

1 AN ACT concerning regulation.

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

4 Section 5. The Regulatory Sunset Act is amended by
5 changing Section 4.37 and by adding Section 4.42 as follows:

6 (5 ILCS 80/4.37)

7 Sec. 4.37. Acts and Articles repealed on January 1, 2027.

8 The following are repealed on January 1, 2027:

9 The Clinical Psychologist Licensing Act.

10 The Illinois Optometric Practice Act of 1987.

11 Articles II, III, IV, V, VI, VIIA, VIIB, VIIC, XVII, XXXI,
12 and XXXI 1/4 of the Illinois Insurance Code.

13 The Boiler and Pressure Vessel Repairer Regulation Act.

14 The Marriage and Family Therapy Licensing Act.

15 The Boxing and Full-contact Martial Arts Act.

16 The Cemetery Oversight Act.

17 The Community Association Manager Licensing and
18 Disciplinary Act.

19 The Detection of Deception Examiners Act.

20 The Home Inspector License Act.

21 The Massage Licensing Act.

22 The Medical Practice Act of 1987.

23 The Petroleum Equipment Contractors Licensing Act.

1 The Radiation Protection Act of 1990.
2 The Real Estate Appraiser Licensing Act of 2002.
3 The Registered Interior Designers Act.
4 The Landscape Architecture Registration Act.
5 The Water Well and Pump Installation Contractor's License
6 Act.
7 ~~The Collateral Recovery Act.~~
8 The Licensed Certified Professional Midwife Practice Act.
9 (Source: P.A. 102-20, eff. 6-25-21; 102-284, eff. 8-6-21;
10 102-437, eff. 8-20-21; 102-656, eff. 8-27-21; 102-683, eff.
11 10-1-22; 102-813, eff. 5-13-22.)

12 (5 ILCS 80/4.42 new)
13 Sec. 4.42. Acts repealed on January 1, 2032. The following
14 Acts are repealed on January 1, 2032:
15 The Collateral Recovery Act.

16 Section 10. The Collateral Recovery Act is amended by
17 changing Sections 5, 10, and 110 as follows:

18 (225 ILCS 422/5)
19 (Section scheduled to be repealed on January 1, 2027)
20 Sec. 5. Findings; purpose.
21 (a) The General Assembly finds: (i) due to advancements in
22 technology, personal information associated with consumers is
23 increasingly collected and stored on motor vehicles that

1 function as collateral in secured loans; (ii) the loss or
2 breach of such personal information can cause consumers
3 financial and personal harm and loss, including, but not
4 limited to, harm and loss associated with identity theft and
5 loss of privacy; (iii) when motor vehicles are repossessed, it
6 is critical that consumers be protected from such harm and
7 loss; and (iv) ~~that~~ collateral recovery practices affect
8 public health, safety, and welfare. ~~and~~

9 (b) The General Assembly declares that the purpose of this
10 Act is to: (i) regulate individuals and entities engaged in
11 the business of collateral recovery for the protection of the
12 public; and (ii) ensure that repossession agencies protect
13 motor vehicle collateral consumers from potential harm and
14 loss associated with personal information that is collected
15 and stored on motor vehicles.

16 (Source: P.A. 97-576, eff. 7-1-12.)

17 (225 ILCS 422/10)

18 (Section scheduled to be repealed on January 1, 2027)

19 Sec. 10. Definitions. In this Act:

20 "Assignment" means a written authorization by a legal
21 owner, lien holder, lessor, lessee, or licensed repossession
22 agency authorized by a legal owner, lien holder, lessor or
23 lessee to locate or repossess, involuntarily or voluntarily,
24 any collateral, including, but not limited to, collateral
25 registered under the Illinois Vehicle Code that is subject to

1 a security agreement that contains a repossession clause or is
2 the subject of a rental or lease agreement.

3 "Assignment" also means a written authorization by an
4 employer to recover any collateral entrusted to an employee or
5 former employee if the possessor is wrongfully in the
6 possession of the collateral. A photocopy, facsimile copy, or
7 electronic copy of an assignment shall have the same force and
8 effect as an original written assignment.

9 "Automobile rental company" means a person or entity whose
10 primary business is renting motor vehicles to the public for
11 30 days or less.

