



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB0281

by Rep. Will Guzzardi

#### SYNOPSIS AS INTRODUCED:

735 ILCS 5/2-201.5 new	
735 ILCS 5/2-1303	from Ch. 110, par. 2-1303
735 ILCS 5/2-1602	
735 ILCS 5/12-108	from Ch. 110, par. 12-108
735 ILCS 5/12-109	from Ch. 110, par. 12-109
735 ILCS 5/12-803	from Ch. 110, par. 12-803
735 ILCS 5/12-901	from Ch. 110, par. 12-901
735 ILCS 5/12-1001	from Ch. 110, par. 12-1001
815 ILCS 205/4.06 new	

Amends the Code of Civil Procedure. Provides that a summons issued in an action to collect a debt shall include a separate notice containing specified language regarding debtor rights. Provides that the clerk of the court shall cause the notice to be posted in courtrooms or in the hallway in front of courtrooms and be available for distribution in all courtrooms hearing cases involving debt collection matters. Provides that a judgment may be revived by filing a petition to revive the judgment in the fifth year after its entry (instead of the seventh year after its entry, or in the seventh year after its last revival, or in the twentieth year after its entry, or at any other time within 20 years after its entry if the judgment becomes dormant). Provides that a petition to revive the judgment may be granted only if citation proceedings were initiated within one year of the judgment being entered. Changes the limitations period for the enforcement of certain judgments from 7 to 5 years. Makes changes in provisions governing: wages subject to garnishment; the homestead exemption from judgments; and personal property exempt from judgments. Amends the Interest Act. Provides that consumer debt judgments of \$25,000 or less shall draw interest at a rate of 2% per annum. Effective immediately.

LRB101 00385 LNS 45391 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 Code of Civil Procedure is amended by  
5 changing Sections 2-1303, 2-1602, 12-108, 12-109, 12-803,  
6 12-901, and 12-1001, and by adding Section 2-201.5 as follows:

7 (735 ILCS 5/2-201.5 new)

8 Sec. 2-201.5. Debtor notice.

9 (a) A summons issued in an action to collect a debt shall  
10 include a separate notice containing the following language  
11 printed prominently in large font:

12 "IF YOU OWE A DEBT, YOU HAVE RIGHTS

13 You Can PROTECT:

14 Your Social Security

15 Your SSI

16 Your Public Benefits

17 Your Veterans Benefits

18 Your Retirement Benefits

19 \$7,500 in Equity in a Motor Vehicle

20 \$150,000 to \$200,000 in Equity in your Home

21 \$15,000 in your Bank Account

22 You Can STOP:

23 Phone Calls from Debt Collectors

1 Verbal Abuse from Debt Collectors

2 Threats from Debt Collectors

3 You Have the RIGHT:

4 To Privacy

5 To Have the Court Review Any Agreement to Settle

6 Your Case

7 To Ask for a Reasonable Payment Plan".

8 (b) The clerk of the court, in consultation with civil  
9 legal service providers who service the applicable judicial  
10 circuit, shall compile a list of civil legal service providers,  
11 including their addresses and telephone numbers, and make the  
12 list available to the public. The notice in subsection (a)  
13 shall include the list of civil legal service providers  
14 compiled by the clerk of the court.

15 (c) The clerk of the court shall cause the notice in  
16 subsection (a) to be posted in courtrooms or in the hallway in  
17 front of courtrooms and be available for distribution in all  
18 courtrooms hearing cases involving debt collection matters.

19 (735 ILCS 5/2-1303) (from Ch. 110, par. 2-1303)

20 Sec. 2-1303. Interest on judgment. Except as provided in  
21 Section 4.06 of the Interest Act, judgments ~~Judgments~~ recovered  
22 in any court shall draw interest at the rate of 9% per annum  
23 from the date of the judgment until satisfied or 6% per annum  
24 when the judgment debtor is a unit of local government, as  
25 defined in Section 1 of Article VII of the Constitution, a

1 school district, a community college district, or any other  
2 governmental entity. When judgment is entered upon any award,  
3 report or verdict, interest shall be computed at the above  
4 rate, from the time when made or rendered to the time of  
5 entering judgment upon the same, and included in the judgment.  
6 Interest shall be computed and charged only on the unsatisfied  
7 portion of the judgment as it exists from time to time. The  
8 judgment debtor may by tender of payment of judgment, costs and  
9 interest accrued to the date of tender, stop the further  
10 accrual of interest on such judgment notwithstanding the  
11 prosecution of an appeal, or other steps to reverse, vacate or  
12 modify the judgment.

