



Rep. David McSweeney

Filed: 3/21/2018

10000HB5814ham001

LRB100 17197 RJF 36569 a

1 AMENDMENT TO HOUSE BILL 5814

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5814 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971  
5 is amended by changing Section 6.12 as follows:

6 (5 ILCS 375/6.12)

7 Sec. 6.12. Payment for services.

8 (a) The program of health benefits is subject to the  
9 provisions of Sections 368a and 370a of the Illinois Insurance  
10 Code, provided that, if a covered member or covered dependent  
11 assigns payments to a health care professional for covered  
12 services, then the health care professional shall only collect  
13 at point of service from that person the estimated amount not  
14 expected to be paid by the plan.

15 (b) Any interest penalty that may be payable by a State  
16 agency under this Act, as provided under Sections 368a and 370a

1 of the Illinois Insurance Code, shall be paid from a separate  
2 appropriation from each fund for such purpose and for each  
3 appropriated agency.

4 (Source: P.A. 97-1086, eff. 8-24-12.)

5 Section 10. The State Budget Law of the Civil  
6 Administrative Code of Illinois is amended by changing Section  
7 50-10 as follows:

8 (15 ILCS 20/50-10) (was 15 ILCS 20/38.1)

9 Sec. 50-10. Budget contents. The budget shall be submitted  
10 by the Governor with line item and program data. The budget  
11 shall also contain performance data presenting an estimate for  
12 the current fiscal year, projections for the budget year, and  
13 information for the 3 prior fiscal years comparing department  
14 objectives with actual accomplishments, formulated according  
15 to the various functions and activities, and, wherever the  
16 nature of the work admits, according to the work units, for  
17 which the respective departments, offices, and institutions of  
18 the State government (including the elective officers in the  
19 executive department and including the University of Illinois  
20 and the judicial department) are responsible.

21 For the fiscal year beginning July 1, 1992 and for each  
22 fiscal year thereafter, the budget shall include the  
23 performance measures of each department's accountability  
24 report.

1           For the fiscal year beginning July 1, 1997 and for each  
2 fiscal year thereafter, the budget shall include one or more  
3 line items appropriating moneys to the Department of Human  
4 Services to fund participation in the Home-Based Support  
5 Services Program for Adults with Mental Disabilities under the  
6 Developmental Disability and Mental Disability Services Act by  
7 persons described in Section 2-17 of that Act.

8           For the fiscal year beginning July 1, 2018, and for each  
9 fiscal year thereafter, the budget shall include a separate  
10 line item request appropriating moneys to each State agency  
11 for: (1) estimated costs for each fund under the State Prompt  
12 Payment Act; and (2) estimated costs for each fund under  
13 Sections 368a and 370a of the Illinois Insurance Code.

14           The budget shall contain a capital development section in  
15 which the Governor will present (1) information on the capital  
16 projects and capital programs for which appropriations are  
17 requested, (2) the capital spending plans, which shall document  
18 the first and subsequent years cash requirements by fund for  
19 the proposed bonded program, and (3) a statement that shall  
20 identify by year the principal and interest costs until  
21 retirement of the State's general obligation debt. In addition,  
22 the principal and interest costs of the budget year program  
23 shall be presented separately, to indicate the marginal cost of  
24 principal and interest payments necessary to retire the  
25 additional bonds needed to finance the budget year's capital  
26 program. In 2004 only, the capital development section of the