12 "Branch office" means each additional office and secured
13 storage facility location of a repossession agency (i) located
14 in and conducting business within the State of Illinois and
15 (ii) operating under the same name as the repossession agency
16 where business is actively conducted or is engaged in the
17 business authorized by the licensure. Each branch office must
18 be individually licensed.

19 "Collateral" means any vehicle, boat, recreational
20 vehicle, motor home, motorcycle, or other property that is
21 subject to a security, lease, or rental agreement.

22 "Commission" means the Illinois Commerce Commission.

23 "Debtor" means any person or entity obligated under a
24 lease, rental, or security agreement.

25 "Financial institution" means a bank, a licensee under the
26 Consumer Installment Loan Act, savings bank, savings and loan

1 association, or credit union organized and operating under the
2 laws of this or any other state or of the United States, and
3 any subsidiary or affiliate thereof.

4 "Legal owner" means a person holding (i) a security
5 interest in any collateral that is subject to a security
6 agreement, (ii) a lien against any collateral, or (iii) an
7 interest in any collateral that is subject to a lease or rental
8 agreement.

9 "Licensure" means the approval of the required criteria
10 that has been submitted for review in accordance with the
11 provisions of this Act.

12 "Licensed recovery manager" means a person who possesses a
13 valid license in accordance with the provisions of this Act
14 and is in control or management of an Illinois repossession
15 agency.

16 "Personal effects" means any property contained within or
17 on repossessed collateral, or property that is not permanently
18 affixed to the collateral, that is not the property of the
19 legal owner.

20 "Personal information" means information that is
21 associated with an owner, driver, or passenger of the
22 collateral and that is collected and stored by electronic
23 means or systems in or by the collateral during the course of
24 its use, including, but not limited to: (i) biometric
25 information, as defined by the Biometric Information Privacy
26 Act, contacts, addresses, telephone numbers, garage door

1 codes, map data, and digital subscriptions; (ii) information
2 that is deemed "sensitive personal information" by the Federal
3 Trade Commission, "personally identifiable information" under
4 federal law or the Personal Information Protection Act, or
5 "individually identifiable health information" under the
6 federal Health Insurance Portability and Accountability Act;
7 and (iii) information that a licensed repossession agency
8 reasonably believes would be deemed confidential or private by
9 the person who is associated with the information.

10 "Recovery permit" means a permit issued by the Commission
11 to a repossession agency employee who has met all the
12 requirements under this Act.

13 "Recovery ticket" means a serialized record obtained from
14 the Commission for any repossessed vehicle or collateral
15 evidencing that any person, business, financial institution,
16 automotive dealership, or repossession agency who shows a
17 recovery ticket has paid the recovery ticket fee to the
18 Commission.

19 "Remote storage location" means a secured storage facility
20 of a licensed repossession agency designated for the storage
21 of collateral that is a secure building or has a perimeter that
22 is secured with a fencing construction that makes the area not
23 accessible to the public. A remote storage location shall not
24 transact business with the public and shall provide evidence
25 of applicable insurance to the Commission that specifies the
26 licensed repossession agency as the primary policy holder. A

1 remote storage location shall be located in a commercially
2 zoned area physically located in Illinois.

3 "Repossession agency" means any person or entity
4 conducting business within the State of Illinois, that, for
5 any type of consideration, engages in the business of, accepts
6 employment to furnish, or agrees to provide or provides
7 property locating services, property recovery, recovered
8 property transportation, recovered property storage, or all
9 services relevant to any of the following:

10 (1) The location, disposition, or recovery of property
11 as authorized by the self-help provisions of the Uniform
12 Commercial Code.

13 (2) The location, disposition, or recovery of lost or
14 stolen property.

15 (3) Securing evidence concerning repossession and
16 recovery to be used before any court, board, office, or
17 investigating committee.

18 (4) Inventory of property contained in or on the
19 collateral or recovered property.

20 (5) The possession of collateral.

21 (6) The prevention of the misappropriation or
22 concealment of chattel, vehicles, goods, objects,
23 documents, or papers.

24 "Repossession agency" does not include any of the
25 following:

26 (1) An attorney at law who is performing his or her

1 duties as an attorney at law.

2 (2) The legal owner of collateral that is subject to a
3 security agreement.

4 (3) An officer or employee of the United States of
5 America or of this State or a political subdivision of
6 this State while the officer or employee is engaged in the
7 performance of his or her official duties.

8 (4) A qualified license or recovery permit holder when
9 performing services for, or on behalf of, a licensed
10 repossession agency.