13 (Source: P.A. 85-907.)

14 (735 ILCS 5/2-1602)

15 Sec. 2-1602. Revival of judgment.

16 (a) A judgment may be revived by filing a petition to  
17 revive the judgment in the fifth ~~seventh~~ year after its entry,  
18 ~~or in the seventh year after its last revival, or in the~~  
19 ~~twentieth year after its entry, or at any other time within 20~~  
20 ~~years after its entry if the judgment becomes dormant~~ and by  
21 serving the petition and entering a court order for revival as  
22 provided in the following subsections. The provisions of Public  
23 Act 96-305 ~~this amendatory Act of the 96th General Assembly~~ are  
24 declarative of existing law.

25 (b) A petition to revive a judgment shall be filed in the

1 original case in which the judgment was entered. The petition  
2 shall include a statement as to the original date and amount of  
3 the judgment, court costs expended, accrued interest, and  
4 credits to the judgment, if any. The petition to revive the  
5 judgment may be granted only if citation proceedings under  
6 Section 2-1402 were initiated within one year of the judgment  
7 being entered.

8 (c) Service of notice of the petition to revive a judgment  
9 shall be made in accordance with Supreme Court Rule 106.

10 (d) An order reviving a judgment shall be for the original  
11 amount of the judgment. The plaintiff may recover interest and  
12 court costs from the date of the original judgment. Credits to  
13 the judgment shall be reflected by the plaintiff in  
14 supplemental proceedings or execution.

15 (e) If a judgment debtor has filed for protection under the  
16 United States Bankruptcy Code and failed to successfully  
17 adjudicate and remove a lien filed by a judgment creditor, then  
18 the judgment may be revived only as to the property to which a  
19 lien attached before the filing of the bankruptcy action.

20 (f) A judgment may be revived as to fewer than all judgment  
21 debtors, and such order for revival of judgment shall be final,  
22 appealable, and enforceable.

23 (g) This Section does not apply to a child support judgment  
24 or to a judgment recovered in an action for damages for an  
25 injury described in Section 13-214.1, which need not be revived  
26 as provided in this Section and which may be enforced at any

1 time as provided in Section 12-108.

2 (h) If a judgment becomes dormant during the pendency of an  
3 enforcement proceeding against wages under Part 14 of this  
4 Article or under Article XII, the enforcement may continue to  
5 conclusion without revival of the underlying judgment so long  
6 as the enforcement is done under court supervision and includes  
7 a wage deduction order or turn over order and is against an  
8 employer, garnishee, or other third party respondent.

9 (Source: P.A. 98-557, eff. 1-1-14; 99-744, eff. 8-5-16.)

10 (735 ILCS 5/12-108) (from Ch. 110, par. 12-108)

11 Sec. 12-108. Limitation on enforcement.

12 (a) Except as herein provided, no judgment shall be  
13 enforced after the expiration of 5 ~~7~~ years from the time the  
14 same is rendered, except upon the revival of the same by a  
15 proceeding provided by Section 2-1601 of this Act; but real  
16 estate, levied upon within the 5 ~~7~~ years, may be sold to  
17 enforce the judgment at any time within one year after the  
18 expiration of the 5 ~~7~~ years. A judgment recovered in an action  
19 for damages for an injury described in Section 13-214.1 may be  
20 enforced at any time. Child support judgments, including those  
21 arising by operation of law, may be enforced at any time.

22 (b) No judgment shall be enforced against a police officer  
23 employed by a municipality if the corporate authority of the  
24 municipality files with the clerk of the court in which the  
25 judgment was entered a statement certifying: (1) such police

1 officer was employed by the municipality and was within the  
2 scope and course of his employment at the time of the  
3 occurrence giving rise to the action in which the judgment is  
4 entered and (2) the municipality indemnifies the police officer  
5 in the amount of the judgment and interest thereon. In such  
6 event, the judgment creditor may enforce the judgment against  
7 the municipality in the same manner and to the same extent as  
8 if the municipality were the judgment debtor.

9 (Source: P.A. 90-18, eff. 7-1-97.)

