



Sen. Dan Kotowski

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1 AMENDMENT TO HOUSE BILL 2263

2 AMENDMENT NO. _____. Amend House Bill 2263, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Uncollected State Claims Act is amended by
6 changing Section 2.1 as follows:

7 (30 ILCS 205/2.1)

8 Sec. 2.1. Sale of debts certified as uncollectible.

9 (a) Except as otherwise provided in this Section, after
10 ~~After~~ accounts have been certified by the Attorney General, or
11 the State agency for accounts of less than \$1,000, as
12 uncollectible pursuant to this Act, the Department of Revenue
13 may sell the debts to one or more outside private vendors.
14 Sales shall be conducted under rules adopted by the Department
15 of Revenue using a request for proposals procedure similar to
16 that procedure under the Illinois Procurement Code. The outside

1 private vendors shall remit to the Department of Revenue the
2 purchase price for debts sold under this Section. The
3 Department of Revenue shall deposit the money received under
4 this Section into the General Revenue Fund. The State
5 Comptroller shall provide the Department of Revenue with any
6 information that the Department requests for the purpose of
7 administering this Section. This Section does not apply to any
8 tax debt owing to the Department of Revenue.

9 (b) Debts owing to an Illinois public university, as
10 defined in Section 10 of the Illinois Prepaid Tuition Act (110
11 ILCS 979/10), may be sold only by the university. Sales under
12 this subsection shall be conducted using a request for
13 proposals procedure similar to the procedure established under
14 the Illinois Procurement Code. Any amounts remitted to a
15 university under this subsection shall be retained by the
16 university.

17 (c) Debts owing to the Illinois Department of
18 Transportation may be sold only by the Illinois Department of
19 Transportation. Sales under this subsection shall be conducted
20 using a request for proposals procedure similar to the
21 procedure established under the Illinois Procurement Code. Any
22 amounts remitted to the Department of Transportation under this
23 subsection shall be deposited in the Road Fund.

24 (d) This Section does not apply to child support debts
25 enforced by the Department of Healthcare and Family Services
26 pursuant to Title IV-D of the federal Social Security Act and

1 Article X of the Illinois Public Aid Code.

2 (e) This Section does not apply to debts enforced by the
3 Department of Employment Security and owed to any federal
4 account, including but not limited to the Unemployment Trust
5 Fund and penalties and interest assessed under the Unemployment
6 Insurance Act.

7 (f) A debt may not be sold under this Section if the sale
8 of that debt would violate any federal law or federal
9 regulation.

10 (Source: P.A. 96-1435, eff. 8-16-10.)

11 Section 10. The Illinois State Collection Act of 1986 is
12 amended by changing Sections 10.1 and 10.2 as follows:

13 (30 ILCS 210/10.1)

14 Sec. 10.1 ~~9~~. Collection agency fees. Except where
15 prohibited by federal law or regulation, in the case of any
16 liability referred to a collection agency on or after July 1,
17 2010, any fee charged to the State by the collection agency (i)
18 may not exceed 25% for a first placement of the underlying
19 liability referred to the collection agency unless the
20 liability is for a tax debt, (ii) is considered an additional
21 liability owed to the State, (iii) is immediately subject to
22 all collection procedures applicable to the liability referred
23 to the collection agency, and (iv) must be separately stated in
24 any statement or notice of the liability issued by the

1 collection agency to the debtor. The fee limitations of this
2 Section do not apply to a second, third, or subsequent
3 placement or to litigation activities.

4 (Source: P.A. 96-1383, eff. 1-1-11; revised 9-7-10.)

5 (30 ILCS 210/10.2)

6 Sec. 10.2 ~~9~~. Deferral and compromise of past due debt.

7 (a) In this Section, "past due debt" means any debt owed to
8 the State that has been outstanding for more than 12 months.
9 "Past due debt" does not include any debt if any of the actions
10 required under this Section would violate federal law or
11 regulation.

12 (a-5) This Section does not apply to child support debts
13 enforced by the Department of Healthcare and Family Services
14 pursuant to Title IV-D of the federal Social Security Act and
15 Article X of the Illinois Public Aid Code.

16 (a-10) This Section does not apply to debts enforced by the
17 Department of Employment Security and owed to any federal
18 account, including but not limited to the Unemployment Trust
19 Fund and penalties and interest assessed under the Unemployment
20 Insurance Act.

21 (b) State agencies may enter into a deferred payment plan
22 for the purpose of satisfying a past due debt. The deferred
23 payment plan must meet the following requirements:

24 (1) The term of the deferred payment plan may not
25 exceed 2 years.

1 (2) The first payment of the deferred payment plan must
2 be at least 10% of the total amount due.

3 (3) All subsequent monthly payments for the deferred
4 payment plan must be assessed as equal monthly principal
5 payments, together with interest.

6 (4) The deferred payment plan must include interest at
7 a rate that is the same as the interest required under the
8 State Prompt Payment Act.

9 (5) The deferred payment plan must be approved by the
10 Secretary or Director of the State agency.

11 (b-5) The requirements of subsection (b) do not apply to a
12 deferred payment plan entered into by any Illinois public
13 university, as defined in Section 10 of the Illinois Prepaid
14 Tuition Act.

15 (c) State agencies may compromise past due debts. Any
16 action taken by a State agency to compromise a past due debt
17 must meet the following requirements:

18 (1) The amount of the compromised debt shall be no less
19 than 80% of the principal amount ~~total~~ of the past due
20 debt.

21 (2) Once a past due debt has been compromised, the
22 debtor must remit to the State agency the total amount of
23 the compromised debt. However, the State agency may collect
24 the compromised debt through a payment plan not to exceed 6
25 months. If the State agency accepts the compromised debt
26 through a payment plan, then the compromised debt shall be

1 subject to the same rate of interest as required under the
2 State Prompt Payment Act.

3 (3) Before a State agency accepts a compromised debt,
4 the amount of the compromised debt must be approved by the
5 Secretary or Director of the State agency ~~Department of~~
6 ~~Revenue~~.

7 (c-5) Illinois public universities, as defined in Section
8 10 of the Illinois Prepaid Tuition Act, may compromise past due
9 debt without regard to the requirements set forth in subsection
10 (c).

11 (d) State agencies may sell a past due debt to one or more
12 outside private vendors. Sales shall be conducted under rules
13 adopted by the Department of Revenue using a request for
14 proposals procedure similar to that procedure under the
15 Illinois Procurement Code. The outside private vendors shall
16 remit to the State agency the purchase price for debts sold
17 under this subsection.

18 (e) The State agency shall deposit all amounts received
19 under this Section into the General Revenue Fund, except that
20 amounts received by any Illinois public university, as defined
21 in Section 10 of the Illinois Prepaid Tuition Act, shall be
22 retained by the university, and amounts received by the
23 Department of Transportation shall be deposited into the Road
24 Fund..

25 (f) This Section does not apply to any tax debt owing to
26 the Department of Revenue.

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3 (Source: P.A. 96-1435, eff. 8-16-10; revised 9-7-10.)".