

1 AN ACT concerning employment.

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

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

6 (35 ILCS 750/1-5)

7 Sec. 1-5. Purpose.

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

12 (b) The scope of this Act is limited to ~~tax~~ liens in real
13 property and personal property, tangible and intangible, of
14 taxpayers or other persons or entities against whom the
15 Department or the Department of Employment Security has liens
16 pursuant to law for unpaid final ~~tax~~ liabilities ~~administered~~
17 ~~by the Department~~.

18 (c) Nothing in this Act shall be construed to invalidate
19 any lien filed by the Department with a county recorder of
20 deeds prior to January 1, 2018, or by the Department of
21 Employment Security prior to January 1, 2020 ~~the effective date~~
22 ~~of this Act~~.

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

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

4 (820 ILCS 405/1502.4 new)

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

15 (820 ILCS 405/2401) (from Ch. 48, par. 721)

16 Sec. 2401. Recording and release of lien.

17 A. The lien created by Section 2400 shall be invalid only
18 as to any innocent purchaser for value of stock in trade of any
19 employer in the usual course of such employer's business, and
20 shall be invalid as to any innocent purchaser for value of any
21 of the other assets to which such lien has attached, unless,
22 with respect to liens created prior to January 1, 2020, notice
23 thereof has been filed by the Director in the office of the

1 recorder of the county within which the property subject to the
2 lien is situated or, with respect to liens created on or after
3 January 1, 2020, notice has been filed in the Lien Registry as
4 provided by Section 2401.1. The Director may, in his
5 discretion, for good cause shown, issue a certificate of
6 withdrawal of notice of lien filed against any employer, which
7 certificate shall be recorded in the same manner as herein
8 provided for the recording of notice of liens. Such withdrawal
9 of notice of lien shall invalidate such lien as against any
10 person acquiring any of such employer's property or any
11 interest therein, subsequent to the recordation of the
12 withdrawal of notice of lien, but shall not otherwise affect
13 the validity of such lien, nor shall it prevent the Director
14 from re-recording notice of such lien. In the event notice of
15 such lien is re-recorded, such notice shall be effective as
16 against third persons only as of the date of such
17 re-recording. Recording in the Lien Registry a lien that had
18 previously been recorded by the Director with a county recorder
19 of deeds does not constitute a re-recording of that lien and
20 does not change the original filing date of such lien.

21 B. The recorder of each county shall procure at the expense
22 of the county a file labeled "Unemployment Compensation
23 Contribution Lien Notice" and an index book labeled
24 "Unemployment Compensation Contribution Lien Index." When a
25 notice of any such lien is presented to him for filing, he
26 shall file it in numerical order in the file and shall enter it

1 alphabetically in the index. The entry shall show the name and
2 last known business address of the employer named in the
3 notice, the serial number of the notice, the date and hour of
4 filing, and the amount of contribution, interest and penalty
5 thereon due and unpaid. When a certificate of complete or
6 partial release of such lien issued by the Director is
7 presented for filing in the office of the recorder where a
8 notice of lien was filed, the recorder shall permanently attach
9 the certificate of release to the notice of lien and shall
10 enter the certificate of release and the date in the
11 Unemployment Compensation Contribution Lien Index on the line
12 where the notice of lien is entered. ~~In case title to land to
13 be affected by the Notice of Lien is registered under the
14 provisions of "An Act Concerning Land Titles", approved May 1,
15 1897, as amended, such notice shall be filed in the office of
16 the Registrar of Titles of the county within which the property
17 subject to the lien is situated and shall be entered upon the
18 register of titles as a memorial or charge upon each folium of
19 the register of title affected by such notice, and the Director
20 shall not have a preference over the rights of any bona fide
21 purchaser, mortgagee, judgment creditor or other lien holder
22 arising prior to the registration of such notice.~~

23 C. The Director shall have the power to issue a certificate
24 of partial release of any part of the property subject to the
25 lien if he shall find that the fair market value of that part
26 of such property remaining subject to the lien is at least

1 equal to the amount of all prior liens upon such property plus
2 double the amount of the liability for contributions, interest
3 and penalties thereon remaining unsatisfied.