1 State budget shall be submitted by the Governor not later than  
2 the fourth Tuesday of March (March 23, 2004).

3 The budget shall contain a section indicating whether there  
4 is a projected budget surplus or a projected budget deficit for  
5 general funds in the current fiscal year, or whether the  
6 current fiscal year's general funds budget is projected to be  
7 balanced, based on estimates prepared by the Governor's Office  
8 of Management and Budget using actual figures available on the  
9 date the budget is submitted. That section shall present this  
10 information in both a numerical table format and by way of a  
11 narrative description, and shall include information for the  
12 proposed upcoming fiscal year, the current fiscal year, and the  
13 2 years prior to the current fiscal year. These estimates must  
14 specifically and separately identify any non-recurring  
15 revenues, including, but not limited to, borrowed money, money  
16 derived by borrowing or transferring from other funds, or any  
17 non-operating financial source. None of these specifically and  
18 separately identified non-recurring revenues may include any  
19 revenue that cannot be realized without a change to law. The  
20 table shall show accounts payable at the end of each fiscal  
21 year in a manner that specifically and separately identifies  
22 any general funds liabilities accrued during the current and  
23 prior fiscal years that may be paid from future fiscal years'  
24 appropriations, including, but not limited to, costs that may  
25 be paid beyond the end of the lapse period as set forth in  
26 Section 25 of the State Finance Act and costs incurred by the

1 Department on Aging. The section shall also include an estimate  
2 of individual and corporate income tax overpayments that will  
3 not be refunded before the close of the fiscal year.

4 For the budget year, the current year, and 3 prior fiscal  
5 years, the Governor shall also include in the budget estimates  
6 of or actual values for the assets and liabilities for General  
7 Assembly Retirement System, State Employees' Retirement System  
8 of Illinois, State Universities Retirement System, Teachers'  
9 Retirement System of the State of Illinois, and Judges  
10 Retirement System of Illinois.

11 The budget submitted by the Governor shall contain, in  
12 addition, in a separate book, a tabulation of all position and  
13 employment titles in each such department, office, and  
14 institution, the number of each, and the salaries for each,  
15 formulated according to divisions, bureaus, sections, offices,  
16 departments, boards, and similar subdivisions, which shall  
17 correspond as nearly as practicable to the functions and  
18 activities for which the department, office, or institution is  
19 responsible.

20 Together with the budget, the Governor shall transmit the  
21 estimates of receipts and expenditures, as received by the  
22 Director of the Governor's Office of Management and Budget, of  
23 the elective officers in the executive and judicial departments  
24 and of the University of Illinois.

25 An applicable appropriations committee of each chamber of  
26 the General Assembly, for fiscal year 2012 and thereafter, must

1 review individual line item appropriations and the total budget  
2 for each State agency, as defined in the Illinois State  
3 Auditing Act.

4 (Source: P.A. 98-460, eff. 1-1-14; 99-143, eff. 7-27-15.)

5 Section 15. The State Finance Act is amended by changing  
6 Section 13.2 as follows:

7 (30 ILCS 105/13.2) (from Ch. 127, par. 149.2)

8 Sec. 13.2. Transfers among line item appropriations.

9 (a) Transfers among line item appropriations from the same  
10 treasury fund for the objects specified in this Section may be  
11 made in the manner provided in this Section when the balance  
12 remaining in one or more such line item appropriations is  
13 insufficient for the purpose for which the appropriation was  
14 made.

15 (a-1) No transfers may be made from one agency to another  
16 agency, nor may transfers be made from one institution of  
17 higher education to another institution of higher education  
18 except as provided by subsection (a-4).

19 (a-2) Except as otherwise provided in this Section,  
20 transfers may be made only among the objects of expenditure  
21 enumerated in this Section, except that no funds may be  
22 transferred from any appropriation for personal services, from  
23 any appropriation for State contributions to the State  
24 Employees' Retirement System, from any separate appropriation

