



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5779

by Rep. Tim Butler

SYNOPSIS AS INTRODUCED:

See Index

Creates the COVID-19 Emergency Rental Assistance Program Act. Establishes the COVID-19 Emergency Rental Assistance Program (program) to be administered by the Executive Director (Director) of the Illinois Housing Development Authority (IHDA). Permits the Director to direct an existing office or program within IHDA to implement the Act and to contract with one or more private entities to accelerate implementation of the Act. Provides that a household shall be eligible for rental assistance under the program if: (1) the household demonstrates an inability to pay rent between April 1, 2020 and October 31, 2020 due to COVID-19 or a State, local, or federal response to the COVID-19 pandemic; and (2) the owner of the dwelling unit rented by the household agrees to participate in the program. Requires IHDA to develop: (i) a process to confirm whether a household demonstrates an inability to pay rent; and (ii) a process to obtain the owner's consent to participate in the program after confirming a household's inability to pay rent. Provides that an owner who participates in the program shall: (a) not increase the gross rental rate for the dwelling unit between the date the owner consents to participate in the program and December 31, 2020; (b) not charge or attempt to collect a late fee for any rent payment due between April 1, 2020 and October 31, 2020; and (c) accept the payment provided under the program as full payment of the missed or insufficient rent payments for which the program provides assistance. Provides that each payment made under the program shall equal at least 80% of the amount of rent owed by a household; and that rental assistance shall cover no more than 7 months of a household's unpaid rent. Amends the State Finance Act. Creates the COVID-19 Emergency Rental Assistance Program for the purposes of the Act. Effective immediately.

LRB101 21378 KTG 72006 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning housing.

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

4 Section 1. Short title. This Act may be cited as the
5 COVID-19 Emergency Rental Assistance Program Act.

6 Section 5. Findings and intent.

7 (a) The General Assembly finds the following:

8 (1) The novel coronavirus (COVID-19) pandemic has
9 upended the lives of millions of Illinois residents.

10 (2) The United States Congress has enacted several
11 relief packages to address the economic fallout of the
12 pandemic, but most Illinois residents who rent their homes
13 still need help.

14 (b) It is the intent of the General Assembly to create a
15 temporary rental assistance program that provides rental
16 payments directly to rental housing providers to cover at least
17 80% of unpaid rent owed by tenants who could not pay rent
18 because of the COVID-19 pandemic.

19 Section 10. Definitions. As used in this Act:

20 "Department" means the Illinois Housing Development
21 Authority.

22 "Director" means the Executive Director of the Illinois

1 Housing Development Authority.

2 "Dwelling unit" means a structure or the part of a
3 structure that is used as a home, residence, or sleeping place
4 by one person who maintains a household or by 2 or more persons
5 who maintain a common household. "Dwelling unit" does not
6 include transient occupancy in a hotel, motel, or other similar
7 facility.

8 "Household" means the individual or individuals occupying
9 a dwelling unit rented by the owner.

10 "Owner" means any person, acting as principal or through an
11 agent, having the right to offer residential real property for
12 rent, and includes a predecessor in interest to the owner,
13 except that this term does not include the owner or operator of
14 a mobile home park, or the owner of a mobile home or his or her
15 agent.

16 "Program" means the COVID-19 Emergency Rental Assistance
17 Program.

18 Section 15. COVID-19 Emergency Rental Assistance Program.

19 (a) There is hereby established the COVID-19 Emergency
20 Rental Assistance Program, which shall be administered by the
21 Director in accordance with this Act.

22 (b) The Director may, as deemed necessary, direct an
23 existing office or program within the Department to implement
24 this Act and may contract with one or more private entities in
25 order to accelerate the implementation of this Act.

1 Section 20. Eligibility. A household shall be eligible for
2 rental assistance under the program if both of the following
3 criteria are satisfied:

4 (1) The household demonstrates, in a manner deemed
5 acceptable by the Director, an inability to pay rent due to
6 COVID-19 or a State, local, or federal response to the
7 COVID-19 pandemic. For purposes of this paragraph,
8 "inability to pay rent" shall include the inability to pay
9 all or any part of the household's rent due between April
10 1, 2020 and October 31, 2020.

11 (2) (A) The owner of the dwelling unit rented by the
12 household agrees to participate in the program under
13 Section 25 of this Act.

14 (B) Nothing in this paragraph or any other provision of
15 law shall be construed to require an owner to participate
16 in the program.

17 Section 25. Participation by owner.

18 (a) The Department shall develop and the program shall
19 include a process to confirm whether a household demonstrates
20 an inability to pay rent under paragraph (1) of Section 20.

21 (b) The Department shall develop a process to obtain the
22 owner's consent to participate in the program after the
23 Department confirms a household's inability to pay rent.

24 (c) An owner who consents to participate in the program

1 shall be subject to all of the following:

2 (1) The owner shall not increase the gross rental rate
3 for the dwelling unit of the household between the date the
4 owner consents to participate in the program and December
5 31, 2020.

6 (2) The owner shall not charge or attempt to collect a
7 late fee for any rent payment due between April 1, 2020 and
8 October 31, 2020.

9 (3) The owner shall accept the payment provided in
10 accordance with Section 30, or existing funds from a city,
11 county, or city and county, as full payment of the missed
12 or insufficient rent payments for which the program
13 provides assistance. This paragraph shall not be construed
14 as a change to the gross rental rate for the dwelling unit.

15 Section 30. Payments.

16 (a) Each payment to an owner under the program shall equal
17 at least 80% of the amount of rent owed by the household to the
18 owner.

19 (b) The rental assistance provided by the program shall
20 cover no more than 7 months of a household's missed or
21 insufficient rent payments.

22 Section 35. Fund. The COVID-19 Emergency Rental Assistance
23 Fund is created as a special fund in the State treasury.
24 Subject to appropriation, all moneys in the fund shall be

1 distributed to the Department to carry out the purposes of this
2 Act. Any repayments, interest, or new appropriations shall be
3 deposited into the fund. Moneys in the fund shall not be
4 subject to transfer to the General Revenue Fund or to any other
5 fund. Federal funds made available to the states as a result of
6 the COVID-19 pandemic may be deposited into the fund. It is the
7 intent of the General Assembly to prioritize the use of
8 available federal funds before using General Revenue funds.

9 Section 40. The State Finance Act is amended by adding
10 Section 5.930 as follows:

11 (30 ILCS 105/5.930 new)

12 Sec. 5.930. The COVID-19 Emergency Rental Assistance Fund.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.

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Statutes amended in order of appearance

3

New Act

4

30 ILCS 105/5.930 new