

1 AN ACT concerning prompt payment.

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 Sections 1, 3-2, 3-3, 4, and 5 and by adding Section
6 3-4 as follows:

7 (30 ILCS 540/1) (from Ch. 127, par. 132.401)

8 Sec. 1. This Act applies to any State official or agency
9 authorized to provide for payment from State funds, by virtue
10 of any appropriation of the General Assembly, for goods or
11 services furnished to the State.

12 ~~Except--as--provided--in--Section--2-1,~~ For purposes of this
13 Act, "goods or services furnished to the State" include but
14 are not limited to covered health care provided to eligible
15 members and their covered dependents in accordance with the
16 State Employees Group Insurance Act of 1971, including
17 coverage through a physician-owned health maintenance
18 organization under Section 6.1 of that Act.

19 For the purposes of this Act, "appropriate State official
20 or agency" is defined as the Director or Chief Executive or
21 his designee of that State agency or department or facility
22 of such agency or department. With respect to covered health
23 care provided to eligible members and their dependents in
24 accordance with the State Employees Group Insurance Act of
25 1971, "appropriate State official or agency" also includes an
26 administrator of a program of health benefits under that Act.

27 As used in this Act, "eligible member" means a member who
28 is eligible for health benefits under the State Employees
29 Group Insurance Act of 1971, and "member" and "dependent"
30 have the meanings ascribed to those terms in that Act.

31 As used in this Act, "a proper bill or invoice" means a

1 bill or invoice that includes the information necessary for
2 processing the payment as may be specified by a State agency
3 and in rules adopted in accordance with this Act.

4 (Source: P.A. 91-266, eff. 7-23-99.)

5 (30 ILCS 540/3-2) (from Ch. 127, par. 132.403-2)

6 Sec. 3-2. Beginning July 1, 1993, in any instance where
7 a State official or agency is late in payment of a vendor's
8 bill or invoice for goods or services furnished to the State,
9 as defined in Section 1, properly approved in accordance with
10 rules promulgated under Section 3-3, the State official or
11 agency shall pay interest to the vendor in accordance with
12 the following:

13 (1) Any bill approved for payment under this
14 Section must be paid or the payment issued mailed to the
15 payee within 60 days of receipt of a proper bill or
16 invoice ~~the--date-of-approval~~. If payment is not issued
17 ~~made-or-mailed~~ to the payee within this 60 day period, an
18 interest penalty of 1.0% of any amount approved and
19 unpaid shall be added for each month or fraction thereof
20 after the end of this 60 day period, until final payment
21 is made.

22 (1.1) A State agency shall review in a timely
23 manner each bill or invoice after its receipt. If the
24 State agency determines that the bill or invoice contains
25 a defect making it unable to process the payment request,
26 the agency shall notify the vendor requesting payment as
27 soon as possible after discovering the defect pursuant to
28 rules promulgated under Section 3-3. The notice shall
29 identify the defect and any additional information
30 necessary to correct the defect.

31 (2) Where a State official or agency is late in
32 payment of a vendor's bill or invoice properly approved
33 in accordance with this Act, and different late payment

1 terms are not reduced to writing as a contractual
2 agreement, the State official or agency shall
3 automatically pay interest penalties required by this
4 Section amounting to \$50 or more to the appropriate
5 vendor. Each agency shall be responsible for determining
6 whether an interest penalty is owed and for paying the
7 interest to the vendor. For interest of at least \$5 but
8 less than \$50, the vendor must initiate a written request
9 for the interest penalty when such interest is due and
10 payable. The Department of Central Management Services
11 and the State Comptroller shall jointly promulgate rules
12 establishing the conditions under which interest of less
13 than \$5 may be claimed and paid. In the event an
14 individual has paid a vendor for services in advance, the
15 provisions of this Section shall apply until payment is
16 made to that individual.

17 (Source: P.A. 87-1232; 88-494.)

18 (30 ILCS 540/3-3) (from Ch. 127, par. 132.403-3)

19 Sec. 3-3. The State Comptroller and the Department of
20 Central Management Services shall jointly promulgate rules
21 and policies to govern the uniform application of this Act.
22 These rules and policies shall include procedures and time
23 frames for approving a bill or invoice from a vendor for
24 goods or services furnished to the State. These rules and
25 policies shall provide for procedures and time frames
26 applicable to payment plans as may be agreed upon between
27 State agencies and vendors. These rules and policies shall be
28 binding on all officials and agencies under this Act's
29 jurisdiction. These rules and policies may be made effective
30 no earlier than July 1, 1993.

31 (Source: P.A. 88-554, eff. 7-26-94; 89-21, eff. 7-1-95.)

32 (30 ILCS 540/3-4 new)

1 Sec. 3-4. The State Comptroller must specify the manner
 2 in which State agencies shall record interest penalty
 3 payments made under this Act. The State Comptroller may
 4 require vouchers submitted for payment, including submission
 5 by electronic or other means approved by the Comptroller, to
 6 indicate the appropriate date from which interest penalties
 7 may be calculated as required under this Act.

8 (30 ILCS 540/4) (from Ch. 127, par. 132.404)

9 Sec. 4. Nothing in this Act ~~Neither--Section--2--nor~~
 10 ~~Section--3~~ shall be construed to deprive the Comptroller of
 11 his power to examine vouchers as specified in the State
 12 Comptroller Act.

13 (Source: P.A. 86-1475.)

14 (30 ILCS 540/5) (from Ch. 127, par. 132.405)

15 Sec. 5. The State remittance invoice-or-voucher shall
 16 indicate that payment of interest may be available for
 17 failure to comply with this Act.

18 (Source: P.A. 85-1159.)

19 Section 99. Effective date. This Section takes effect
 20 upon becoming law. Section 5 takes effect upon becoming law
 21 solely for the purpose of allowing the State Comptroller and
 22 the Department of Central Management Services to promulgate
 23 rules for the implementation of this Act. Section 5 for all
 24 other purposes takes effect July 1, 2002.