1 for employee retirement contributions paid by the employer, nor  
2 from any appropriation for State contribution for employee  
3 group insurance. During State fiscal year 2005, an agency may  
4 transfer amounts among its appropriations within the same  
5 treasury fund for personal services, employee retirement  
6 contributions paid by employer, and State Contributions to  
7 retirement systems; notwithstanding and in addition to the  
8 transfers authorized in subsection (c) of this Section, the  
9 fiscal year 2005 transfers authorized in this sentence may be  
10 made in an amount not to exceed 2% of the aggregate amount  
11 appropriated to an agency within the same treasury fund. During  
12 State fiscal year 2007, the Departments of Children and Family  
13 Services, Corrections, Human Services, and Juvenile Justice  
14 may transfer amounts among their respective appropriations  
15 within the same treasury fund for personal services, employee  
16 retirement contributions paid by employer, and State  
17 contributions to retirement systems. During State fiscal year  
18 2010, the Department of Transportation may transfer amounts  
19 among their respective appropriations within the same treasury  
20 fund for personal services, employee retirement contributions  
21 paid by employer, and State contributions to retirement  
22 systems. During State fiscal years 2010 and 2014 only, an  
23 agency may transfer amounts among its respective  
24 appropriations within the same treasury fund for personal  
25 services, employee retirement contributions paid by employer,  
26 and State contributions to retirement systems.

1 Notwithstanding, and in addition to, the transfers authorized  
2 in subsection (c) of this Section, these transfers may be made  
3 in an amount not to exceed 2% of the aggregate amount  
4 appropriated to an agency within the same treasury fund.

5 (a-2.5) During State fiscal year 2015 only, the State's  
6 Attorneys Appellate Prosecutor may transfer amounts among its  
7 respective appropriations contained in operational line items  
8 within the same treasury fund. Notwithstanding, and in addition  
9 to, the transfers authorized in subsection (c) of this Section,  
10 these transfers may be made in an amount not to exceed 4% of  
11 the aggregate amount appropriated to the State's Attorneys  
12 Appellate Prosecutor within the same treasury fund.

13 (a-3) Further, if an agency receives a separate  
14 appropriation for employee retirement contributions paid by  
15 the employer, any transfer by that agency into an appropriation  
16 for personal services must be accompanied by a corresponding  
17 transfer into the appropriation for employee retirement  
18 contributions paid by the employer, in an amount sufficient to  
19 meet the employer share of the employee contributions required  
20 to be remitted to the retirement system.

21 (a-4) Long-Term Care Rebalancing. The Governor may  
22 designate amounts set aside for institutional services  
23 appropriated from the General Revenue Fund or any other State  
24 fund that receives monies for long-term care services to be  
25 transferred to all State agencies responsible for the  
26 administration of community-based long-term care programs,



1 including, but not limited to, community-based long-term care  
2 programs administered by the Department of Healthcare and  
3 Family Services, the Department of Human Services, and the  
4 Department on Aging, provided that the Director of Healthcare  
5 and Family Services first certifies that the amounts being  
6 transferred are necessary for the purpose of assisting persons  
7 in or at risk of being in institutional care to transition to  
8 community-based settings, including the financial data needed  
9 to prove the need for the transfer of funds. The total amounts  
10 transferred shall not exceed 4% in total of the amounts  
11 appropriated from the General Revenue Fund or any other State  
12 fund that receives monies for long-term care services for each  
13 fiscal year. A notice of the fund transfer must be made to the  
14 General Assembly and posted at a minimum on the Department of  
15 Healthcare and Family Services website, the Governor's Office  
16 of Management and Budget website, and any other website the  
17 Governor sees fit. These postings shall serve as notice to the  
18 General Assembly of the amounts to be transferred. Notice shall  
19 be given at least 30 days prior to transfer.

20 (b) In addition to the general transfer authority provided  
21 under subsection (c), the following agencies have the specific  
22 transfer authority granted in this subsection:

23 The Department of Healthcare and Family Services is  
24 authorized to make transfers representing savings attributable  
25 to not increasing grants due to the births of additional  
26 children from line items for payments of cash grants to line

1 items for payments for employment and social services for the  
2 purposes outlined in subsection (f) of Section 4-2 of the  
3 Illinois Public Aid Code.