10 (735 ILCS 5/12-109) (from Ch. 110, par. 12-109)

11 Sec. 12-109. Interest on judgments.

12 (a) Except as provided in Section 4.06 of the Interest Act,  
13 every ~~Every~~ judgment except those arising by operation of law  
14 from child support orders shall bear interest thereon as  
15 provided in Section 2-1303.

16 (b) Every judgment arising by operation of law from a child  
17 support order shall bear interest as provided in this  
18 subsection. The interest on judgments arising by operation of  
19 law from child support orders shall be calculated by applying  
20 one-twelfth of the current statutory interest rate as provided  
21 in Section 2-1303 to the unpaid child support balance as of the  
22 end of each calendar month. The unpaid child support balance at  
23 the end of the month is the total amount of child support  
24 ordered, excluding the child support that was due for that  
25 month to the extent that it was not paid in that month and

1 including judgments for retroactive child support, less all  
2 payments received and applied as set forth in this subsection.  
3 The accrued interest shall not be included in the unpaid child  
4 support balance when calculating interest at the end of the  
5 month. The unpaid child support balance as of the end of each  
6 month shall be determined by calculating the current monthly  
7 child support obligation and applying all payments received for  
8 that month, except federal income tax refund intercepts, first  
9 to the current monthly child support obligation and then  
10 applying any payments in excess of the current monthly child  
11 support obligation to the unpaid child support balance owed  
12 from previous months. The current monthly child support  
13 obligation shall be determined from the document that  
14 established the support obligation. Federal income tax refund  
15 intercepts and any payments in excess of the current monthly  
16 child support obligation shall be applied to the unpaid child  
17 support balance. Any payments in excess of the current monthly  
18 child support obligation and the unpaid child support balance  
19 shall be applied to the accrued interest on the unpaid child  
20 support balance. Interest on child support obligations may be  
21 collected by any means available under State law for the  
22 collection of child support judgments.

23 (Source: P.A. 98-563, eff. 8-27-13.)

24 (735 ILCS 5/12-803) (from Ch. 110, par. 12-803)

25 Sec. 12-803. Wages subject to collection.



1        (a) The wages, salary, commissions and bonuses protected  
2 from ~~subject to~~ collection under a deduction order, for any  
3 work week shall be the greater of: lesser of (1) 15%

4            (1) 90% of such gross amount paid for that week; or

5            (2) the amount by which disposable earnings for a week  
6 exceed 60 ~~45~~ times the Federal Minimum Hourly Wage  
7 prescribed by Section 206(a)(1) of Title 29 of the United  
8 States Code, as amended, or, under a wage deduction summons  
9 served on or after January 1, 2006, the minimum hourly wage  
10 prescribed by Section 4 of the Minimum Wage Law, whichever  
11 is greater, in effect at the time the amounts are payable.

12        (b) This Section ~~provision~~ (and no other) applies  
13 irrespective of the place where the compensation was earned or  
14 payable and the State where the employee resides. No amounts  
15 required by law to be withheld may be taken from the amount  
16 collected by the creditor. The term "disposable earnings" means  
17 that part of the earnings of any individual remaining after the  
18 deduction from those earnings of any amounts required by law to  
19 be withheld. "Deduction from those earnings" includes, but is  
20 not limited to, deductions for health insurance, deductions for  
21 transportation, and pre-tax flexible spending deductions.

22        (Source: P.A. 94-306, eff. 1-1-06; 95-661, eff. 1-1-08.)

23            (735 ILCS 5/12-901) (from Ch. 110, par. 12-901)

24            Sec. 12-901. Amount. Every individual is entitled to an  
25 estate of homestead to the extent in value of \$150,000 ~~\$15,000~~

1 of his or her interest in a farm or lot of land and buildings  
2 thereon, a condominium, or personal property, owned or rightly  
3 possessed by lease or otherwise and occupied by him or her as a  
4 residence, or in a cooperative that owns property that the  
5 individual uses as a residence. That homestead and all right in  
6 and title to that homestead is exempt from attachment,  
7 judgment, levy, or judgment sale for the payment of his or her  
8 debts or other purposes and from the laws of conveyance,  
9 descent, and legacy, except as provided in this Code or in  
10 Section 20-6 of the Probate Act of 1975. This Section is not  
11 applicable between joint tenants or tenants in common but it is  
12 applicable as to any creditors of those persons. If 2 or more  
13 individuals own property that is exempt as a homestead, the  
14 value of the exemption of each individual may not exceed his or  
15 her proportionate share of \$200,000 ~~\$30,000~~ based upon  
16 percentage of ownership.

