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09400HB5260ham001

LRB094 16231 RSP 55531 a

1 AMENDMENT TO HOUSE BILL 5260

2 AMENDMENT NO. _____. Amend House Bill 5260 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Prompt Payment Act is amended by
5 changing Section 3-2 as follows:

6 (30 ILCS 540/3-2) (from Ch. 127, par. 132.403-2)

7 Sec. 3-2. Beginning July 1, 1993, in any instance where a
8 State official or agency is late in payment of a vendor's bill
9 or invoice for goods or services furnished to the State, as
10 defined in Section 1, properly approved in accordance with
11 rules promulgated under Section 3-3, the State official or
12 agency shall pay interest to the vendor in accordance with the
13 following:

14 (1) Any bill approved for payment under this Section
15 must be paid or the payment issued to the payee within 60
16 days of receipt of a proper bill or invoice. If payment is
17 not issued to the payee within this 60 day period, an
18 interest penalty of 1.0% of any amount approved and unpaid
19 shall be added for each month or fraction thereof after the
20 end of this 60 day period, until final payment is made.

21 (1.1) A State agency shall review in a timely manner
22 each bill or invoice after its receipt. If the State agency
23 determines that the bill or invoice contains a defect
24 making it unable to process the payment request, the agency

1 shall notify the vendor requesting payment as soon as
2 possible after discovering the defect pursuant to rules
3 promulgated under Section 3-3; provided, however, that the
4 notice for construction related bills or invoices must be
5 given not later than 30 days after the bill or invoice was
6 first submitted or not later than 30 days after the receipt
7 of the goods or services, whichever is later. The notice
8 shall identify the defect and any additional information
9 necessary to correct the defect.

10 (2) Where a State official or agency is late in payment
11 of a vendor's bill or invoice properly approved in
12 accordance with this Act, and different late payment terms
13 are not reduced to writing as a contractual agreement, the
14 State official or agency shall automatically pay interest
15 penalties required by this Section amounting to \$50 or more
16 to the appropriate vendor. Each agency shall be responsible
17 for determining whether an interest penalty is owed and for
18 paying the interest to the vendor. For interest of at least
19 \$5 but less than \$50, the vendor must initiate a written
20 request for the interest penalty when such interest is due
21 and payable. The Department of Central Management Services
22 and the State Comptroller shall jointly promulgate rules
23 establishing the conditions under which interest of less
24 than \$5 may be claimed and paid. In the event an individual
25 has paid a vendor for services in advance, the provisions
26 of this Section shall apply until payment is made to that
27 individual.

28 (Source: P.A. 92-384, eff. 7-1-02.)".