4 The Department of Children and Family Services is  
5 authorized to make transfers not exceeding 2% of the aggregate  
6 amount appropriated to it within the same treasury fund for the  
7 following line items among these same line items: Foster Home  
8 and Specialized Foster Care and Prevention, Institutions and  
9 Group Homes and Prevention, and Purchase of Adoption and  
10 Guardianship Services.

11 The Department on Aging is authorized to make transfers not  
12 exceeding 2% of the aggregate amount appropriated to it within  
13 the same treasury fund for the following Community Care Program  
14 line items among these same line items: purchase of services  
15 covered by the Community Care Program and Comprehensive Case  
16 Coordination.

17 The State Treasurer is authorized to make transfers among  
18 line item appropriations from the Capital Litigation Trust  
19 Fund, with respect to costs incurred in fiscal years 2002 and  
20 2003 only, when the balance remaining in one or more such line  
21 item appropriations is insufficient for the purpose for which  
22 the appropriation was made, provided that no such transfer may  
23 be made unless the amount transferred is no longer required for  
24 the purpose for which that appropriation was made.

25 The State Board of Education is authorized to make  
26 transfers from line item appropriations within the same

1 treasury fund for General State Aid, General State Aid - Hold  
2 Harmless, and Evidence-Based Funding, provided that no such  
3 transfer may be made unless the amount transferred is no longer  
4 required for the purpose for which that appropriation was made,  
5 to the line item appropriation for Transitional Assistance when  
6 the balance remaining in such line item appropriation is  
7 insufficient for the purpose for which the appropriation was  
8 made.

9 The State Board of Education is authorized to make  
10 transfers between the following line item appropriations  
11 within the same treasury fund: Disabled Student  
12 Services/Materials (Section 14-13.01 of the School Code),  
13 Disabled Student Transportation Reimbursement (Section  
14 14-13.01 of the School Code), Disabled Student Tuition -  
15 Private Tuition (Section 14-7.02 of the School Code),  
16 Extraordinary Special Education (Section 14-7.02b of the  
17 School Code), Reimbursement for Free Lunch/Breakfast Program,  
18 Summer School Payments (Section 18-4.3 of the School Code), and  
19 Transportation - Regular/Vocational Reimbursement (Section  
20 29-5 of the School Code). Such transfers shall be made only  
21 when the balance remaining in one or more such line item  
22 appropriations is insufficient for the purpose for which the  
23 appropriation was made and provided that no such transfer may  
24 be made unless the amount transferred is no longer required for  
25 the purpose for which that appropriation was made.

26 The Department of Healthcare and Family Services is

1 authorized to make transfers not exceeding 4% of the aggregate  
2 amount appropriated to it, within the same treasury fund, among  
3 the various line items appropriated for Medical Assistance.

4 (c) The sum of such transfers for an agency in a fiscal  
5 year shall not exceed 2% of the aggregate amount appropriated  
6 to it within the same treasury fund for the following objects:

7 Personal Services; Extra Help; Student and Inmate  
8 Compensation; State Contributions to Retirement Systems; State  
9 Contributions to Social Security; State Contribution for  
10 Employee Group Insurance; Contractual Services; Travel;  
11 Commodities; Printing; Equipment; Electronic Data Processing;  
12 Operation of Automotive Equipment; Telecommunications  
13 Services; Travel and Allowance for Committed, Paroled and  
14 Discharged Prisoners; Library Books; Federal Matching Grants  
15 for Student Loans; Refunds; Workers' Compensation,  
16 Occupational Disease, and Tort Claims; Late Interest Penalties  
17 under the State Prompt Payment Act and Sections 368a and 370a  
18 of the Illinois Insurance Code; and, in appropriations to  
19 institutions of higher education, Awards and Grants. If lump  
20 sum appropriations are enacted with a separate line item for  
21 late interest penalties payable by a State agency as provided  
22 under the State Prompt Payment Act and Sections 368a and 370a  
23 of the Illinois Insurance Code, the 2% transfer authority shall  
24 apply to the aggregate amount of these appropriations.