11 (5) A collection agency licensed under the Collection
12 Agency Act when its activities are limited to assisting an
13 owner in the recovery of property that is not collateral,
14 as defined in this Act.

15 "Repossession agency employee" means any person or
16 self-employed independent contractor who is hired by a
17 repossession agency.

18 "Salvage auction" means a person or entity whose primary
19 business is the sale of motor vehicles for which insurance
20 companies have made payment of damages on total loss claims.

21 "Secured storage facility" means an area located on the
22 same premises as a repossession agency office or branch office
23 that is designated for the storage of collateral and is a
24 secure building or has a perimeter that is secured with a
25 fencing construction that makes the area not accessible to the
26 public. Each repossession agency office or branch office must

1 maintain a secured storage facility.

2 "Security agreement" means an obligation, pledge,
3 mortgage, chattel mortgage, lease agreement, rental agreement,
4 deposit, or lien, given by a debtor as security for payment or
5 performance of his or her debt by furnishing the creditor with
6 a recourse to be used in case of failure in the principal
7 obligation. "Security agreement" includes a bailment where an
8 employer-employee relationship exists or existed between the
9 bailor and the bailee.

10 (Source: P.A. 97-576, eff. 7-1-12; 97-708, eff. 7-1-12.)

11 (225 ILCS 422/110)

12 (Section scheduled to be repealed on January 1, 2027)

13 Sec. 110. Repossession of vehicles.

14 (a) With regard to collateral subject to a security
15 agreement, repossession occurs when the licensed repossession
16 agency employee gains entry into the collateral, the
17 collateral becomes connected to a tow vehicle, or the licensed
18 repossession agency employee has physical control, custody, or
19 possession of the collateral.

20 (b) The licensed repossession agency shall confirm with
21 the legal owner of a recovered vehicle whether the legal owner
22 holds a security interest in the personal effects or other
23 property contained in or on the recovered vehicle.

24 (c) If personal effects or other property not covered by a
25 security agreement are contained in or on a recovered vehicle

1 at the time it is recovered, then the personal effects and
2 other property not covered by a security agreement must be
3 completely and accurately inventoried, and a record of the
4 inventory shall be maintained on file with the licensed
5 repossession agency for a period of 2 years following the date
6 of repossession. The licensed repossession agency shall hold
7 all personal effects and other property not covered by a
8 security agreement until the licensed repossession agency
9 either returns the personal effects and other property to the
10 debtor or disposes of the personal effects and other property
11 in accordance with this Section.

12 (d) Within 5 working days following the date of
13 repossession, the licensed repossession agency shall give
14 written notification to the debtor of the whereabouts of
15 personal effects or other property inventoried. At least 45
16 days prior to disposing of such personal effects or other
17 property, the licensed repossession agency shall, by United
18 States Postal Service certified mail, notify the debtor of the
19 intent to dispose of the property. Should the debtor, or his or
20 her lawful designee, appear to retrieve the personal property
21 prior to the date on which the licensed repossession agency is
22 allowed to dispose of the property, the licensed repossession
23 agency shall surrender the personal property to that
24 individual upon payment of any reasonably incurred expenses
25 for inventory and storage.

26 (e) If personal property is not claimed within 45 days of

1 the notice of intent to dispose, then the licensed
2 repossession agency may dispose of the personal property at
3 its discretion, except that illegal items or contraband shall
4 be surrendered to a law enforcement agency, and the licensed
5 repossession agency shall retain a receipt or other proof of
6 surrender as part of the inventory, ~~and~~ disposal records, and
7 recordkeeping it maintains. The inventory of the personal
8 property and the records regarding any disposal of personal
9 property shall be maintained for a period of 2 years in the
10 permanent records of the licensed repossession agency and
11 shall be made available upon request to the Commission.

12 (f) If a licensed repossession agency has cause to believe
13 that a vehicle that serves as collateral collects or stores
14 personal information, as defined under Section 10, then, as
15 soon as practicable upon repossession of the vehicle and prior
16 to the release of the vehicle from the possession of the
17 licensed repossession agency, the licensed repossession agency
18 shall clear, erase, delete, or otherwise eliminate the
19 personal information collected or stored in or by the vehicle
20 by utilizing a standardized electronic solution that has been
21 approved by the American Recovery Association.

22 (Source: P.A. 97-576, eff. 7-1-12.)