17 (Source: P.A. 94-293, eff. 1-1-06.)

18 (735 ILCS 5/12-1001) (from Ch. 110, par. 12-1001)

19 Sec. 12-1001. Personal property exempt. The following  
20 personal property, owned by the debtor, is exempt from  
21 judgment, attachment, or distress for rent:

22 (a) The necessary wearing apparel, bible, school  
23 books, and family pictures of the debtor and the debtor's  
24 dependents;

25 (b) The debtor's equity interest, not to exceed \$15,000

1       ~~\$4,000~~ in value, in any other property;

2           (c) The debtor's equity interest, not to exceed \$7,500  
3       ~~\$2,400~~ in value, in any one motor vehicle;

4           (d) The debtor's equity interest, not to exceed \$3,000  
5       ~~\$1,500~~ in value, in any implements, professional books, or  
6       tools of the trade of the debtor;

7           (e) Professionally prescribed health aids for the  
8       debtor or a dependent of the debtor;

9           (f) All proceeds payable because of the death of the  
10       insured and the aggregate net cash value of any or all life  
11       insurance and endowment policies and annuity contracts  
12       payable to a wife or husband of the insured, or to a child,  
13       parent, or other person dependent upon the insured, or to a  
14       revocable or irrevocable trust which names the wife or  
15       husband of the insured or which names a child, parent, or  
16       other person dependent upon the insured as the primary  
17       beneficiary of the trust, whether the power to change the  
18       beneficiary is reserved to the insured or not and whether  
19       the insured or the insured's estate is a contingent  
20       beneficiary or not;

21           (g) The debtor's right to receive:

22               (1) a social security benefit, unemployment  
23       compensation, or public assistance benefit;

24               (2) a veteran's benefit;

25               (3) a disability, illness, or unemployment  
26       benefit; and

1           (4) alimony, support, or separate maintenance, to  
2           the extent reasonably necessary for the support of the  
3           debtor and any dependent of the debtor.

4           (h) The debtor's right to receive, or property that is  
5           traceable to:

6                     (1) an award under a crime victim's reparation law;

7                     (2) a payment on account of the wrongful death of  
8           an individual of whom the debtor was a dependent, to  
9           the extent reasonably necessary for the support of the  
10          debtor;

11                    (3) a payment under a life insurance contract that  
12          insured the life of an individual of whom the debtor  
13          was a dependent, to the extent reasonably necessary for  
14          the support of the debtor or a dependent of the debtor;

15                    (4) a payment, not to exceed \$15,000 in value, on  
16          account of personal bodily injury of the debtor or an  
17          individual of whom the debtor was a dependent; and

18                    (5) any restitution payments made to persons  
19          pursuant to the federal Civil Liberties Act of 1988 and  
20          the Aleutian and Pribilof Island Restitution Act, P.L.  
21          100-383.

22           For purposes of this subsection (h), a debtor's right  
23          to receive an award or payment shall be exempt for a  
24          maximum of 2 years after the debtor's right to receive the  
25          award or payment accrues; property traceable to an award or  
26          payment shall be exempt for a maximum of 5 years after the

1 award or payment accrues; and an award or payment and  
2 property traceable to an award or payment shall be exempt  
3 only to the extent of the amount of the award or payment,  
4 without interest or appreciation from the date of the award  
5 or payment.

6 (i) The debtor's right to receive an award under Part  
7 20 of Article II of this Code relating to crime victims'  
8 awards.

9 (j) Moneys held in an account invested in the Illinois  
10 College Savings Pool of which the debtor is a participant  
11 or donor and funds invested in an ABLE Account as defined  
12 by Section 529 of the Internal Revenue Code, except the  
13 following non-exempt contributions:

14 (1) any contribution to such account by the debtor  
15 as participant or donor that is made with the actual  
16 intent to hinder, delay, or defraud any creditor of the  
17 debtor;

18 (2) any contributions to such account by the debtor  
19 as participant during the 365 day period prior to the  
20 date of filing of the debtor's petition for bankruptcy  
21 that, in the aggregate during such period, exceed the  
22 amount of the annual gift tax exclusion under Section  
23 2503(b) of the Internal Revenue Code of 1986, as  
24 amended, in effect at the time of contribution; or

25 (3) any contributions to such account by the debtor  
26 as participant during the period commencing 730 days

1 prior to and ending 366 days prior to the date of  
2 filing of the debtor's petition for bankruptcy that, in  
3 the aggregate during such period, exceed the amount of  
4 the annual gift tax exclusion under Section 2503(b) of  
5 the Internal Revenue Code of 1986, as amended, in  
6 effect at the time of contribution.