25 Notwithstanding the above, any amounts appropriated for  
26 payment of workers' compensation claims to an agency to which

1 the authority to evaluate, administer and pay such claims has  
2 been delegated by the Department of Central Management Services  
3 may be transferred to any other expenditure object where such  
4 amounts exceed the amount necessary for the payment of such  
5 claims.

6 (c-1) Special provisions for State fiscal year 2003.  
7 Notwithstanding any other provision of this Section to the  
8 contrary, for State fiscal year 2003 only, transfers among line  
9 item appropriations to an agency from the same treasury fund  
10 may be made provided that the sum of such transfers for an  
11 agency in State fiscal year 2003 shall not exceed 3% of the  
12 aggregate amount appropriated to that State agency for State  
13 fiscal year 2003 for the following objects: personal services,  
14 except that no transfer may be approved which reduces the  
15 aggregate appropriations for personal services within an  
16 agency; extra help; student and inmate compensation; State  
17 contributions to retirement systems; State contributions to  
18 social security; State contributions for employee group  
19 insurance; contractual services; travel; commodities;  
20 printing; equipment; electronic data processing; operation of  
21 automotive equipment; telecommunications services; travel and  
22 allowance for committed, paroled, and discharged prisoners;  
23 library books; federal matching grants for student loans;  
24 refunds; workers' compensation, occupational disease, and tort  
25 claims; and, in appropriations to institutions of higher  
26 education, awards and grants.

1 (c-2) Special provisions for State fiscal year 2005.  
2 Notwithstanding subsections (a), (a-2), and (c), for State  
3 fiscal year 2005 only, transfers may be made among any line  
4 item appropriations from the same or any other treasury fund  
5 for any objects or purposes, without limitation, when the  
6 balance remaining in one or more such line item appropriations  
7 is insufficient for the purpose for which the appropriation was  
8 made, provided that the sum of those transfers by a State  
9 agency shall not exceed 4% of the aggregate amount appropriated  
10 to that State agency for fiscal year 2005.

11 (c-3) Special provisions for State fiscal year 2015.  
12 Notwithstanding any other provision of this Section, for State  
13 fiscal year 2015, transfers among line item appropriations to a  
14 State agency from the same State treasury fund may be made for  
15 operational or lump sum expenses only, provided that the sum of  
16 such transfers for a State agency in State fiscal year 2015  
17 shall not exceed 4% of the aggregate amount appropriated to  
18 that State agency for operational or lump sum expenses for  
19 State fiscal year 2015. For the purpose of this subsection,  
20 "operational or lump sum expenses" includes the following  
21 objects: personal services; extra help; student and inmate  
22 compensation; State contributions to retirement systems; State  
23 contributions to social security; State contributions for  
24 employee group insurance; contractual services; travel;  
25 commodities; printing; equipment; electronic data processing;  
26 operation of automotive equipment; telecommunications

1 services; travel and allowance for committed, paroled, and  
2 discharged prisoners; library books; federal matching grants  
3 for student loans; refunds; workers' compensation,  
4 occupational disease, and tort claims; lump sum and other  
5 purposes; and lump sum operations. For the purpose of this  
6 subsection (c-3), "State agency" does not include the Attorney  
7 General, the Secretary of State, the Comptroller, the  
8 Treasurer, or the legislative or judicial branches.

