

AN ACT concerning government.

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

Section 5. The State Comptroller Act is amended by changing Sections 10.05 and 10.05d as follows:

(15 ILCS 405/10.05) (from Ch. 15, par. 210.05)

Sec. 10.05. Deductions from warrants; statement of reason for deduction. Whenever any person shall be entitled to a warrant or other payment from the treasury or other funds held by the State Treasurer, on any account, against whom there shall be any then due and payable account or claim in favor of the State, the United States upon certification by the Secretary of the Treasury of the United States, or his or her delegate, pursuant to a reciprocal offset agreement under subsection (i-1) of Section 10 of the Illinois State Collection Act of 1986, or a unit of local government, a school district, ~~or~~ a public institution of higher education, as defined in Section 1 of the Board of Higher Education Act, or the clerk of a circuit court, upon certification by that entity, the Comptroller, upon notification thereof, shall ascertain the amount due and payable to the State, the United States, the unit of local government, the school district, ~~or~~ the public institution of higher education, or the clerk of the circuit

court, as aforesaid, and draw a warrant on the treasury or on other funds held by the State Treasurer, stating the amount for which the party was entitled to a warrant or other payment, the amount deducted therefrom, and on what account, and directing the payment of the balance; which warrant or payment as so drawn shall be entered on the books of the Treasurer, and such balance only shall be paid. The Comptroller may deduct any one or more of the following: (i) the entire amount due and payable to the State or a portion of the amount due and payable to the State in accordance with the request of the notifying agency; (ii) the entire amount due and payable to the United States or a portion of the amount due and payable to the United States in accordance with a reciprocal offset agreement under subsection (i-1) of Section 10 of the Illinois State Collection Act of 1986; or (iii) the entire amount due and payable to the unit of local government, school district, ~~or~~ public institution of higher education, or clerk of the circuit court, or a portion of the amount due and payable to that entity, in accordance with an intergovernmental agreement authorized under this Section and Section 10.05d. No request from a notifying agency, the Secretary of the Treasury of the United States, a unit of local government, a school district, ~~or~~ a public institution of higher education, or the clerk of a circuit court for an amount to be deducted under this Section from a wage or salary payment, or from a contractual payment to an individual for personal services, shall exceed 25% of the net amount of such

payment. "Net amount" means that part of the earnings of an individual remaining after deduction of any amounts required by law to be withheld. For purposes of this provision, wage, salary or other payments for personal services shall not include final compensation payments for the value of accrued vacation, overtime or sick leave. Whenever the Comptroller draws a warrant or makes a payment involving a deduction ordered under this Section, the Comptroller shall notify the payee and the State agency that submitted the voucher of the reason for the deduction and he or she shall retain a record of such statement in his or her records. As used in this Section, an "account or claim in favor of the State" includes all amounts owing to "State agencies" as defined in Section 7 of this Act. However, the Comptroller shall not be required to accept accounts or claims owing to funds not held by the State Treasurer, where such accounts or claims do not exceed \$50, nor shall the Comptroller deduct from funds held by the State Treasurer under the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act or for payments to institutions from the Illinois Prepaid Tuition Trust Fund (unless the Trust Fund moneys are used for child support). The Comptroller and the Department of Revenue shall enter into an interagency agreement to establish responsibilities, duties, and procedures relating to deductions from lottery prizes awarded under Section 20.1 of the Illinois Lottery Law. The Comptroller may enter into an

intergovernmental agreement with the Department of Revenue and the Secretary of the Treasury of the United States, or his or her delegate, to establish responsibilities, duties, and procedures relating to reciprocal offset of delinquent State and federal obligations pursuant to subsection (i-1) of Section 10 of the Illinois State Collection Act of 1986. The Comptroller may enter into intergovernmental agreements with any unit of local government, school district, ~~or~~ public institution of higher education, or clerk of a circuit court to establish responsibilities, duties, and procedures to provide for the offset, by the Comptroller, of obligations owed to those entities.

For the purposes of this Section, "clerk of a circuit court" means the clerk of a circuit court in any county in the State.

(Source: P.A. 97-269, eff. 12-16-11 (see Section 15 of P.A. 97-632 for the effective date of changes made by P.A. 97-269); 97-632, eff. 12-16-11.)

(15 ILCS 405/10.05d)

Sec. 10.05d. Deductions for delinquent obligations owed to units of local government, school districts, ~~and~~ public institutions of higher education, and clerks of the circuit courts. Pursuant to Section 10.05 and this Section, the Comptroller may enter into intergovernmental agreements with a unit of local government, a school district, ~~or~~ a public

institution of higher education, or the clerk of a circuit court, in order to provide for (i) the use of the Comptroller's offset system to collect delinquent obligations owed to that entity and (ii) the payment to the Comptroller of a processing charge of up to \$15 per transaction for such offsets. The Comptroller shall deduct, from a warrant or other payment described in Section 10.05, in accordance with the procedures provided therein, its processing charge and the amount certified as necessary to satisfy, in whole or in part, the delinquent obligation owed to the unit of local government, school district, ~~or~~ public institution of higher education, or clerk of the circuit court, as applicable. The Comptroller shall provide the unit of local government, school district, ~~or~~ public institution of higher education, or clerk of the circuit court, as applicable, with the address to which the warrant or other payment was to be mailed and any other information pertaining to each person from whom a deduction is made pursuant to this Section. All deductions ordered under this Section and processing charges imposed under this Section shall be deposited into the Comptroller Debt Recovery Trust Fund, a special fund that the Comptroller shall use for the collection of deductions and processing charges, as provided by law, and the payment of deductions and administrative expenses, as provided by law.

Upon processing a deduction, the Comptroller shall give written notice to the person subject to the offset. The notice

shall inform the person that he or she may make a written protest to the Comptroller within 60 days after the Comptroller has given notice. The protest shall include the reason for contesting the deduction and any other information that will enable the Comptroller to determine the amount due and payable. The intergovernmental agreement entered into under Section 10.05 and this Section shall establish procedures through which the Comptroller shall determine the validity of the protest and shall make a final disposition concerning the deduction. If the person subject to the offset has not made a written protest within 60 days after the Comptroller has given notice or if a final disposition is made concerning the deduction, the Comptroller shall pay the deduction to the unit of local government, school district, ~~or~~ public institution of higher education, or clerk of the circuit court, as applicable, from the Comptroller Debt Recovery Trust Fund.

For the purposes of this Section, "clerk of a circuit court" means a clerk of the circuit court in any county in the State.

(Source: P.A. 97-632, eff. 12-16-11.)

Section 99. Effective date. This Act takes effect upon becoming law.