7 For purposes of this subsection (j), "account"  
8 includes all accounts for a particular designated  
9 beneficiary, of which the debtor is a participant or donor.

10 (k) In each checking or savings account held by the  
11 debtor, an amount not to exceed \$4,000, until:

12 (1) a hearing has been held; and

13 (2) the debtor has been given a reasonable  
14 opportunity to indicate to which personal property he  
15 or she seeks to apply the exemption in subsection (b),  
16 at which time the debtor may protect up to \$15,000 of  
17 equity in any personal property, and the funds in a  
18 checking or savings account will either remain  
19 protected or be subject to garnishment.

20 Upon receiving a citation to discover assets, a  
21 financial institution shall not freeze the debtor's access  
22 or turn over to the judgment creditor the amount in the  
23 debtor's account that is \$15,000 or less, but shall inform  
24 the court and the judgment creditor of the exempt amount.  
25 Any funds disbursed prior to the hearing that is not exempt  
26 under this Section may be recovered if the disbursement was

1           a fraudulent transfer.

2           (1) Money due the debtor from the sale of any personal  
3 property that was exempt from judgment, attachment, or distress  
4 for rent at the time of the sale is exempt from attachment and  
5 garnishment to the same extent that the property would be  
6 exempt had the same not been sold by the debtor.

7           If a debtor owns property exempt under this Section and he  
8 or she purchased that property with the intent of converting  
9 nonexempt property into exempt property or in fraud of his or  
10 her creditors, that property shall not be exempt from judgment,  
11 attachment, or distress for rent. Property acquired within 6  
12 months of the filing of the petition for bankruptcy shall be  
13 presumed to have been acquired in contemplation of bankruptcy.

14           The personal property exemptions set forth in this Section  
15 shall apply only to individuals and only to personal property  
16 that is used for personal rather than business purposes. The  
17 personal property exemptions set forth in this Section shall  
18 not apply to or be allowed against any money, salary, or wages  
19 due or to become due to the debtor that are required to be  
20 withheld in a wage deduction proceeding under Part 8 of this  
21 Article XII.

22           (Source: P.A. 100-922, eff. 1-1-19.)

23           Section 10. The Interest Act is amended by adding Section  
24 4.06 as follows:

1 (815 ILCS 205/4.06 new)

2 Sec. 4.06. Interest on judgments arising out of consumer  
3 debt.

4 (a) As used in this Section:

5 "Consumer debt" means money or property, or the  
6 equivalent, due or owing or alleged to be due or owing from  
7 a natural person by reason of a transaction in which  
8 property, service, or money is acquired by that natural  
9 person primarily for personal, family, or household  
10 purposes.

11 "Consumer debt judgment" means a judgment recovered in  
12 any court against one or more natural persons arising out  
13 of consumer debt. "Consumer debt judgment" does not include  
14 any compensation for bodily injury or death.

15 (b) Notwithstanding Sections 2-1303 and 12-109 of the Code  
16 of Civil Procedure, consumer debt judgments of \$25,000 or less  
17 shall draw interest from the date of the judgment until  
18 satisfied at the rate of 2% per annum.

19 (c) When a consumer debt judgment is entered upon any  
20 award, report, or verdict, interest shall be computed at the  
21 applicable rate, from the time when made or rendered to the  
22 time of entering judgment upon the same, and included in the  
23 judgment. Interest shall be computed and charged only on the  
24 unsatisfied portion of the consumer debt judgment as it exists  
25 from time to time. The judgment debtor may, by tender of  
26 payment of judgment, costs, and interest accrued to the date of



1 tender, stop the further accrual of interest on the consumer  
2 debt judgment, notwithstanding the prosecution of an appeal, or  
3 other steps to reverse, vacate, or modify the judgment.

4 (d) This Section applies to all consumer debt judgments  
5 entered after the effective date of this amendatory Act of the  
6 101st General Assembly.

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