

1 AN ACT concerning State government.

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)

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, except a bill submitted under Article V
15 of the Illinois Public Aid Code, approved for payment under
16 this Section must be paid or the payment issued to the
17 payee within 60 days of receipt of a proper bill or
18 invoice. If payment is not issued to the payee within this
19 60-day ~~60-day~~ period, an interest penalty of 1.0% of any
20 amount approved and unpaid shall be added for each month or
21 fraction thereof after the end of this 60-day ~~60-day~~
22 period, until final payment is made. Any bill, except a
23 bill for pharmacy or nursing facility services or goods,

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

18 (1.1) A State agency shall review in a timely manner
19 each bill or invoice after its receipt. If the State agency
20 determines that the bill or invoice contains a defect
21 making it unable to process the payment request, the agency
22 shall notify the vendor requesting payment as soon as
23 possible after discovering the defect pursuant to rules
24 promulgated under Section 3-3; provided, however, that the
25 notice for construction related bills or invoices must be
26 given not later than 30 days after the bill or invoice was

1 first submitted. The notice shall identify the defect and
2 any additional information necessary to correct the
3 defect. If one or more items on a construction related bill
4 or invoice are disapproved, but not the entire bill or
5 invoice, then the portion that is not disapproved shall be
6 paid.

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

26 (3) The provisions of Public Act 96-1501 ~~this~~

1 ~~amendatory Act of the 96th General Assembly~~ reducing the
2 interest rate on pharmacy claims under Article V of the
3 Illinois Public Aid Code to 1.0% per month shall apply to
4 any pharmacy bills for services and goods under Article V
5 of the Illinois Public Aid Code received on or after the
6 date 60 days before January 25, 2011 (the effective date of
7 Public Act 96-1501) ~~this amendatory Act of the 96th General~~
8 ~~Assembly.~~

9 (Source: P.A. 96-555, eff. 8-18-09; 96-802, eff. 1-1-10;
10 96-959, eff. 7-1-10; 96-1000, eff. 7-2-10; 96-1501, eff.
11 1-25-11; 96-1530, eff. 2-16-11; revised 2-22-11.)