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HOUSE PASSES BILL TO PREVENT ILLINOIS DRIVERS FROM PAYING FOR TRADE-INS AFTER DEALERS SHUT DOWN

Legislation Backed By Attorney General Madigan, Rep. Marlow Colvin Heads to Senate

Springfield — Attorney General Lisa Madigan today announced House lawmakers passed legislation to create a statewide trust fund paid into by Illinois auto dealers to protect consumers from bearing the cost of traded-in vehicles when a dealership closes down.

House members voted 91-19 to send to the Senate HB 880, a measure aimed at preventing the hardship many Illinois car owners have faced when some dealerships have closed across the state.

"This bill would create a trust fund to ensure that when a dealership closes a financial burden does not fall to the consumer, who we have seen time and again get stuck with the cost of both their trade-in and their new vehicle," said Attorney General Madigan.

Madigan said the bill she crafted with state Rep. Marlow Colvin (D-Chicago) and Illinois auto dealers would require dealers pay \$500 annually into the Dealer Recovery Trust Fund to pay off trade-ins when a dealership closes.

"I applaud my fellow House members for their support of this important consumer protection measure," said Rep. Colvin, House sponsor of the legislation. "This bill would ensure dealerships in Illinois share in the responsibility in making sure the cost of a traded-in vehicle does not shift to the consumer in the event a fellow dealership has to shut its doors."

Attorney General Madigan said at least 60 Illinois dealerships have closed and failed to pay off traded-in vehicles since 2000. Madigan's office has heard from dozens of consumers faced with the costs of traded-in vehicles after a dealership closed. Vehicle lien holders have sought payments from consumers and instituted collections against the consumer, risking damage to their credit and court judgments entered against them.

The bill will be sponsored in the Senate by Sen. Dan Kotowski (D-Park Ridge).

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