

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 Comptroller Act is amended by changing
5 Section 9.03 as follows:

6 (15 ILCS 405/9.03) (from Ch. 15, par. 209.03)

7 Sec. 9.03. Direct deposit of State payments.

8 (a) The Comptroller, with the approval of the State
9 Treasurer, may provide by rule or regulation for the direct
10 deposit of any payment lawfully payable from the State Treasury
11 and in accordance with federal banking regulations including
12 but not limited to payments to (i) persons paid from personal
13 services, (ii) persons receiving benefit payments from the
14 Comptroller under the State pension systems, (iii) individuals
15 who receive assistance under Articles III, IV, and VI of the
16 Illinois Public Aid Code, (iv) providers of services under the
17 Mental Health and Developmental Disabilities Administrative
18 Act, (v) providers of community-based mental health services,
19 and (vi) providers of services under programs administered by
20 the State Board of Education, in the accounts of those persons
21 or entities maintained at a bank, savings and loan association,
22 or credit union, where authorized by the payee. The Comptroller
23 also may deposit public aid payments for individuals who

1 receive assistance under Articles III, IV, VI, and X of the
2 Illinois Public Aid Code directly into an electronic benefits
3 transfer account in a financial institution approved by the
4 State Treasurer as prescribed by the Illinois Department of
5 Human Services and in accordance with the rules and regulations
6 of that Department and the rules and regulations adopted by the
7 Comptroller and the State Treasurer. The Comptroller, with the
8 approval of the State Treasurer, may provide by rule for the
9 electronic direct deposit of payments to public agencies and
10 any other payee of the State. The electronic direct deposits
11 may be made to the designated account in those financial
12 institutions specified in this Section for the direct deposit
13 of payments. Within 6 months after the effective date of this
14 amendatory Act of 1994, the Comptroller shall establish a pilot
15 program for the electronic direct deposit of payments to local
16 school districts, municipalities, and units of local
17 government. The payments may be made without the use of the
18 voucher-warrant system, provided that documentation of
19 approval by the Treasurer of each group of payments made by
20 direct deposit shall be retained by the Comptroller. The form
21 and method of the Treasurer's approval shall be established by
22 the rules or regulations adopted by the Comptroller under this
23 Section.

24 (b) Except as provided in subsection (b-5), all ~~All~~ State
25 payments for an employee's payroll or an employee's expense
26 reimbursement must be made through direct deposit. It is the

1 responsibility of the paying State agency to ensure compliance
2 with this mandate. If a State agency pays an employee's payroll
3 or an employee's expense reimbursement without using direct
4 deposit, the Comptroller may charge that employee a processing
5 fee of \$2.50 per paper warrant. The processing fee may be
6 withheld from the employee's payment or reimbursement. The
7 amount collected from the fee shall be deposited into the
8 Comptroller's Administrative Fund.

9 (b-5) If an employee wants their payments deposited into a
10 secure check account, the employee must submit a direct deposit
11 form to the paying State agency for their payroll or to the
12 Comptroller for their expense reimbursements. Upon acceptance
13 of the direct deposit form, the Comptroller shall disburse
14 those funds to the secure check account. For the purposes of
15 this Section, "secure check account" means an account
16 established with a financial institution for the employee that
17 allows the dispensing of the funds in the account through a
18 third party who dispenses to the employee a paper check.

19 (c) All State payments to a vendor that exceed the
20 allowable limit of paper warrants in a fiscal year, by the same
21 agency, must be made through direct deposit. It is the
22 responsibility of the paying State agency to ensure compliance
23 with this mandate. If a State agency pays a vendor more times
24 than the allowable limit in a single fiscal year without using
25 direct deposit, the Comptroller may charge the vendor a
26 processing fee of \$2.50 per paper warrant. The processing fee

1 may be withheld from the vendor's payment. The amount collected
2 from the processing fee shall be deposited into the
3 Comptroller's Administrative Fund. The Office of the
4 Comptroller shall define "allowable limit" in the
5 Comptroller's Statewide Accounting Management System (SAMS)
6 manual, except that the allowable limit shall not be less than
7 30 paper warrants. The Office of the Comptroller shall also
8 provide reasonable notice to all State agencies of the
9 allowable limit of paper warrants.

10 (d) State employees covered by provisions in collective
11 bargaining agreements that do not require direct deposit of
12 paychecks are exempt from this mandate. No later than 60 days
13 after the effective date of this amendatory Act of the 97th
14 General Assembly, all State agencies must provide to the Office
15 of the Comptroller a list of employees that are exempt under
16 this subsection (d) from the direct deposit mandate. In
17 addition, a State employee or vendor may file a hardship
18 petition with the Office of the Comptroller requesting an
19 exemption from the direct deposit mandate under this Section. A
20 hardship petition shall be made available for download on the
21 Comptroller's official Internet website.

22 (e) Notwithstanding any provision of law to the contrary,
23 the direct deposit of State payments under this Section for an
24 employee's payroll, an employee's expense reimbursement, or a
25 State vendor's payment does not authorize the State to
26 automatically withdraw funds from those accounts.

1 (f) For the purposes of this Section, "vendor" means a
2 non-governmental entity with a taxpayer identification number
3 issued by the Social Security Administration or Internal
4 Revenue Service that receives payments through the
5 Comptroller's commercial system. The term does not include
6 State agencies.

7 (g) The requirements of this Section do not apply to the
8 legislative or judicial branches of State government.

9 (Source: P.A. 97-348, eff. 8-12-11.)

10 Section 99. Effective date. This Act takes effect 30 days
11 after becoming law.