

AN ACT concerning regulation.

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

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

(5 ILCS 80/4.37)

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 Acts and Articles repealed on January 1, 2027.

The following are repealed on January 1, 2027:

The Clinical Psychologist Licensing Act.

The Illinois Optometric Practice Act of 1987.

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

The Boiler and Pressure Vessel Repairer Regulation Act.

The Marriage and Family Therapy Licensing Act.

The Boxing and Full-contact Martial Arts Act.

The Cemetery Oversight Act.

The Community Association Manager Licensing and  
Disciplinary Act.

The Detection of Deception Examiners Act.

The Home Inspector License Act.

The Massage Licensing Act.

The Medical Practice Act of 1987.

The Petroleum Equipment Contractors Licensing Act.

The Radiation Protection Act of 1990.

The Real Estate Appraiser Licensing Act of 2002.

The Registered Interior Designers Act.

The Landscape Architecture Registration Act.

The Water Well and Pump Installation Contractor's License Act.

~~The Collateral Recovery Act.~~

The Licensed Certified Professional Midwife Practice Act.

(Source: P.A. 102-20, eff. 6-25-21; 102-284, eff. 8-6-21; 102-437, eff. 8-20-21; 102-656, eff. 8-27-21; 102-683, eff. 10-1-22; 102-813, eff. 5-13-22.)

(5 ILCS 80/4.42 new)

Sec. 4.42. Acts repealed on January 1, 2032. The following Acts are repealed on January 1, 2032:

The Collateral Recovery Act.

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

(225 ILCS 422/5)

(Section scheduled to be repealed on January 1, 2027)

Sec. 5. Findings; purpose.

(a) The General Assembly finds: (i) due to advancements in technology, personal information associated with consumers is increasingly collected and stored on motor vehicles that

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

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

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

(225 ILCS 422/10)

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

Sec. 10. Definitions. In this Act:

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

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

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

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

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

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

"Commission" means the Illinois Commerce Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) The possession of collateral.

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

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

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

duties as an attorney at law.

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

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

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

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

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

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

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



maintain a secured storage facility.

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

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

(225 ILCS 422/110)

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

Sec. 110. Repossession of vehicles.

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

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

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

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

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

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

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

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

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