9 (c-4) Special provisions for State fiscal year 2018.  
10 Notwithstanding any other provision of this Section, for State  
11 fiscal year 2018, transfers among line item appropriations to a  
12 State agency from the same State treasury fund may be made for  
13 operational or lump sum expenses only, provided that the sum of  
14 such transfers for a State agency in State fiscal year 2018  
15 shall not exceed 4% of the aggregate amount appropriated to  
16 that State agency for operational or lump sum expenses for  
17 State fiscal year 2018. For the purpose of this subsection  
18 (c-4), "operational or lump sum expenses" includes the  
19 following objects: personal services; extra help; student and  
20 inmate compensation; State contributions to retirement  
21 systems; State contributions to social security; State  
22 contributions for employee group insurance; contractual  
23 services; travel; commodities; printing; equipment; electronic  
24 data processing; operation of automotive equipment;  
25 telecommunications services; travel and allowance for  
26 committed, paroled, and discharged prisoners; library books;

1 federal matching grants for student loans; refunds; workers'  
2 compensation, occupational disease, and tort claims; lump sum  
3 and other purposes; and lump sum operations. For the purpose of  
4 this subsection (c-4), "State agency" does not include the  
5 Attorney General, the Secretary of State, the Comptroller, the  
6 Treasurer, or the legislative or judicial branches.

7 (d) Transfers among appropriations made to agencies of the  
8 Legislative and Judicial departments and to the  
9 constitutionally elected officers in the Executive branch  
10 require the approval of the officer authorized in Section 10 of  
11 this Act to approve and certify vouchers. Transfers among  
12 appropriations made to the University of Illinois, Southern  
13 Illinois University, Chicago State University, Eastern  
14 Illinois University, Governors State University, Illinois  
15 State University, Northeastern Illinois University, Northern  
16 Illinois University, Western Illinois University, the Illinois  
17 Mathematics and Science Academy and the Board of Higher  
18 Education require the approval of the Board of Higher Education  
19 and the Governor. Transfers among appropriations to all other  
20 agencies require the approval of the Governor.

21 The officer responsible for approval shall certify that the  
22 transfer is necessary to carry out the programs and purposes  
23 for which the appropriations were made by the General Assembly  
24 and shall transmit to the State Comptroller a certified copy of  
25 the approval which shall set forth the specific amounts  
26 transferred so that the Comptroller may change his records



1 accordingly. The Comptroller shall furnish the Governor with  
2 information copies of all transfers approved for agencies of  
3 the Legislative and Judicial departments and transfers  
4 approved by the constitutionally elected officials of the  
5 Executive branch other than the Governor, showing the amounts  
6 transferred and indicating the dates such changes were entered  
7 on the Comptroller's records.

8 (e) The State Board of Education, in consultation with the  
9 State Comptroller, may transfer line item appropriations for  
10 General State Aid or Evidence-Based Funding between the Common  
11 School Fund and the Education Assistance Fund. With the advice  
12 and consent of the Governor's Office of Management and Budget,  
13 the State Board of Education, in consultation with the State  
14 Comptroller, may transfer line item appropriations between the  
15 General Revenue Fund and the Education Assistance Fund for the  
16 following programs:

17 (1) Disabled Student Personnel Reimbursement (Section  
18 14-13.01 of the School Code);

19 (2) Disabled Student Transportation Reimbursement  
20 (subsection (b) of Section 14-13.01 of the School Code);

21 (3) Disabled Student Tuition - Private Tuition  
22 (Section 14-7.02 of the School Code);

23 (4) Extraordinary Special Education (Section 14-7.02b  
24 of the School Code);

25 (5) Reimbursement for Free Lunch/Breakfast Programs;

26 (6) Summer School Payments (Section 18-4.3 of the

1 School Code);

2 (7) Transportation - Regular/Vocational Reimbursement  
3 (Section 29-5 of the School Code);

4 (8) Regular Education Reimbursement (Section 18-3 of  
5 the School Code); and

6 (9) Special Education Reimbursement (Section 14-7.03  
7 of the School Code).

8 (Source: P.A. 99-2, eff. 3-26-15; 100-23, eff. 7-6-17; 100-465,  
9 eff. 8-31-17; revised 10-4-17.)

