

1 AN ACT concerning finance.

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

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 (Text of Section before amendment by P.A. 94-972)

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

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

1 of the Illinois Public Aid Code approved for payment under  
2 this Section must be paid or the payment issued to the  
3 payee within 30 days of receipt of a proper bill or  
4 invoice, and, if payment is not issued to the payee within  
5 this 30-day period, an interest penalty of 2.0% of any  
6 amount approved and unpaid shall be added for each month or  
7 fraction thereof after the end of this 30-day period, until  
8 final payment is made.

9 (1.1) A State agency shall review in a timely manner  
10 each bill or invoice after its receipt. If the State agency  
11 determines that the bill or invoice contains a defect  
12 making it unable to process the payment request, the agency  
13 shall notify the vendor requesting payment as soon as  
14 possible after discovering the defect pursuant to rules  
15 promulgated under Section 3-3. The notice shall identify  
16 the defect and any additional information necessary to  
17 correct the defect.

18 (2) Where a State official or agency is late in payment  
19 of a vendor's bill or invoice properly approved in  
20 accordance with this Act, and different late payment terms  
21 are not reduced to writing as a contractual agreement, the  
22 State official or agency shall automatically pay interest  
23 penalties required by this Section amounting to \$50 or more  
24 to the appropriate vendor. Each agency shall be responsible  
25 for determining whether an interest penalty is owed and for  
26 paying the interest to the vendor. For interest of at least

1           \$5 but less than \$50, the vendor must initiate a written  
2           request for the interest penalty when such interest is due  
3           and payable. The Department of Central Management Services  
4           and the State Comptroller shall jointly promulgate rules  
5           establishing the conditions under which interest of less  
6           than \$5 may be claimed and paid. In the event an individual  
7           has paid a vendor for services in advance, the provisions  
8           of this Section shall apply until payment is made to that  
9           individual.

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

11           (Text of Section after amendment by P.A. 94-972)

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

19                   (1) Any bill, except a bill submitted under Article V  
20                   of the Illinois Public Aid Code, approved for payment under  
21                   this Section must be paid or the payment issued to the  
22                   payee within 60 days of receipt of a proper bill or  
23                   invoice. If payment is not issued to the payee within this  
24                   60 day period, an interest penalty of 1.0% of any amount  
25                   approved and unpaid shall be added for each month or

1 fraction thereof after the end of this 60 day period, until  
2 final payment is made. Any bill submitted under Article V  
3 of the Illinois Public Aid Code approved for payment under  
4 this Section must be paid or the payment issued to the  
5 payee within 30 days of receipt of a proper bill or  
6 invoice, and, if payment is not issued to the payee within  
7 this 30-day period, an interest penalty of 2.0% of any  
8 amount approved and unpaid shall be added for each month or  
9 fraction thereof after the end of this 30-day period, until  
10 final payment is made.

11 (1.1) A State agency shall review in a timely manner  
12 each bill or invoice after its receipt. If the State agency  
13 determines that the bill or invoice contains a defect  
14 making it unable to process the payment request, the agency  
15 shall notify the vendor requesting payment as soon as  
16 possible after discovering the defect pursuant to rules  
17 promulgated under Section 3-3; provided, however, that the  
18 notice for construction related bills or invoices must be  
19 given not later than 30 days after the bill or invoice was  
20 first submitted. The notice shall identify the defect and  
21 any additional information necessary to correct the  
22 defect. If one or more items on a construction related bill  
23 or invoice are disapproved, but not the entire bill or  
24 invoice, then the portion that is not disapproved shall be  
25 paid.

26 (2) Where a State official or agency is late in payment

1 of a vendor's bill or invoice properly approved in  
2 accordance with this Act, and different late payment terms  
3 are not reduced to writing as a contractual agreement, the  
4 State official or agency shall automatically pay interest  
5 penalties required by this Section amounting to \$50 or more  
6 to the appropriate vendor. Each agency shall be responsible  
7 for determining whether an interest penalty is owed and for  
8 paying the interest to the vendor. For interest of at least  
9 \$5 but less than \$50, the vendor must initiate a written  
10 request for the interest penalty when such interest is due  
11 and payable. The Department of Central Management Services  
12 and the State Comptroller shall jointly promulgate rules  
13 establishing the conditions under which interest of less  
14 than \$5 may be claimed and paid. In the event an individual  
15 has paid a vendor for services in advance, the provisions  
16 of this Section shall apply until payment is made to that  
17 individual.

18 (Source: P.A. 94-972, eff. 7-1-07.)

19 Section 95. No acceleration or delay. Where this Act makes  
20 changes in a statute that is represented in this Act by text  
21 that is not yet or no longer in effect (for example, a Section  
22 represented by multiple versions), the use of that text does  
23 not accelerate or delay the taking effect of (i) the changes  
24 made by this Act or (ii) provisions derived from any other  
25 Public Act.