

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 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

1 making it unable to process the payment request, the agency
2 shall notify the vendor requesting payment as soon as
3 possible after discovering the defect pursuant to rules
4 promulgated under Section 3-3; provided, however, that the
5 notice for construction related bills or invoices must be
6 given not later than 30 days after the bill or invoice was
7 first submitted. The notice shall identify the defect and
8 any additional information necessary to correct the
9 defect. If one or more items on a construction related bill
10 or invoice are disapproved, but not the entire bill or
11 invoice, then the portion that is not disapproved shall be
12 paid.

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

1 ~~than \$5 may be claimed and paid.~~ In the event an individual
2 has paid a vendor for services in advance, the provisions
3 of this Section shall apply until payment is made to that
4 individual.

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

6 Section 99. Effective date. This Act takes effect July 1,
7 2009.