutes amended in order of appearance

3 710 ILCS 5/1.1 new

4 710 ILCS 5/2.1 new

5 710 ILCS 5/2.2 new

6 710 ILCS 5/2.3 new

7 710 ILCS 5/2.4 new

8 710 ILCS 5/6 from Ch. 10, par. 106

9 710 ILCS 5/17 from Ch. 10, par. 117