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

18 E. When a lien filed by the Director before January 1, 2020
19 ~~obtained pursuant to this Act~~ has been satisfied, the
20 Department shall issue a release to the person, or his or her
21 agent, against whom the lien was obtained and such release
22 shall contain in legible letters a statement as follows:

23 FOR THE PROTECTION OF THE OWNER, THIS RELEASE SHALL
24 BE FILED WITH THE RECORDER OR THE REGISTRAR
25 OF TITLES, IN WHOSE OFFICE, THE LIEN WAS FILED.

26 E-1. When a lien filed by the Director in the Lien Registry

1 has been satisfied, the Department shall permanently attach a
2 certificate of complete or partial release, as the case may be,
3 in the Lien Registry, and provide notice of the release to the
4 person, or his or her agent, against whom the lien was
5 obtained.

6 F. The Director may, by rule, require, as a condition of
7 withdrawing, releasing, or partially releasing a lien recorded
8 pursuant to this Section, that the employer reimburse the
9 Department for any recording fees paid with respect to the
10 lien.

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

12 (820 ILCS 405/2401.1 new)

13 Sec. 2401.1. Lien Registry.

14 A. As used in this Section:

15 "Debtor" means an employer or individual against whom
16 there is an unpaid determination and assessment
17 collectible by the Director.

18 "Lien Registry" means the public database maintained
19 by the Department of Revenue as provided by the State Tax
20 Lien Registration Act.

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

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

24 2. the name and address of the Department;

25 3. the lien number assigned to the lien by the

1 Department;

2 4. the basis for the lien including, but not limited
3 to, the amount of contribution, interest, and penalty due
4 and unpaid as of the date of filing in the Lien Registry;
5 and

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

8 C. When a notice of lien is filed by the Director in the
9 Lien Registry, the lien is perfected and shall be attached to
10 all existing and after-acquired: (1) personal property of the
11 debtor, both tangible and intangible, that is located in any
12 and all counties within the State of Illinois; and (2) real
13 property of the debtor located in the county or counties as
14 specified in the notice of lien.

15 D. The amount of the lien shall be a debt due the Director
16 and shall remain a lien upon all property and rights to: (1)
17 personal property belonging to the debtor, both tangible and
18 intangible, that is located in any and all counties within the
19 State of Illinois; and (2) real property of the debtor located
20 in the county or counties as specified in the notice of lien.
21 Interest and penalty shall accrue on the lien as provided by
22 this Act.

23 E. A notice of release, partial release, or withdrawal of
24 lien filed in the Lien Registry shall constitute a release,
25 partial release, or withdrawal, as the case may be, of the lien
26 within the Department, the Lien Registry, and any county in

1 which the lien was previously filed. The information contained
2 on the Lien Registry shall be controlling, and the Lien
3 Registry shall supersede the records of any county.

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

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

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

13 (820 ILCS 405/2402) (from Ch. 48, par. 722)

14 Sec. 2402. Priority of lien. The lien created by Section
15 2400 shall be prior to all other liens, whether general or
16 specific, and shall be inferior only to any claim for wages
17 filed pursuant to "An Act to protect employees and laborers in
18 their claims for wages" approved June 15, 1887, as amended, in
19 an amount not exceeding \$250.00 for work performed within six
20 months from the date of filing such claim, and to such liens as
21 shall attach prior to the filing of Notice of Lien by the
22 Director ~~with the recorder~~ as provided in this Act; provided,
23 however, that in all cases where statutory provision is made
24 for the recordation or other public notice of a lien, the lien
25 of the Director shall be inferior only to such liens as shall

1 have been duly recorded, or of which public notice shall have
2 been duly given, in the manner provided by such statute, prior
3 to the filing of notice of lien by the Director ~~with the~~
4 ~~recorder~~ as in this Act provided.

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

6 (820 ILCS 405/1900.2 rep.)

7 Section 15. The Unemployment Insurance Act is amended by
8 repealing Section 1900.2.