10 Section 20. The Governor's Office of Management and Budget  
11 Act is amended by changing Section 7.3 as follows:

12 (20 ILCS 3005/7.3)

13 Sec. 7.3. Annual economic and fiscal policy report. No  
14 later than November 15 of each year, the Governor's Office of  
15 Management and Budget shall submit an economic and fiscal  
16 policy report to the General Assembly. The report must outline  
17 the long-term economic and fiscal policy objectives of the  
18 State, the economic and fiscal policy intentions for the  
19 upcoming fiscal year, and the economic and fiscal policy  
20 intentions for the following 4 fiscal years. The report must  
21 highlight the total level of revenue, expenditure, deficit or  
22 surplus, and debt with respect to each of the reporting  
23 categories. The report must include any assumptions concerning  
24 tax rates and fees used to determine revenue and expenditures

1 for future fiscal years. The report must include a comparison  
2 of the enacted current fiscal year budget to the current fiscal  
3 year outlook, and, if applicable, must outline any budgetary  
4 shortfalls and fiscal and policy options that the Office will  
5 pursue to remedy those budgetary shortfalls. If the projected  
6 expenditures for any of the following 4 fiscal years exceeds  
7 the corresponding fiscal year projected revenues, then the  
8 report must outline fiscal and policy options that the Office  
9 will pursue to remedy the budgetary shortfall. The report must  
10 include: (1) an estimate of Late Interest Penalties under the  
11 State Prompt Payment Act for the upcoming fiscal year and  
12 projections of the same for each of the following 4 fiscal  
13 years; and (2) an estimate of interest penalties under Sections  
14 368a and 370a of the Illinois Insurance Code for the upcoming  
15 fiscal year and projections of the same for each of the  
16 following 4 fiscal years. The report must include an agency  
17 categorization key for the reporting categories. The report  
18 must be posted on the Office's Internet website and allow  
19 members of the public to post comments concerning the report.  
20 (Source: P.A. 98-692, eff. 7-1-14; 99-854, eff. 8-19-16.)

21 Section 25. The State Prompt Payment Act is amended by  
22 changing Section 3-2, adding Section 3-6 as follows:

23 (30 ILCS 540/3-2)

24 Sec. 3-2. Beginning July 1, 1993, in any instance where a

1 State official or agency is late in payment of a vendor's bill  
2 or invoice for goods or services furnished to the State, as  
3 defined in Section 1, properly approved in accordance with  
4 rules promulgated under Section 3-3, the State official or  
5 agency shall pay interest to the vendor in accordance with the  
6 following:

7 (1) Any bill, except a bill submitted under Article V  
8 of the Illinois Public Aid Code and except as provided  
9 under paragraph (1.05) of this Section, approved for  
10 payment under this Section must be paid or the payment  
11 issued to the payee within 60 days of receipt of a proper  
12 bill or invoice. If payment is not issued to the payee  
13 within this 60-day period, an interest penalty of 1.0% of  
14 any amount approved and unpaid shall be added for each  
15 month or fraction thereof after the end of this 60-day  
16 period, until final payment is made. Any bill, except a  
17 bill for pharmacy or nursing facility services or goods,  
18 and except as provided under paragraph (1.05) of this  
19 Section, submitted under Article V of the Illinois Public  
20 Aid Code approved for payment under this Section must be  
21 paid or the payment issued to the payee within 60 days  
22 after receipt of a proper bill or invoice, and, if payment  
23 is not issued to the payee within this 60-day period, an  
24 interest penalty of 2.0% of any amount approved and unpaid  
25 shall be added for each month or fraction thereof after the  
26 end of this 60-day period, until final payment is made. Any

1 bill for pharmacy or nursing facility services or goods  
2 submitted under Article V of the Illinois Public Aid Code,  
3 except as provided under paragraph (1.05) of this Section,  
4 and approved for payment under this Section must be paid or  
5 the payment issued to the payee within 60 days of receipt  
6 of a proper bill or invoice. If payment is not issued to  
7 the payee within this 60-day period, an interest penalty of  
8 1.0% of any amount approved and unpaid shall be added for  
9 each month or fraction thereof after the end of this 60-day  
10 period, until final payment is made.

