



Sen. Laura M. Murphy

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LRB100 04950 RJF 39496 a

1 AMENDMENT TO SENATE BILL 44

2 AMENDMENT NO. _____. Amend Senate Bill 44 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Prompt Payment Act is amended by
5 changing Section 3-2 as follows:

6 (30 ILCS 540/3-2)

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) This paragraph (1) applies to bills approved for
15 payment prior to July 1, 2018. Any bill, except a bill
16 submitted under Article V of the Illinois Public Aid Code

1 and except as provided under paragraphs ~~paragraph~~ (1.05)
2 and (1.06) of this Section, approved for payment under this
3 Section must be paid or the payment issued to the payee
4 within 60 days of receipt of a proper bill or invoice. If
5 payment is not issued to the payee within this 60-day
6 period, an interest penalty of 1.0% of any amount approved
7 and unpaid shall be added for each month or fraction
8 thereof after the end of this 60-day period, until final
9 payment is made. Any bill, except a bill for pharmacy or
10 nursing facility services or goods, and except as provided
11 under paragraphs ~~paragraph~~ (1.05) and (1.06) of this
12 Section, submitted under Article V of the Illinois Public
13 Aid Code approved for payment under this Section must be
14 paid or the payment issued to the payee within 60 days
15 after receipt of a proper bill or invoice, and, if payment
16 is not issued to the payee within this 60-day period, an
17 interest penalty of 2.0% of any amount approved and unpaid
18 shall be added for each month or fraction thereof after the
19 end of this 60-day period, until final payment is made. Any
20 bill for pharmacy or nursing facility services or goods
21 submitted under Article V of the Illinois Public Aid Code,
22 except as provided under paragraphs ~~paragraph~~ (1.05) and
23 (1.06) of this Section, and approved for payment under this
24 Section must be paid or the payment issued to the payee
25 within 60 days of receipt of a proper bill or invoice. If
26 payment is not issued to the payee within this 60-day

1 period, an interest penalty of 1.0% of any amount approved
2 and unpaid shall be added for each month or fraction
3 thereof after the end of this 60-day period, until final
4 payment is made.

5 (1.05) For State fiscal year 2012 and through June 30,
6 2018 ~~future fiscal years~~, any bill approved for payment
7 under this Section must be paid or the payment issued to
8 the payee within 90 days of receipt of a proper bill or
9 invoice. If payment is not issued to the payee within this
10 90-day period, an interest penalty of 1.0% of any amount
11 approved and unpaid shall be added for each month, or
12 0.033% (one-thirtieth of one percent) of any amount
13 approved and unpaid for each day, after the end of this
14 90-day period, until final payment is made.

15 (1.06) This paragraph (1.06) applies to bills approved
16 for payment on or after July 1, 2018. By July 1, 2018, and
17 by July 1 of each year thereafter, the State Comptroller
18 shall determine the prompt payment interest rate for the
19 fiscal year beginning on that July 1. Any bill approved for
20 payment under this Section on or after July 1, 2018 must be
21 paid or the payment issued to the payee within 90 days of
22 receipt of a proper bill or invoice. If payment is not
23 issued to the payee within this 90-day period, an interest
24 penalty calculated using the prompt payment interest rate
25 shall be added for each month or fraction thereof after the
26 end of this 90-day period until final payment is made. For

1 the purposes of this paragraph (1.06), the prompt payment
2 interest rate shall be decreased from (i) 1% per month (or
3 0.033% per day) for bills approved for payment prior to
4 July 1, 2018 to (ii) the greater of (A) 0.25% per month (or
5 an annual rate of 3%) or (B) an annual rate of 2 times the
6 percentage increase, if any, in the Consumer Price Index
7 For All Urban Consumers during the 12-month period
8 immediately preceding that July 1 for bills approved for
9 payment on or after July 1, 2018.

10 (1.1) A State agency shall review in a timely manner
11 each bill or invoice after its receipt. If the State agency
12 determines that the bill or invoice contains a defect
13 making it unable to process the payment request, the agency
14 shall notify the vendor requesting payment as soon as
15 possible after discovering the defect pursuant to rules
16 promulgated under Section 3-3; provided, however, that the
17 notice for construction related bills or invoices must be
18 given not later than 30 days after the bill or invoice was
19 first submitted. The notice shall identify the defect and
20 any additional information necessary to correct the
21 defect. If one or more items on a construction related bill
22 or invoice are disapproved, but not the entire bill or
23 invoice, then the portion that is not disapproved shall be
24 paid.

25 (2) Where a State official or agency is late in payment
26 of a vendor's bill or invoice properly approved in

1 accordance with this Act, and different late payment terms
2 are not reduced to writing as a contractual agreement, the
3 State official or agency shall automatically pay interest
4 penalties required by this Section amounting to \$50 or more
5 to the appropriate vendor. Each agency shall be responsible
6 for determining whether an interest penalty is owed and for
7 paying the interest to the vendor. Except as provided in
8 paragraph (4), an individual interest payment amounting to
9 \$5 or less shall not be paid by the State. Interest due to
10 a vendor that amounts to greater than \$5 and less than \$50
11 shall not be paid but shall be accrued until all interest
12 due the vendor for all similar warrants exceeds \$50, at
13 which time the accrued interest shall be payable and
14 interest will begin accruing again, except that interest
15 accrued as of the end of the fiscal year that does not
16 exceed \$50 shall be payable at that time. In the event an
17 individual has paid a vendor for services in advance, the
18 provisions of this Section shall apply until payment is
19 made to that individual.

20 (3) The provisions of Public Act 96-1501 reducing the
21 interest rate on pharmacy claims under Article V of the
22 Illinois Public Aid Code to 1.0% per month shall apply to
23 any pharmacy bills for services and goods under Article V
24 of the Illinois Public Aid Code received on or after the
25 date 60 days before January 25, 2011 (the effective date of
26 Public Act 96-1501) except as provided under paragraph

1 (1.05) of this Section.

2 (4) Interest amounting to less than \$5 shall not be
3 paid by the State, except for claims (i) to the Department
4 of Healthcare and Family Services or the Department of
5 Human Services, (ii) pursuant to Article V of the Illinois
6 Public Aid Code, the Covering ALL KIDS Health Insurance
7 Act, or the Children's Health Insurance Program Act, and
8 (iii) made (A) by pharmacies for prescriptive services or
9 (B) by any federally qualified health center for
10 prescriptive services or any other services.

11 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
12 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
13 1-25-11; 96-1530, eff. 2-16-11; 97-72, eff. 7-1-11; 97-74, eff.
14 6-30-11; 97-348, eff. 8-12-11; 97-813, eff. 7-13-12; 97-932,
15 eff. 8-10-12; 97-1142, eff. 12-28-12.)

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