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Illinois Legislature Contemplating Post Executive Order Action for Real Estate Matters

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Given the changes we see on a daily basis to various States' relaxing of Executive Orders, legislatures are thinking about what happens after the current Executive Orders expire or are modified, especially when it comes to housing matters, small business tenants, delinquencies on rent payments, etc. In response, the Illinois legislature is now contemplating various additional tenant (and landlord) protection measures as part of House Bill 5574 entitled "COVID-19 Emergency and Economic Recovery Renter and Homeowner Protection Act."

The bill is based upon the contemplated long-term effects of the COVID-19 crisis and to prevent housing (and small business) displacement during the recovery period. Further, the recitals of the bill state that "unpaid rent, late fees and court cost are currently accruing against residential and commercial tenants and will be demanded by landlords after the expiration of the emergency period" and so the marketplace is complicated right now. The legislature is also contemplating protecting residential, as well as "small business commercial" tenants which appear to be those businesses that are not part of a multinational corporation, have less than 25 employees and the average income per employee is \$50,000 or less. The bill contemplates a moratorium on residential and small business evictions for a certain period of time (contemplated at 180 days right now). Foreclosures are also subject to a moratorium under the bill. There is even a proposal to assist some residential landlords with relief from the Illinois Housing Development Authority where some of their tenants may have a portion of rent canceled under a residential lease if they suffered a defined COVID-19 hardship.

We will have to see what final action the Illinois legislature takes on the matter. "Political pundits" believe some action will be taken. We can expect the result will be complex and multi-faceted. Stay tuned for further updates.