11 (1.05) For State fiscal year 2012 and future fiscal  
12 years, any bill approved for payment under this Section  
13 must be paid or the payment issued to the payee within 90  
14 days of receipt of a proper bill or invoice. If payment is  
15 not issued to the payee within this 90-day period, an  
16 interest penalty of 1.0% of any amount approved and unpaid  
17 shall be added for each month, or 0.033% (one-thirtieth of  
18 one percent) of any amount approved and unpaid for each  
19 day, after the end of this 90-day period, until final  
20 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  
25 shall notify the vendor requesting payment as soon as  
26 possible after discovering the defect pursuant to rules

1 promulgated under Section 3-3; provided, however, that the  
2 notice for construction related bills or invoices must be  
3 given not later than 30 days after the bill or invoice was  
4 first submitted. The notice shall identify the defect and  
5 any additional information necessary to correct the  
6 defect. If one or more items on a construction related bill  
7 or invoice are disapproved, but not the entire bill or  
8 invoice, then the portion that is not disapproved shall be  
9 paid.

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. Except as provided in  
19 paragraph (4), an individual interest payment amounting to  
20 \$5 or less shall not be paid by the State. Interest due to  
21 a vendor that amounts to greater than \$5 and less than \$50  
22 shall not be paid but shall be accrued until all interest  
23 due the vendor for all similar warrants exceeds \$50, at  
24 which time the accrued interest shall be payable and  
25 interest will begin accruing again, except that interest  
26 accrued as of the end of the fiscal year that does not

1 exceed \$50 shall be payable at that time. In the event an  
2 individual has paid a vendor for services in advance, the  
3 provisions of this Section shall apply until payment is  
4 made to that individual.

5 (3) The provisions of Public Act 96-1501 reducing the  
6 interest rate on pharmacy claims under Article V of the  
7 Illinois Public Aid Code to 1.0% per month shall apply to  
8 any pharmacy bills for services and goods under Article V  
9 of the Illinois Public Aid Code received on or after the  
10 date 60 days before January 25, 2011 (the effective date of  
11 Public Act 96-1501) except as provided under paragraph  
12 (1.05) of this Section.

13 (4) Interest amounting to less than \$5 shall not be  
14 paid by the State, except for claims (i) to the Department  
15 of Healthcare and Family Services or the Department of  
16 Human Services, (ii) pursuant to Article V of the Illinois  
17 Public Aid Code, the Covering ALL KIDS Health Insurance  
18 Act, or the Children's Health Insurance Program Act, and  
19 (iii) made (A) by pharmacies for prescriptive services or  
20 (B) by any federally qualified health center for  
21 prescriptive services or any other services.

22 Notwithstanding any provision to the contrary, interest  
23 may not be paid under this Act when: (1) a Chief Procurement  
24 Officer has voided the underlying contract for goods or  
25 services under Article 50 of the Illinois Procurement Code; or  
26 (2) the Auditor General is conducting a performance or program

1 audit, and the Comptroller has held or is holding for review a  
2 related contract or vouchers for payment of goods or services  
3 in the exercise of duties under Section 9 of the State  
4 Comptroller Act. In such event, interest shall not accrue  
5 during the pendency of the Auditor General's review.

6 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;  
7 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.  
8 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.  
9 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932,  
10 eff. 8-10-12; 97-1142, eff. 12-28-12.)

11 (30 ILCS 540/3-6 new)

12 Sec. 3-6. Interest penalty separate appropriation.  
13 Interest penalties that may be payable by a State agency under  
14 this Act and under Sections 368a and 370a of the Illinois  
15 Insurance Code shall be paid from a separate appropriation from  
16 each fund for such purpose and for each appropriated agency.

17 Section 99. Effective date. This Act takes effect July 1,  
18 2018."